



# GCP Sustainable Coffee Purchases Snapshot 2022

2022 Sustainable Coffee Purchases by GCP Roaster & Retailer Members

# With Thanks

We gratefully acknowledge the following GCP Members for their cooperation, transparency, and commitment to create a thriving and sustainable coffee sector for all:

- JDE Peet's
- Julius Meinl
- Keurig Dr Pepper
- Melitta Group
- Nestlé
- SUPRACAFÉ
- Tesco
- Westrock Coffee Company

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#### Introduction

2022 saw important progress on the journey towards a thriving and sustainable coffee sector. Global Coffee Platform (GCP) Members endorsed the new strategic direction with the aspirational 2030 goal of transformational change on the prosperity of more than one million coffee farmers in more than 10 countries, and GCP's two-tier strategy and business plan were developed with essential input and advice from members, national coffee leaders and partners.

To achieve this ambitious goal, GCP has enabled its members and partners to expand collective action locally with Country Platforms through coinvestments into targeted programs designed to reduce the living income gap and advance sustainable coffee production, and globally through increasing transparency and demand for sustainable coffee, moving towards sustainable sourcing.

As part of its global strategy, GCP announced the worldwide release of the GCP Equivalence Mechanism 2.0, including five new sustainability schemes and one new GCP Member to its Collective Reporting on Sustainable Coffee Purchases, culminating in this annual report, the GCP Snapshot 2022.

Utilizing GCP tools such as the foundational Baseline Coffee Code, now revised as the Coffee Sustainability Reference Code, and the GCP Equivalence Mechanism, roasters, retailers, and coffee supply chain partners worked together to increase purchases of sustainable coffees and provide transparent insights into their progress made. Demonstrating commitment to transparency and to increasing demand for sustainable coffees, all GCP Members are invited to further explore and collaborate on innovative solutions to accelerate sustainable supply chain evolution in ways that better reflect shared responsibility for sustainability.

GCP acknowledges:

JDE Peet's, Julius Meinl, Keurig Dr Pepper, Melitta Group, Nestlé, SUPRACAFÉ, Tesco and Westrock Coffee Company

for their cooperation, dedication and leadership in sharing their 2022 sustainable coffee purchase figures, thereby making possible this publication.

#### Context

The GCP Snapshot 2022 sheds light on the progress made by participating companies – a brave and transparent collective effort at a time of continued global crises such as climate change and biodiversity loss, Russia's war on Ukraine and the related severe implications on global food security, and strained energy and financial systems, while the world has not yet recovered from the impacts of recent international health crises.

As regulatory, financial, and reporting requirements continue to evolve, the reporting companies are providing substantial leadership to foster increased production and consumption of sustainable coffees.

The information presented in the following pages supports GCP's global strategy to continually increase the production and purchase of coffees from origins throughout the world towards 100% sustainable production and sustainable sourcing. This is an important pathway to contribute to the 2030 goal and ultimately to GCP's mission of promoting coffee farmers' prosperity, social wellbeing, and the conservation of nature.

To continue this drive, robust partnerships, including public-private collaboration, are essential. Therefore, GCP has been deepening partnerships, including that with the International Coffee Organization (ICO). Following GCP's Call to Action in 2019, and the ICO London Declaration thereafter, GCP has been collaborating in the ICO Coffee Public-Private Task Force (CPPTF) to build a sector-wide 2030 roadmap.

In context of this roadmap, the CPPTF welcomed and endorsed GCP Collective Reporting on Sustainable Coffee Purchases as a mechanism to monitor progress and to increase market transparency in measurable ways. GCP acknowledges this recognition and ICO's own efforts to promote further participation in GCP Collective Reporting to build and strengthen existing sustainability efforts in the sector.

GCP also appreciates the important contribution to transparency on sustainability commitments through the periodical publication of the Coffee Barometer, as well as the Sustainable Coffee Challenge Commitment Hub Report, and encourages its members to engage and contribute their insights to these essential complementary publications.

# Influence and growth

Over the past five years, GCP's Collective Reporting has been driven by prominent coffee companies. The resulting report, this GCP Snapshot 2022, provides transparent information showing the sector how increases of sustainable coffee purchases are expanding the global marketplace for sustainable coffees.

#### Highlights include:

- The 2022 Snapshot shows the highest growth in the overall sustainable coffee purchase volumes reported by coffee roasters and retailers in GCP's Collective Reporting since 2018.
- For the first time, the share of reported total sustainable coffee purchases, over 26 million bags, climbed up to over 70% of the total reported green coffee volume.
- The report also shows growth in the number of GCP-recognized sustainability schemes and a slight increase in the number of coffee-producing countries recorded.
- Despite the change in composition of participating companies, and the continuous increase in the number of GCP-recognized sustainability schemes, this year's remarkable growth in the share of the overall sustainable coffee purchase volumes showcases the increasing market uptake of sustainability schemes, particularly some of those categorized by GCP as "2nd party schemes".
- This year, five of the reporting GCP Members JDE Peet's, Julius Meinl, Nestlé, SUPRACAFÉ and Tesco have taken transparency a step further and agreed to include their sustainable coffee purchase figures disaggregated according to country groups: Latin America (excluding Brazil), Africa, Asia-Pacific (excluding Vietnam) and Brazil & Vietnam combined. Participants were able to opt in to this extra reporting effort.
- A new feature in this 2022 report is the inclusion of short summary introductions of all GCP-recognized sustainability schemes, who were eligible for the 2022 reporting round.

Note: GCP-recognized schemes are schemes that have been assessed by GCP and recognized as equivalent to the Baseline Coffee Code either as  $3^{\rm rd}$  party or  $2^{\rm nd}$  party.

### **Volumes reported**

While growth evidenced in this report is encouraging, more work is needed. On its way towards sustainable sourcing, the coffee sector must urgently step up, internalize social and environmental costs of sustainable coffee production, and effectively address systemic challenges.

In particular, the sector must address the inability of earning a living, prosperous income faced by millions of coffee smallholders that will be further aggravated by climate change, and increasing regulatory compliance requirements.

Achieving a living income and ultimately farmers' prosperity requires unseen individual and collaborative efforts in shared responsibility – locally and globally – along with targeted investments supporting transformational change.

Improving coffee farmers' livelihoods through sustainable coffee and other income sources will enable effective responses to climate change, foster better working conditions and advance supply chain traceability – and by that prepare for increasing regulatory requirements.

Dedicated collective action on farmers' prosperity and sustainability is key to inspire next generations to become coffee agripreneurs and achieve resilient, regenerative farming systems at scale to ensure supply of sustainable coffee from diverse origins for the millions of coffee lovers worldwide.

**2,179,998 MT** 36,333,300 60 kg bags

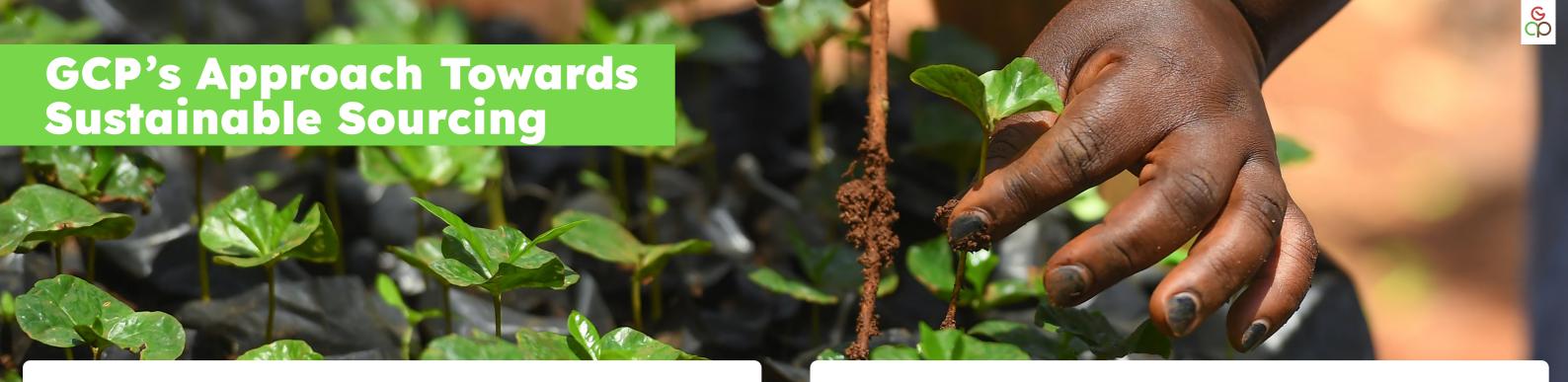
total amount of green coffee received by reporting companies

1,606,909 MT

26,781,816 60 kg bags

sustainable coffee purchases

in line with GCP-recognized sustainability schemes



### A common language

GCP's vision of a thriving, sustainable coffee sector for future generations requires shared responsibility and collective action at local and global levels.

Key to achieving this vision and the GCP 2030 Goal is the ability to monitor progress in an aligned way, using common indicators and metrics at local and global levels. As part of GCP's local strategy tier, GCP Country Reports will be designed to enable an aligned measurement of sustainability programs in coffee-producing countries. The GCP Snapshot forms part of GCP's global strategy tier towards sustainable sourcing.

Since 2018, GCP Collective Reporting has been underpinned by the Baseline Coffee Code and the GCP Equivalence Mechanism. These connected assets have offered a common language on the foundations for coffee sustainability and promote the supply and demand of coffee produced following at least baseline sustainability principles.

The code has provided GCP's Network of Country Platforms with a robust reference to develop National Sustainability Curricula. They contextualize globally agreed principles and practices to the realities on the ground through articulating aligned local knowledge and local priorities in practical ways.

The code also serves as a global reference for company-owned sustainable sourcing programs and sustainability standards and schemes.

The GCP Equivalence Mechanism is used for the recognition of sustainability standards and schemes. GCP assesses them against the principles and criteria in the Baseline Coffee Code as well as the operating practices that schemes should have in place to be considered credible and effective.

Depending on their assurance model they are classified as GCP Baseline Coffee Code equivalent 2<sup>nd</sup> party or 3<sup>rd</sup> party.

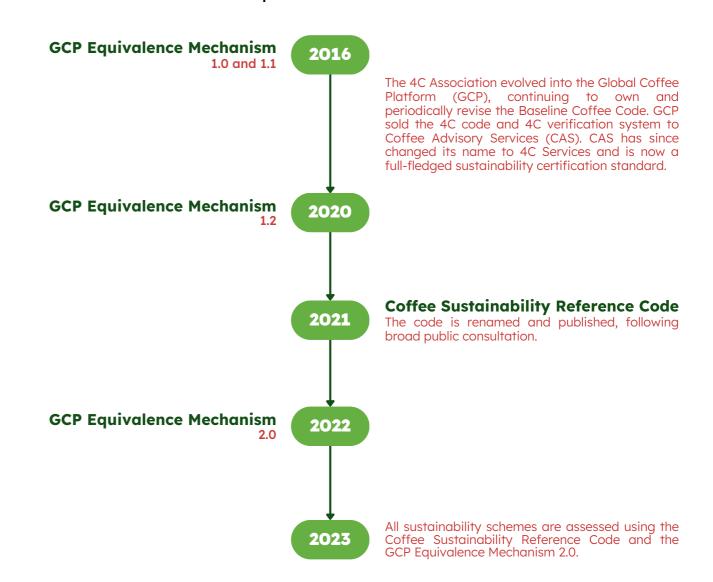
In 2021, the Baseline Coffee Code was revised and renamed the Coffee Sustainability Reference Code, followed by the release of the GCP Equivalence Mechanism 2.0 in 2022.

With the enhancement of the Coffee Sustainability Reference Code and GCP Equivalence Mechanism 2.0 in place, and to ensure that the sector is equipped with current, relevant and versatile tools, all schemes that have been recognized as equivalent to the Baseline Coffee Code need to submit their scheme for reassessment under the EM 2.0 and go through the GCP Equivalence Process by November 2023. This recognition makes them eligible for next year's GCP Collective Reporting on 2023 volumes.

The enhancement and expansion of the GCP Collective Reporting contributes to increasingly open and transparent discussions and corporate actions, supporting developments towards sustainable sourcing.

# **Progress and development**

An overview of the evolution of the Coffee Sustainability Reference Code and the GCP Equivalence Mechanism.



GCP Members and further companies are invited to (re)submit their sustainability schemes for GCP recognition, using the Coffee Sustainability Reference Code, along with the new GCP Equivalence Mechanism 2.0.

Find more information on the GCP website.

# DEFINITIONS AND SCOPE OF GCP-RECOGNIZED SUSTAINABILITY SCHEMES

- All coffee volume-related figures in this report are expressed in Metric Tons (MT) unless indicated otherwise.
- Reporting on "Sustainable Coffee Purchases", i.e. the figures that GCP Members provide, do not only include information about coffee volumes according to GCP-recognized sustainability schemes, but also according to countries.
- "Sustainable Purchase" is one of the 15 indicators of the GCP Coffee Data Standard that builds on the work of the Sustainability Framework (developed by the Sustainable Coffee Challenge and the Global Coffee Platform) to measure sustainability progress sector wide.
- Since the third edition of GCP Snapshot 2021, five sustainability schemes (all 2<sup>nd</sup> party) have been added as eligible for GCP Collective Reporting on 2022 volumes.
- For their recognition, GCP has been assessing the different sustainability schemes against the principles and criteria in the GCP Baseline Coffee Code and the operating practices that schemes should have in place to be considered credible and effective. The Code serves as a baseline, and equivalent schemes meet at least these requirements. Some schemes may go further with their principles and practices and their approaches to deal with sustainability issues.
- Depending on their assurance model they are classified as GCP Baseline Coffee Code equivalent 2<sup>nd</sup> party or 3<sup>rd</sup> party. 2<sup>nd</sup> party assurance is often referred to as verification, while 3<sup>rd</sup> party assurance is often referred to as certification. The latter includes the oversight of an external body in the assurance activities of the organization/company that owns the scheme.
- "Conventional coffees" refers to all other coffees.

#### GCP-RECOGNIZED SUSTAINABILITY SCHEMES IN THIS REPORT

#### 3<sup>rd</sup> party assurance:

4C Certifica Minas Fairtrade Rainforest/UTZ Starbucks' C.A.F.E. Practices (non-member)

#### 2<sup>nd</sup> party assurance:

ECOM's SMS Verified
Enveritas Gold and Enveritas Green
Exportadora de Café Guaxupé's Guaxupé Planet
LDC's Responsible Sourcing Program Advanced
Mercon's LIFT
Nespresso AAA
NKG BLOOM and NKG Verified
ofi's AtSource Entry Verified and AtSource Plus
Volcafe Verified and Volcafe Excellence

All sustainability schemes that had been recognized by GCP until March 2023 as listed above were included in this GCP Snapshot Report 2022.

Since then, GCP has recognized additional sustainability schemes. For the assessment of the sustainability schemes, GCP partnered with the International Trade Centre, which, as GCP implementation partner, assessed the schemes against the principles and practices of the Coffee SR Code and the operational criteria of the EM 2.0 ensuring the integrity of the recognition process. For an overview of all current GCP-recognized sustainability schemes, please visit the GCP website.



# Collective Reporting Results 2022

# **Insights**

The following pages summarize results and insights of GCP Collective Reporting 2022.

Following the analysis highlight and overview of 2019-2022, this report offers aggregated 2022 figures and developments 2019-2022 along with important contextual information, as well as a view on the diversity of coffee origins and top 10 coffee-producing countries from which sustainable coffee purchases have been reported.

Thereafter, reporting companies' specific figures are presented, including total coffee volumes and shares of sustainable coffee purchases per participating GCP Member for the year 2022, complemented by information about company-specific sustainability strategies and approaches.

It is important to note that GCP Members follow their individual strategies and approaches, which may include sourcing coffees in line with additional sustainability standards, schemes and programs invited to participate in GCP recognition.

Non-GCP-recognized sustainability scheme volumes are not included in the graphs. Differences with other reports in the public space are explained. As a new feature, company-specific purchasing developments from previous reporting years are included.

For GCP Members that started their participation in GCP Collective Reporting with this 2022 edition, year-on-year developments will be added in the future. To complete this part of the 2022 results, five GCP Members agreed to provide additional transparency by opting to share their volumes per origin group, allowing a more disaggregated look at the composition of sustainable coffee purchases.

It is important to note that both the composition of reporting companies, as well as the number of GCP-recognized sustainability schemes (especially 2<sup>nd</sup> party schemes) have changed compared to previous GCP reports. This constitutes a challenge to the robustness of comparability year-on-year, hence possible interpretations on trends and developments should take this into account.

In the second part of this section on 2022 results, key insights are presented on the top 10 sustainability schemes and the distribution of sustainable coffee purchases within coffee-producing countries, as reported by participating roasters and retailers.

As a new feature, all GCP-recognized sustainability schemes that were eligible for this 2022 report are introduced. The 2022 reporting results are rounded off by the presentation of self-reported figures by sustainability schemes, all 3<sup>rd</sup> party schemes, to allow for more context.





















# GCP **SNAPSHOT** 2022



# **ANALYSIS HIGHLIGHT**

# COFFEE-PRODUCING COUNTRIES

Countries from which coffee has been sourced

Countries from which sustainable coffee has been purchased, led by Brazil, Vietnam, Colombia, Indonesia and Peru

8 Reporting Roasters and Retailers















**2,179,998** MT 36,333,300 60 kg bags

Total amount of green coffee received by the reporting companies

73.71% of total amount of green coffee received by the reporting compo received by the reporting companies

+28.13%

increase compared to 2021

**Sustainable Coffee Purchases** composition of reporting roasters and retailers changed and number of recognized schemes increased

The largest reported share continues to be 4C-certified coffee, which increased by 31,023.07 MT compared to 2021

39.61%

Total coffee volume reported with two or more schemes is: **339,147.61 MT**. This represents 21.11% of the total sustainable coffee purchases reported

21.11%

Volumes reported in line with 3<sup>rd</sup> party schemes grew by 54,758.97 MT. This is +4.97% compared to 2021 +54,758.97 MT

1,606,909 26,781,816 60 kg bags sustainable coffee purchases in line with

**GCP-recognized** sustainability schemes<sup>1</sup>

Volumes reported in line with 2<sup>nd</sup> party schemes grew by 298,008.22 MT. This is +194.89% compared to 2021  $^{k}$ number of  $2^{nd}$  party schemes grew from 8 (2021) to 13 (2022)

+298,008 MT

2<sup>nd</sup> party

schemes

Five additional 2<sup>nd</sup> party schemes were recognized and included in the GCP Collective Reporting for 2022

**GCP-RECOGNIZED SUSTAINABILITY SCHEMES** 

3<sup>rd</sup> party schemes

4C Certifica Minas Fairtrade Rainforest Alliance Sustainable Agriculture Standard / UTZ Starbucks' C.A.F.E. Practices

**ECOM's SMS Verified** LDC's Responsible Sourcing Program Advanced

**Enveritas Gold** 

**Enveritas Green** 

Mercon's LIFT

**Guaxupé Planet** 

Nespresso AAA ofi's AtSource Plus

**Volcafe Verified** 



# **OVERVIEW: LAST FIVE YEARS**

Total green coffee reported



Volumes in million metric tons (rounded)



Sustainable coffee purchases



Volumes in million 60kg bags (rounded)

2018 - 2022

Importantly, this growth is largely due to a significant increase in reported sustainable coffee purchases from 2<sup>nd</sup> party sustainability schemes.



0.64



10.7





13.2



0.98



16.4





20.9











31.9



2.02



33.7



2.26



37.6



JDE, Melitta Group, Nestlé, Strauss Coffee, SUPRACAFÉ

EM-recognized schemes: 6

#### 6 companies reported in 2019:

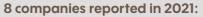
JDE Peet's, Melitta Group, Nestlé, Strauss Coffee, SUPRACAFÉ, Tesco

3<sup>rd</sup> party schemes: **5** 2<sup>nd</sup> party schemes: **4** 

#### 6 companies reported in 2020:

JDE Peet's, Melitta Group, Nestlé, Strauss Coffee, SUPRACAFÉ, Tesco

3<sup>rd</sup> party schemes: **5** 2<sup>nd</sup> party schemes: **4** 



JDE Peet's, Keurig Dr Pepper, Melitta Group, Nestlé, Strauss Coffee, SUPRACAFÉ, Tesco, Westrock Coffee Company

3<sup>rd</sup> party schemes: **5** 2<sup>nd</sup> party schemes: **8** 



2.18

36.3

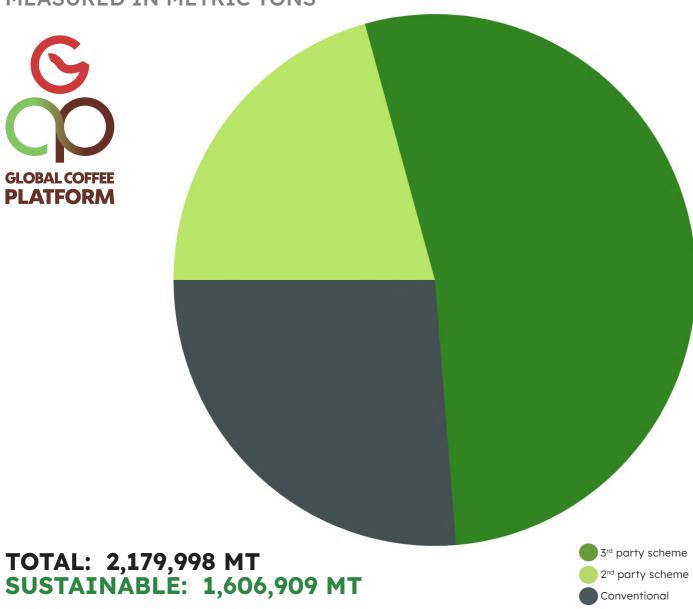
#### 8 companies reported in 2022:

JDE Peet's, Keurig Dr Pepper, Melitta Group, Julius Meinl, Nestlé, SUPRACAFÉ, Tesco, Westrock Coffee Company

3<sup>rd</sup> party schemes: **5** 2<sup>nd</sup> party schemes: 13

#### **TOTAL SUSTAINABLE COFFEE PURCHASES 2022**

MEASURED IN METRIC TONS



This graph shows that reporting GCP Members have altogether reported a total of 2,179,998 MT of green coffee, out of which 1,606,909 MT were purchased from sustainability schemes recognized by GCP. Compared to 2021, the overall volume of green coffee decreased by 3% (or 78,026 MT).

At the same time, the share of sustainable coffee purchases represents more than 70% of the total reported green coffee volume (2021: more than 55%) – a significant increase in sustainable coffee purchases reported.

The amount of green coffee purchases for 2022 reported by eight GCP Members in this fourth reporting round represents a share of 31.05% (2021: 32%) of world coffee exports and 20.75% (2021: 22.6%) of world coffee consumption in coffee year 2021/2022 according to ICO statistics.

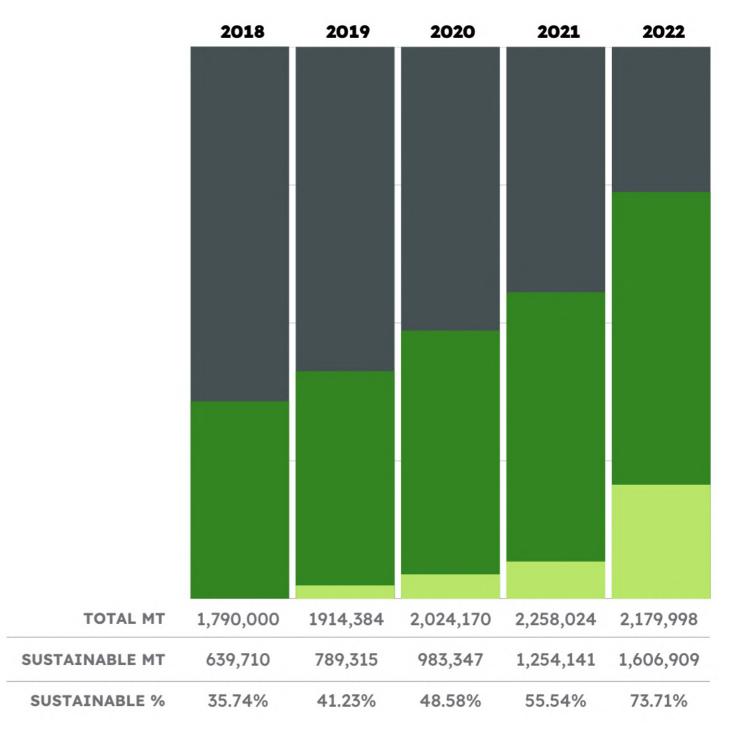
The share of sustainable coffee purchases as reported by GCP Members for 2022 represents 22.88% (2021: 18%) of world coffee exports and 15.17% (2021: 12.6%) of world coffee consumption in the same period.

ICO world coffee exports 2021/2022 were 117,028,607 bags as per online database
ICO world coffee consumption 2021/22 was 175,600,000 bags ICO monthly market report July 2022

16

### **TOTAL YEAR-ON-YEAR DEVELOPMENT**

MEASURED IN METRIC TONS



Volumes reported as  $3^{rd}$  party schemes grew by 54,759 MT compared to 2021, representing a 4.74% increase. Volumes reported as  $2^{nd}$  party schemes grew by 298,009 MT, representing a 194.89% increase compared to 2021.

It is important to note that both the composition of reporting companies, as well as the number of GCP-recognized sustainability schemes (especially  $2^{nd}$  party schemes) has changed compared to previous reports.



#### **DIVERSITY OF COFFEE ORIGINS 2022**

AS REPORTED BY PARTICIPATING GCP MEMBERS

# 39 origins

recorded for conventional coffee purchases in 2022 by participating companies:

- Bolivia Brazil Burundi
- China Colombia
- Costa Rica Côte d'Ivoire
- Cuba Democratic Republic • Philippines of Congo
- Dominican Republic Ecuador
- El Salvador Ethiopia
- Guatemala
- Honduras India
- Indonesia Jamaica Kenya
- 2018: 36 **2019/20**: 37 40 2021:

# 34 origins

recorded for sustainable coffee purchases in 2022 by participating companies:

- Brazil
- Burundi
- China

- Panama Papua New Guinea
- Peru
- Rwanda

Laos

Malawi

Mexico

Nepal

Nicaragua

- Tanzania
- Thailand
- Timor-Leste
- Uganda
- USA Hawaii
- USA Puerto Rico
- Vietnam
- Yemen
- Zambia
- Zimbabwe
  - 2018:

- Papua New Guinea
- Colombia
- · Côte d'Ivoire
- of Congo
- El Salvador
- Ethiopia Guatemala
- Honduras
- India
- Indonesia
- Jamaica
- Kenya
- Laos Malawi
- Mexico
- Nicaragua
- 2019/20: 27 2021:

- Panama

  - Peru
- Philippines Costa Rica Rwanda
  - Tanzania
- Democratic Republic
   Thailand Timor-Leste
  - Uganda
    - USA Hawaii USA - Puerto Rico
    - Vietnam
    - Yemen
    - Zambia
    - Zimbabwe

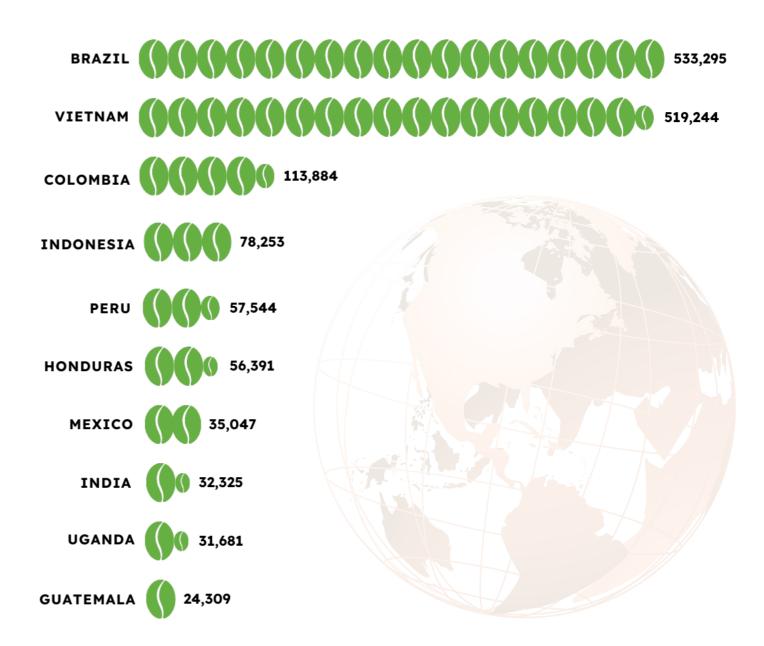
25 33

According to the ICO, since 1990, the share of the top five producing countries in global output has increased from 57% to over 70%.

Further increasing concentration of coffee production, spurred by systemic challenges such as lack of economic viability of sustainable coffee production, climate change and unintended impacts of upcoming regulatory requirements could result in higher supply risks and less consumer choices in terms of diverse coffee origins.

### **TOP 10 COUNTRIES - SUSTAINABLE COFFEE PURCHASES**

MEASURED IN METRIC TONS



Brazil has taken over from Vietnam as origin country with the highest amount of sustainable coffee purchases among reporting GCP Members in 2022, followed by Vietnam, Colombia and Indonesia.

With additional roasters and retailers participating in future rounds of reporting, the overall amount of sustainable coffee purchase figures is expected to further increase, especially for some countries.

For a sustainable, thriving coffee sector it will be key to substantially increase sustainable coffee purchasing from a broad range of coffee origins beyond Vietnam and Brazil. As a driver for origin diversity, this will also unleash coffee's potential to contribute to sustainable socioeconomic development and maintain and restore natural resources to address climate change in rural landscapes.

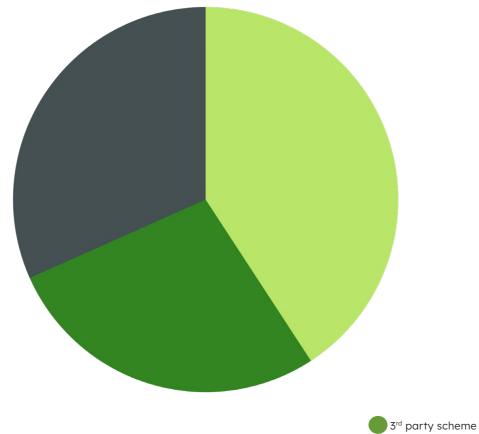
In view of the upcoming regulatory requirements such as the European Union Deforestation Regulation (EUDR), this will require unprecedented investments and concerted collective action that supports sector transformation, especially in smaller coffee-producing countries.



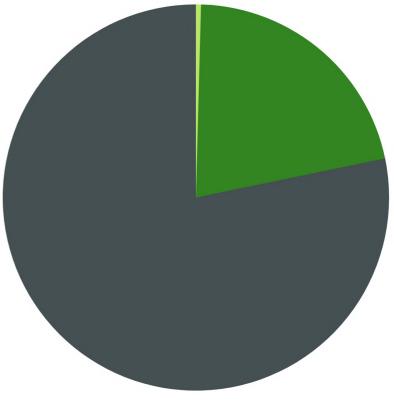




In addition to JDE Peet's sustainable coffee purchases based on GCP-recognized schemes as shown in this graph, JDE Peet's communicated in their own reports an additional 9% (total 77%) deemed responsible from other sources invited to participate in GCP recognition.



Julius Meinl



TOTAL: 824,664 MT SUSTAINABLE: 563,479 MT

**TOTAL: 15,271.23 MT** SUSTAINABLE: 3,321.63 MT

#### 3<sup>rd</sup> party scheme 2<sup>nd</sup> party scheme Conventional

# **Sustainability Strategy**

Common Grounds: Farmer Inclusive Approach

At JDE Peet's, sourcing coffee responsibly means engaging with farmers and supply chains to understand the challenges, and actively addressing these issues to drive progress - through our "Assess, Address and Progress' methodology.

Coffee is grown in diverse origins, each with unique farming systems that provide us with a rich and vibrant sector. We recognise this, which is why our Responsible Sourcing program is based on two approaches which reflect the diversity of farmer situations:

- Supporting smallholder farmers on their journey towards sustainable practices through our farmer initiatives and third party verification.
- Acknowledging the efforts of the more advanced farmers, through certification.

We are working towards sourcing 100% of our coffee through our Responsible Sourcing program, using these approaches to create a better future where farmers are prosperous, and nature thrives.

Visit our website for more information on our journey.

#### \*2022: JDE Peet's reported 77% of its coffee as responsibly sourced, including other sources invited to participate in GCP-recognition

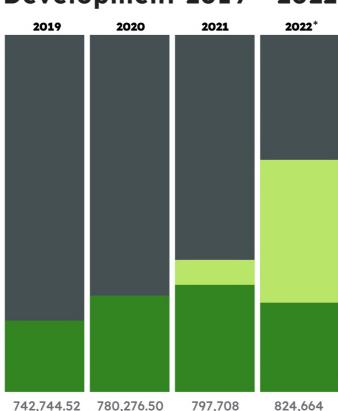


# **Development 2019 - 2022**

2<sup>nd</sup> party scheme

**GCP SNAPSHOT 2022** 

Conventional



# **Sustainability Strategy**

As a fifth generation family business, we at Julius Meinl feel a strong sense of responsibility to our planet and people involved at every stage of our coffee journey, as we work together to bring premium quality to every cup.

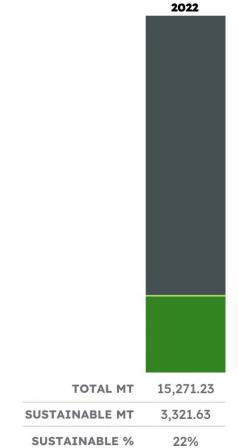
Our Responsibly Selected Coffee Initiative guarantees that coffee is consciously sourced from suppliers who meet responsible standards of social, economic, and environmental sustainability. To ensure that we are in line with leading industry sustainability standards, we are proud to partner with Enveritas for independent verification. We are committed to our goal of making Julius Meinl coffee 100% responsibly selected by 2025.

Our Generations Program focuses on building meaningful, long-term relationships with coffee farmers and local communities in selected countries, providing them with resources to set up sustainable businesses and pass on their coffee knowledge from generation to generation.

Find out more: Sustainability Report online.

\*This is the first year that Julius Meinl is reporting.

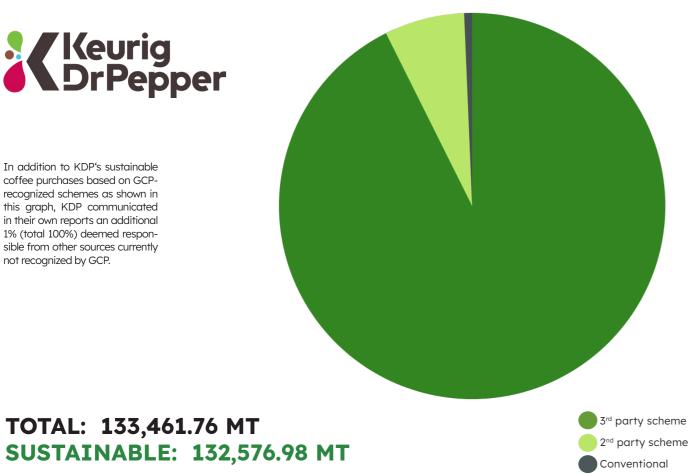
### Overview 2022

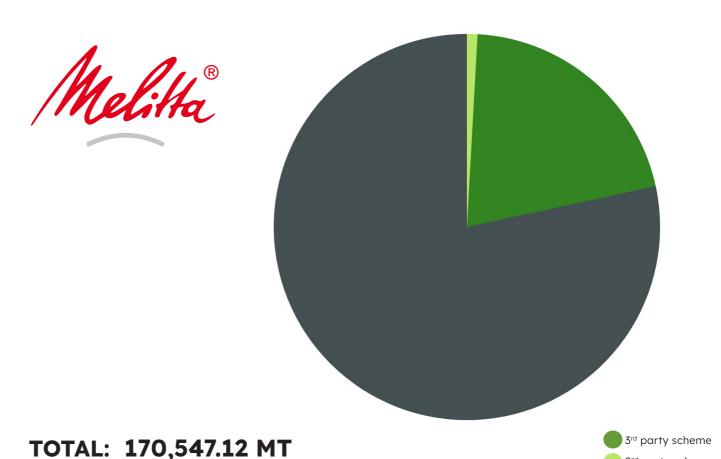






In addition to KDP's sustainable coffee purchases based on GCPrecognized schemes as shown in this graph, KDP communicated in their own reports an additional 1% (total 100%) deemed responsible from other sources currently not recognized by GCP.





# **Sustainability Strategy**

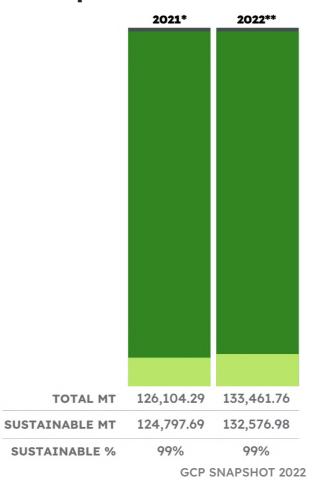
KDP sources coffee for our own brands and many of our partner brands. All of these beans are included in our 100% responsibly sourced commitment, even when our customers do not require it. We source coffee across Latin America, Africa and Asia, utilizing a group of accepted responsible sourcing partner programs including Fairtrade International, Fairtrade USA, Rainforest Alliance, UTZ, 4C, ofi AtSource Entry Verified and

Additionally, we recognize that complex issues require holistic solutions, including collaboration to deliver meaningful impact. KDP partners with cooperatives, NGOs, academia and government to invest in the livelihoods of coffee farmers and workers and in the resilience of the landscapes in our supply chain.

We are committed to supporting conservation and regenerative agriculture on 250,000 acres of land by 2030 and will achieve this goal through investments across our coffee, corn and apple supply chains.

Read more in our 2022 Corporate Responsibility Report.

## Development 2021-2022



# **Sustainability Strategy**

SUSTAINABLE: 36,856.87 MT

Melitta Group's coffee strategy defines a target of "100% Coffee of the Future in 2030" to provide a contribution to sustainable transformation at coffee origin by regenerative farming and business. Coffee of the Future is grown in a regenerative ecological system which enables all people involved locally to live comfortably long-term.

Melitta Group is convinced that only a combination of measures, such as collaboration with Voluntary Sustainability Standards and qualification or community projects, together with joint systemic approaches addressing regenerative development in key coffee-growing regions and on a global scale, will lead to a sustainable coffee sector.

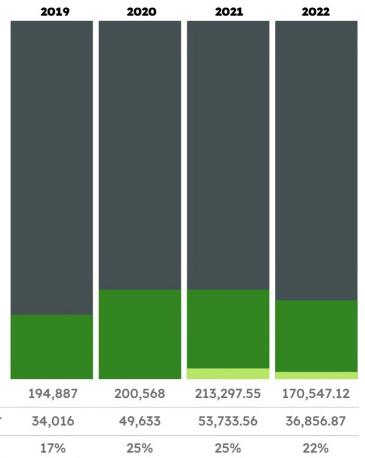
To foster these joint systemic approaches, Melitta Group is engaging in different pilot activities in coffee origins as well as in national and global sector platforms. In consequence, the participation in the GCP Snapshot is also an invitation for exchange and dialogue.

Read more in our Sustainability Report.

### **Development 2019 - 2022**

2<sup>nd</sup> party scheme

Conventional



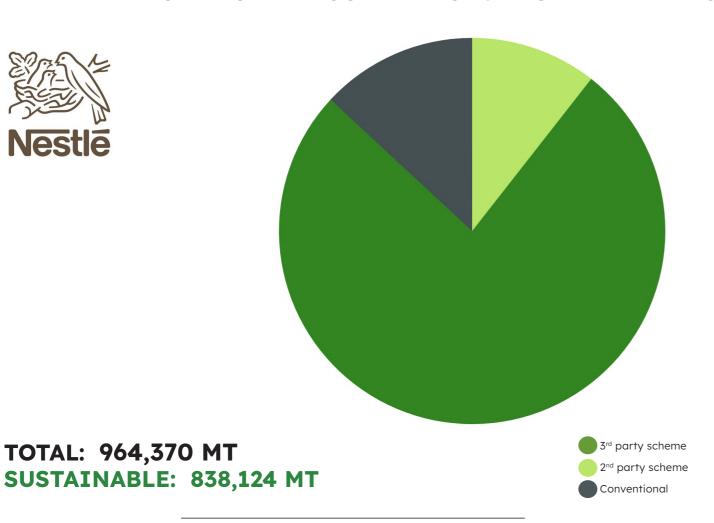
**TOTAL MT** SUSTAINABLE MT **SUSTAINABLE %** 

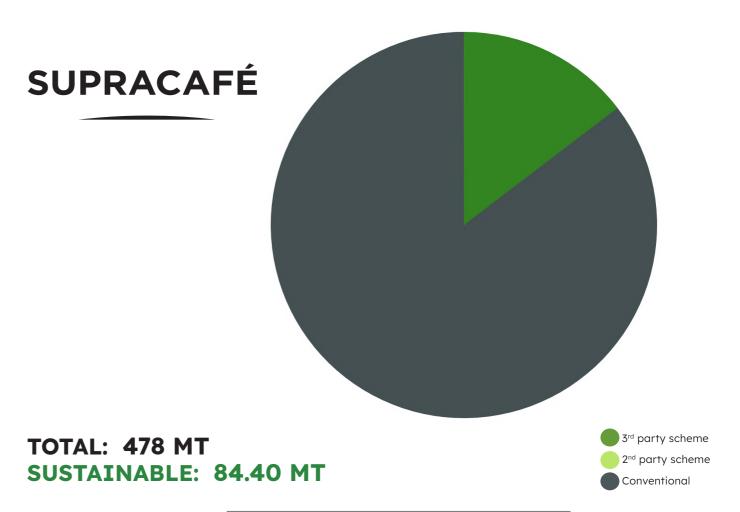
<sup>\*2021: 100%</sup> of KDP coffee is responsibly sourced, including one program not currently recognized by GCP

<sup>\*\*2022:</sup> KDP reported 100% of its coffee as responsibly sourced, including two sources not currently recognized by GCP.









# **Sustainability Strategy**

TOTAL: 964,370 MT

Nestlé's coffee sustainability program is the largest worldwide, including the Nescafé Plan and the Nespresso AAA Sustainable Quality™ Program.

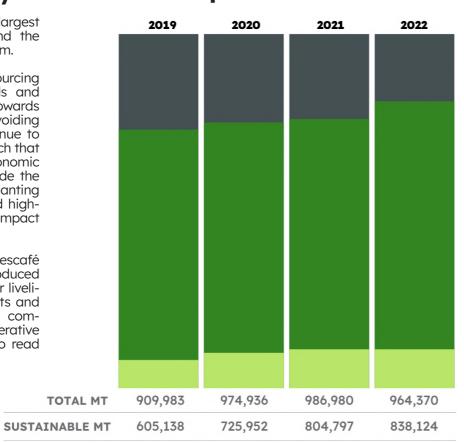
Our program scope includes sustainable sourcing green coffee, improving farmer livelihoods and coffee landscapes, reducing emissions towards the group goal of net zero by 2050, and avoiding packaging waste. Year after year we continue to progress at pace, with an integrated approach that supports positive environmental and economic impacts for coffee farmers. Examples include the distribution of improved coffee plantlets, planting trees for agroforestry and reforestation and highperforming field programs with independent impact assessment.

Over 85% and 95% of the coffee for our Nescafé and Nespresso brands respectively is produced sustainably, contributing to improved farmer livelihoods and better protection of human rights and environmental aspects in coffee-growing communities. Our ambition is towards a regenerative future for coffee and we encourage you to read more about it online:

Nescafé Plan 2030 Progress Report 2022

The Positive Cup | Nespresso

# **Development 2019 - 2022**



# **Sustainability Strategy**

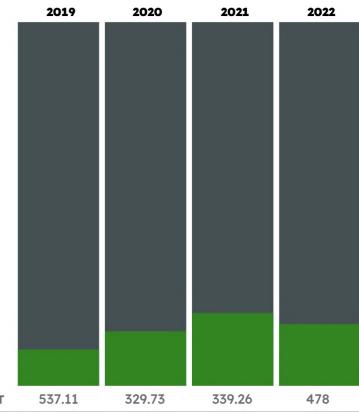
At SUPRACAFÉ we are aware of the important role and great responsibility that companies must play in society.

We are convinced that only sustainable businesses will be viable, those that seek to create shared value and generate a positive impact on society.

There are many challenges we face. The roadmap for all of them is perfectly marked by the United Nations through the Sustainable Development Goals. Convinced of this, we have included sustainability as a fundamental element of our strategic plan and our value generation model for a long time.

For years we have been working and developing projects directly with our producers at origin, especially with women. The integration of the value chain, the development of inclusive businesses and sustainable innovation are especially relevant aspects of our strategy. Without sustainable innovation there is no progress.

# **Development 2019 - 2022**



TOTAL MT	537.11	329.73	339.26	478
SUSTAINABLE MT	53.78	54.02	79.42	84.40
SUSTAINABLE %	10%	16%	23%	18%

**GCP SNAPSHOT 2022** 

66%

**SUSTAINABLE %** 

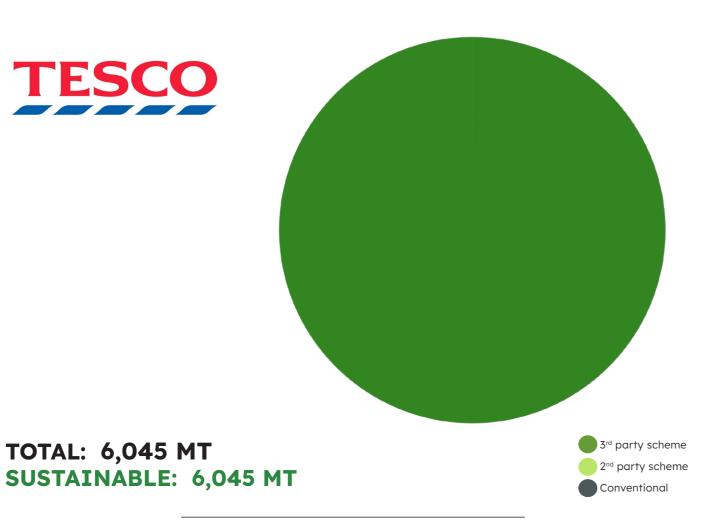
74%

82%

87%

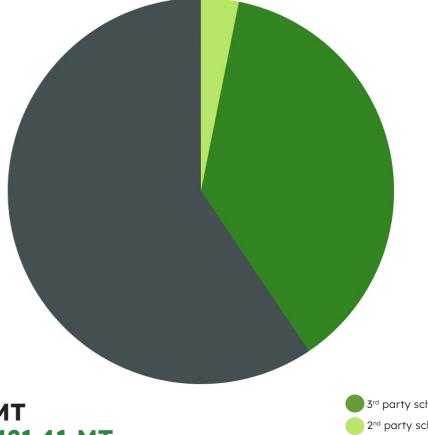








In addition to Westrock Coffee Company sustainable coffee purchases based on GCPrecognized schemes as shown in this graph, Westrock Coffee Company communicated in their own reports an additional 11% (total 51%) deemed responsible from other sources invited to participate in GCP recognition.



TOTAL: 65,160.46 MT SUSTAINABLE: 26,421.41 MT 3<sup>rd</sup> party scheme 2<sup>nd</sup> party scheme Conventional

# **Sustainability Strategy**

**TOTAL: 6,045 MT** 

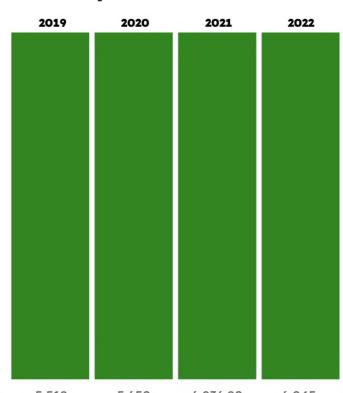
We aim for the jobs we help create through our supply chain to be decent, fair and safe, and to respect human rights. This is aligned with Tesco's core purpose of serving customers, communities and planet a little better every day.

The sustainability of the coffee we sell is an important element of these aims, which is why we have been sourcing certified coffee for more than 13 years, culminating in 100% of the coffee we sell being certified since 2018.

Beyond certification, we find it essential to be involved in multi-stakeholder groups, such as GCP, that help strengthen our understanding of the sector and amplify our ability to generate impactful and sustainable improvements to the lives and livelihoods of coffee farmers and their communities.

For more information on Tesco's approach to improving standards, driving industry-wide efforts to address labour and community issues, and advocating for change, please see here.

## **Development 2019 - 2022**



TOTAL MT	5,518	5,650	6,836.80	6,045
SUSTAINABLE MT	5,518	5,650	6,836.80	6,045
SUSTAINABLE %	100	100%	100%	100%

# **Sustainability Strategy**

Westrock Coffee was founded on the belief that success is an inevitable byproduct of investments in infrastructure, farmer development, supply chains, and technological advancement.

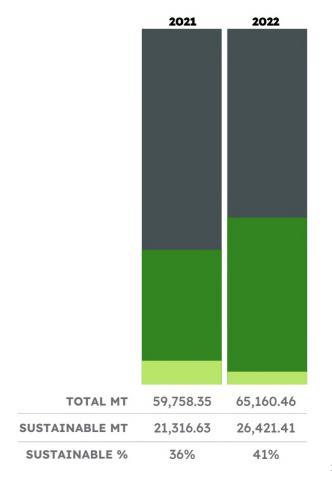
As a core principle, Westrock Coffee is committed to responsibly sourcing 100% of our coffee by 2025, so that all products are purchased and processed in a manner that is fair to the people who grow them, as well as their employees, peers, and environments.

In 2021, Westrock Coffee launched a custom-built due diligence framework and last year began implementation to ensure that all our coffees are sourced in this way. We also increased our responsible purchases from 2021 to 2022.

Beyond this, Westrock Coffee's proprietary responsible-sourcing programs – Raíz Sustainability® and Farmer Direct Verified® – enhance farmers' profitability and sustainability practices through farm development services, digital traceability, and transparent connections to Westrock Coffee's customers. This leads to a more resilient business for all involved.

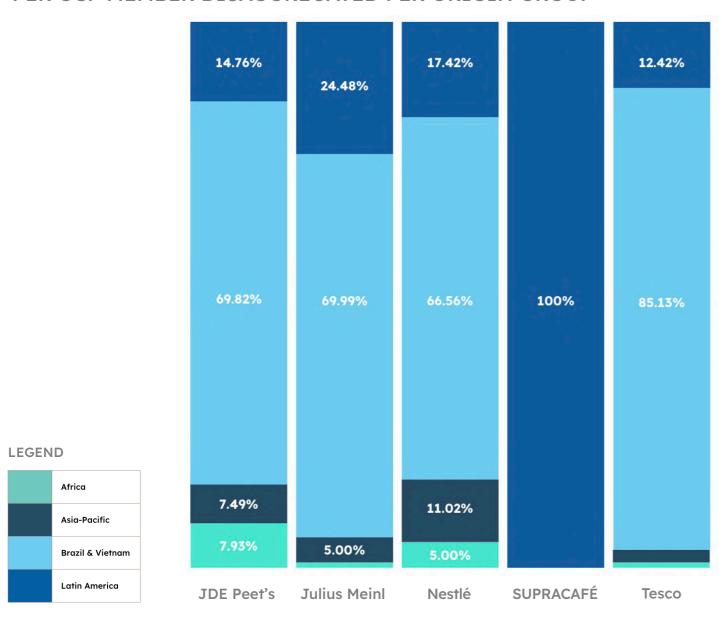
Westrock Coffee Company reported 51% of its coffee as responsibly sourced, including other sources invited to participate in GCP recognition.

## **Development 2021 - 2022**



#### SUSTAINABLE COFFEE PURCHASE VOLUMES

PER GCP MEMBER DISAGGREGATED PER ORIGIN GROUP



Encouraging further transparency of meaningful data on sustainable coffee purchases, this GCP 2022 Snapshot report provides new and additional insights into sustainable coffee-sourcing regions of some of the reporting GCP Members, disaggregated according to origin groups. These groups are: Latin America (excluding Brazil), Africa, Asia-Pacific (excluding Vietnam) and Brazil & Vietnam\* (including Arabica and Robusta coffees) combined.

Reporting roasters and retailers were able to opt in on a voluntary basis to join this extra reporting effort. This year, five of the reporting GCP Members – JDE Peet's, Julius Meinl, Nestlé, SUPRACAFÉ and Tesco – stepped up and demonstrated additional leadership on transparency through reporting on their sustainable coffee purchasing from various origin groups.

GCP encourages supporting diversity of origins and increasing sustainable coffee purchases and – in future – sustainable sourcing as an important contribution to eventually achieve coffee farmers' economic prosperity, improved well-being and conserving nature. This includes coffee origins that have already made great progress towards sustainable coffee production, profitability and efficiency as well as origins where important changes and collective public-private efforts are needed or underway to address regulatory requirements and sustainability challenges at scale.

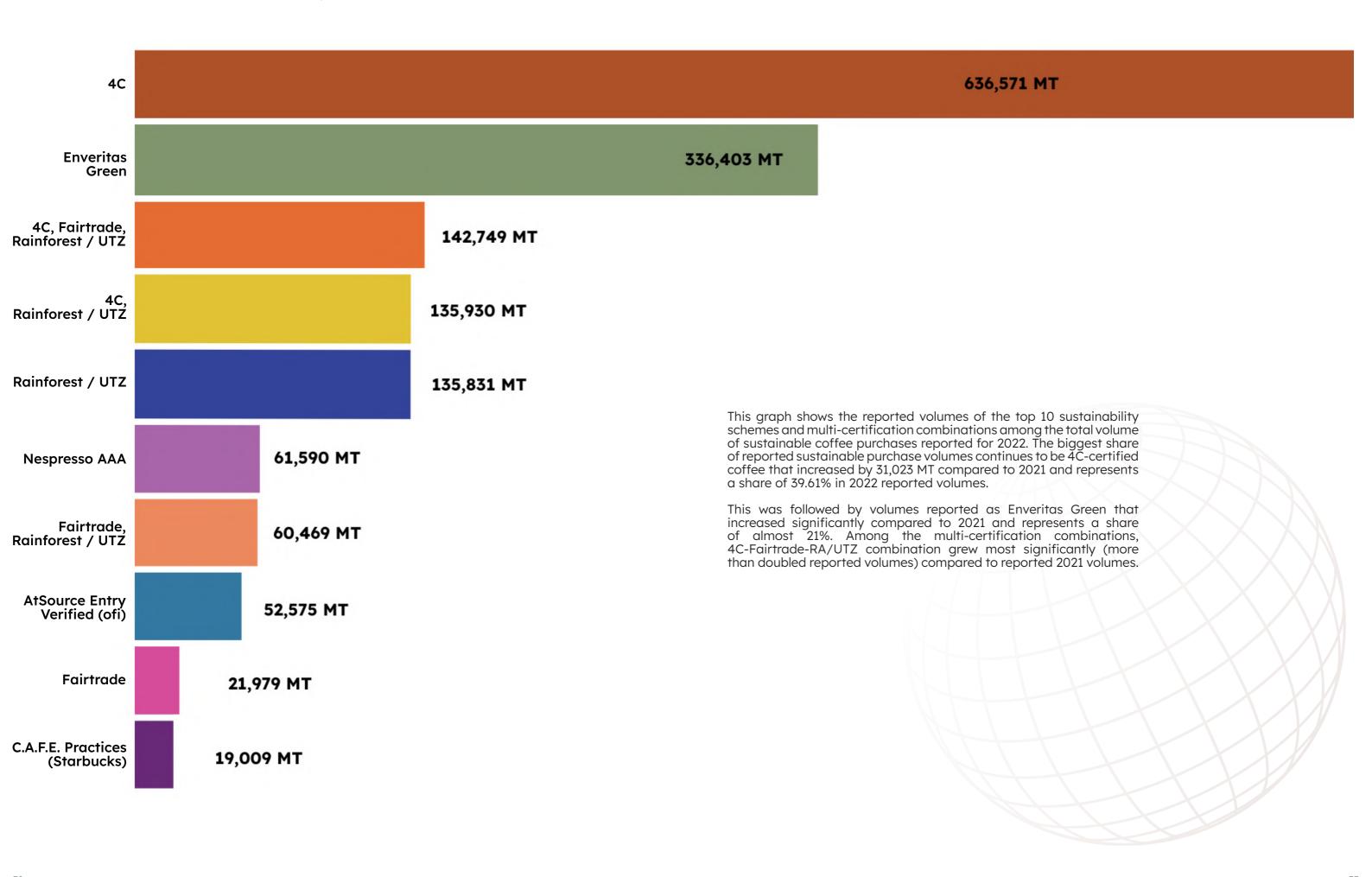


<sup>\*</sup> Brazil & Vietnam are large coffee-producing countries with the highest volumes of (sustainable) coffee purchases. They are grouped together to enable this disaggregated reporting by participating companies. Single origin reporting in the set-up of the GCP Snapshot is not possible due to anticompetition laws.

#### **TOP 10 REPORTED SUSTAINABLE PURCHASE VOLUMES 2022**



PER SUSTAINABILITY SCHEME, MEASURED IN METRIC TONS



#### **DISTRIBUTION OF SUSTAINABLE PURCHASES 2022**

#### PER SUSTAINABILITY SCHEME AND TOP 10 COUNTRY

This graph shows the most frequent sustainability schemes and multi-certification combinations reported for the top 10 origins for 2022. As in past years, reported volumes include a high diversity of sustainability schemes in some coffee-producing countries, most notably in Colombia and Peru, as well as a high percentage of multi-certifications, such as in Honduras and India.

In contrast, for other countries like Vietnam, Indonesia and Mexico, the reported figures clearly indicate 4C-certified coffee as the prevailing sustainability scheme reflected in sustainable purchase from GCP Members who participated in the 2022 reporting.

As a more recent development, more GCP-recognized schemes classified as 2<sup>nd</sup> party assurance schemes, such as Enveritas Green, ofi's AtSource Entry Verified or ECOM's SMS Verified appear in this disaggregation of reported Sustainable Coffee Purchases per scheme and per top 10 country.

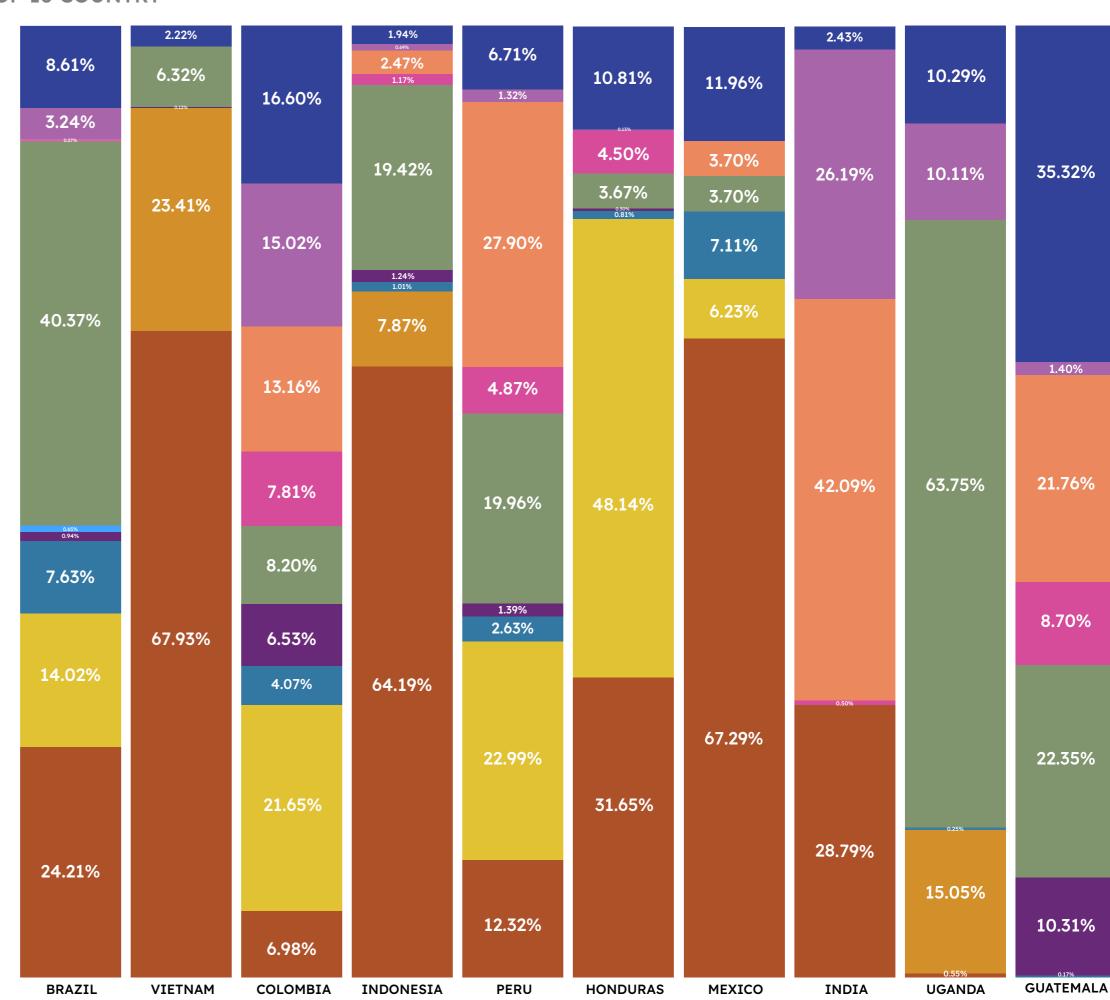
Further analysis will be important going forward, based on more data available from additional roasters and retailers, but ideally also taking into consideration more granular country and sustainability scheme-specific information in more depth over the coming years.

Note: This visualization focuses on the distribution of the 2022 reported sustainable coffee purchases per coffee-producing country to shed light on the large variety of sustainability schemes and multi-certifications, but doesn't show the entirety of sustainable coffee purchases from each country, nor does it show the overall coffee production of each country in MT. It is therefore important to consider that the coffee production output between these top 10 countries varies significantly.

#### SUSTAINABILITY SCHEMES



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### 3rd PARTY SUSTAINABILITY SCHEMES IN THEIR OWN WORDS

**4C** is an independent, stakeholder-driven, internationally recognized sustainability standard for the entire coffee sector, aiming at anchoring sustainability in coffee supply chains. Independent third-party audits ensure compliance with sustainability criteria for coffee production and processing from economic, social, and environmental dimensions to establish credible and traceable sustainable coffee supply chains. 4C's sustainability principles and criteria are set out in the 4C Code of Conduct, which was developed in a comprehensive and transparent multi-stakeholder process. The focus of the 4C Code of Conduct is the sustainable production of coffee green beans and its post-harvest activities. 4C certification aims to gradually raise the social, economic, and environmental conditions of coffee production and processing worldwide. To achieve this, the 4C Code of Conduct comprises 12 principles across economic, social, and environmental dimensions based on good agricultural and management practices as well as international conventions and recognized guidelines accepted in the coffee sector. Learn more online.



Certifica Minas Café Program (Programa de Certificação de Propriedades Cafeeiras): The State Department of Agriculture, Livestock and Supply of Minas Gerais (SEAPA) develops the Certifica Minas Café Program together with the Technical Assistance and Rural Extension Company (EMATER MG) and the Instituto Minero de Agropecuária (IMA). The program promotes the adaptation of coffee plantations in Minas Gerais to good production practices, with environmental, social, and governance responsibility, in order to meet the requirements of markets and legislation. EMATER-MG guides producers in adapting their properties to good agricultural practices at all stages of production, meeting environmental and social standards. At the end of the process, a property undergoes an individual audit to receive certification, thus attesting to its sustainability. Learn more online.



Fairtrade International changes the way trade works through better prices, decent working conditions and a fairer deal for farmers and workers. By choosing Fairtrade products, people can create change through their everyday actions, and farming communities can improve their lives and invest in their future. To obtain Fairtrade certification, farmers must meet strict standards encompassing social, economic, and environmental aspects. This includes fair prices covering production costs, improved working conditions, access to credit, and democratic decision-making within cooperatives. Environmental guidelines aim to reduce chemical usage, conserve water resources, and enhance biodiversity. The Fairtrade mark on coffee packaging means adherence to these standards. Fairtrade International collaborates with coffee industry stakeholders to promote transparency and accountability. By engaging in fair trade practices, individuals and businesses contribute to a sustainable coffee sector prioritizing social justice and environmental responsibility. Making conscious choices empowers us to create a more equitable and sustainable world. Learn more online.



Rainforest Alliance: The Sustainable Agriculture Standard, along with its assurance and technology systems, are designed to deliver more value to farmers, workers and thousands of businesses that use Rainforest Alliance certification to drive more sustainable agricultural production and responsible supply chains. Our agriculture standard is used in more than 70 countries around the globe. Our program focuses on attending to urgent environmental and social challenges. The Farm Requirements of our new Sustainable Agriculture Standard are designed to help farmers protect the landscapes where they live and work, while offering an enhanced framework to improve their livelihoods and advance the human rights of rural people. Learn more online.





**ECOM's Sustainable Management Services** ("SMS") is committed to be the premier provider of socially and environmentally responsible and innovative solutions to farmers across the world. SMS' vision translates into a sustainability sourcing program, SMS Verified, which has three key missions: To deliver higher-quality products that enable farmers to increase their overall farm productivity sustainably. To provide high-value services, including training, input and technology access to improve markets for smallholders. To create a sustainable, profitable value chain by providing the best services to all stakeholders. For more information visit us online.



**Enveritas** provides a verification approach inclusive of all coffee producers, with a focus on unorganized smallholders. Verification is conducted without charge to producers. and uses a unique, statistically robust approach to sampling and data quality monitoring to generate insights across regional populations of farmers or within known supply chains. Roasters' coffee purchases are assessed for traceability, sustainability, and, where not all requirements are met, improvement activities in the supply chain. To qualify as Enveritas Green, purchases must be traceable to at least the community level and any unmet sustainability requirements must be addressed with time-bound remediation plans or improvement activities. To qualify as Enveritas Gold, purchases must be fully traceable, all critical requirements must be met, and any other unmet requirements must be addressed with time-bound improvement activities.



Guaxupé Planet Sustainable Coffee is a protocol of coffee supply chain which supports our suppliers to comply with the main sustainability practices demanded by consumers globally. This protocol brings a set of agricultural good practices known around the world with economic, social and environmental responsibility. It is based on the main ILO conventions, national legislation and good agricultural principles of sustainable production. In addition, it is a sustainability mechanism for entrance to small and medium producers in order to implement the main sustainability properties into actions, thereby they are able to provide their coffee to a most demanding market. Our protocol offers producers efficiency on coffee production, improvement in the relationship with its employees, and the possibility to recover and preserve areas of high environmental value. Learn more here.



Louis Dreyfus Company's (LDC) Responsible Sourcing Program (RSP) Advanced strives for farmer empowerment and fair coffee supply chains by promoting a comprehensive approach to human rights, work conditions, environmental protection and business ethics, based on the principles and requirements of LDC's Code of Conduct for Coffee Suppliers. It provides farmers and suppliers with clear guidelines and support to address 

SPAdvanced issues in coffee supply chains and adopt good production and business practices in a continuous improvement approach, while offering customers a strong set of environmental, social and economic guarantees, backed by independent third-party audits for each supply chain and complete traceability down to specific farmer groups. LDC has strong ambitions to scale up RSP Advanced over the coming years, to achieve its ambitious sustainability targets and foster more responsible coffee value chains. Learn more about responsible coffee sourcing here.



LIFT by Mercon, our proprietary sustainability platform, was established in 2014 in Nicaragua. Since then, it has been expanded to all our vertically integrated supply chains, including Guatemala, Honduras, Vietnam and Brazil. In 2023 we are expanding LIFT to Ethiopia. Through LIFT, we offer a comprehensive suite of services - from technical assistance to financing and certifications – thus increasing farmer productivity and helping them, along with their communities and the environment, to prosper. Our approach to "lifting" lives incorporates three essential pillars: sustainable growth, social equity, and planet protection. LIFT by Mercon enables clients to source traceable and responsible coffee with executed due diligence as well as to generate positive impacts by doing so. To learn more about us and about LIFT, you can visit our website.



## 2<sup>nd</sup> PARTY SUSTAINABILITY SCHEMES IN THEIR OWN WORDS

The **Nespresso AAA** Sustainable Quality™ Program, established with the Rainforest Alliance in 2003, ensures high-quality coffee while supporting farmers, communities, and the environment. It promotes sustainable practices and encourages nature-based solutions that replenish ecosystems and diversify incomes. With over 140,000 farmers involved, the program has positively impacted farming communities and landscapes. We collaborate with the Rainforest Alliance on Regenerative Agriculture Coffee Scorecard and have already planted six million trees, with a target of 32 million by 2030. Through this work we aim for net-zero emissions in coffee production by 2030. Nespresso is committed to building resilient communities through child protection programs, retirement savings plans for farmers, and initiatives promoting gender equality. The Reviving Origins program revives coffee production in conflict-affected, disaster-stricken communities. In 2022, Nespresso joined the B Corp™ movement as a logical next step for the future and the conviction that business is a force for good. Learn more online.



Neumann Kaffee Gruppe (NKG): NKG Bloom is NKG's long-term investment in producers and in the infrastructure of the groups' export companies. From resistant varieties and training on reusing husks, to unconditional mobile money advances, NKG Bloom identifies and provides the services producers need to address their key challenges and make coffee farming an attractive business for them and their families. A key tool to make NKG Bloom possible is the Smallholder Livelihoods Facility, an innovative risk-sharing mechanism to finance farmers and farmer groups. NKG Verified is NKG's program for traceable and sustainable coffee supplies to green buyers. For each coffee, it provides clear and ongoing visibility into supply chains, ensuring that all - to the farm level - comply with specific social, environmental and economic criteria that are confirmed by independent auditors.



AtSource ofi (olam food ingredients): AtSource Entry Verified - compliance and responsible sourcing; the starting level in our sustainability journey. Enrolled farmer groups comply with ofi's internal policies, sustainability and operational criteria. It aims to align with sector-specific standards (e.g. Coffee SR Code and GCP Equivalence Mechanism) and international due-diligence regulations (e.g. deforestation-free products, human rights, etc.) AtSource Entry Verified products are traceable to farmer groups or ofi **AtSource** estates and have a robust 3rd party verification system in place, covering sustainability principles, chain of custody, and ensuring monitoring and continuous improvement. AtSource Plus - measurable impact - builds on features and requirements for AtSource Entry Verified with stricter sustainability criteria/principles and a powerful data engine providing granular metrics and comprehensive insights specific to each supply chain. AtSource Plus unlocks effective interventions through targeted action plans/programs. AtSource Plus products are traceable to farmer groups or ofi estates and have a robust 3rd party verification system in place, covering sustainability principles, chain of custody and data integrity. Learn more online.



**Volcafe** is a leading green coffee trading company that works towards a thriving, sustainable coffee business for all. Coffees from farmers in our Volcafe Way farmer support programme have been purchased by roasters of all sizes for years. To support farmers as well as our roaster clients in achieving their sustainability commitments, we now offer two Volcafemanaged responsibly sourced (RS) coffees: Volcafe Verified and Volcafe Excellence. Both have been recognised by the GCP as Coffee SR Code equivalent, 2<sup>nd</sup> party assurance and both include practices to promote economic profitability, environmental protection and social well-being. Volcafe Verified coffees fulfil the detailed operational and sustainability criteria of the Volcafe RS Standard. Going beyond the baseline achievements, Volcafe Excellence is our flagship responsibly sourced offering designed to create deeper impact through individualised agronomy support. Optional Sustainability Impact Services offer clients even more ways to practice responsible sourcing. Learn more online.







SELF-REPORTED FIGURES

For context, the table below provides an overview of available 2022 sales and production figures shared by several of the sustainability schemes which were included in the scope of this reporting round.

GCP applauds the transparency of these sustainability schemes, all 3<sup>rd</sup> party schemes, to share their own figures in this report and encourages all other GCP-recognized sustainability schemes to follow this good example going forward.

SUSTAINABILITY SCHEME	MARKET UPTAKE/ GLOBAL SALES (MT)	ESTIMATED PRODUCTION (MT)	AREA (HA)	FARMERS	WORKERS (SEASONAL & PERMANENT)
BASELINE COFFEE CODE EQUIVALENT 3 <sup>RD</sup> PARTY					
<b>4C</b> 2022	763,121	1,696,519	831,900	307,590 (producers)	864,957
Fairtrade International 2021	226,328	923,464	1,153,327	872,916 smallholders*	N/A
Rainforest Alliance / UTZ 2022	943,400	1,561,900	1,613,659	491,296	1,074,355

<sup>\*</sup> Fairtrade only certifies small scale producer organizations for coffee, rather than plantations, hence, only working with smallholder farmers and not workers

# The Road Ahead

# The future of GCP Collective Reporting

Throughout this past year GCP Members and partners dedicated significant time and effort to collaboratively complete the revision of the GCP Equivalence Mechanism, which has been finalized and launched end of 2022. In the course of 2023, all sustainability schemes have been invited to submit their schemes for assessment against the Coffee Sustainability Reference Code and the revised GCP Equivalence Mechanism 2.0.

GCP encourages and invites more GCP Members, signatories to the ICO London Declaration, and all roasters and retailers to participate in the next round of GCP Collective Reporting on Sustainable Coffee Purchases on 2023 figures. This upcoming round is expected to commence in the first quarter of 2024. GCP will announce which sustainability schemes are eligible for the reporting on 2023 figures.

All current GCP-recognized sustainability schemes are <u>listed online</u>, which is regularly updated with newly assessed schemes.

#### Sharing responsibility for sustainability

While important work is underway, unprecedented individual and collaborative efforts are needed to achieve economic viability of sustainable coffee farming and a living income for producers and workers, while preserving nature and addressing climate change. In view of upcoming regulatory requirements such as the EUDR, this will require additional investments and concerted collective action supporting sector transformation, especially in smaller coffee-producing countries.

A continuous focus on sustainability impact is key, and even more necessary to proactively prevent unintended negative consequences on farmer livelihoods, nature and diversity of coffee origins from a possible single focus on compliance.

GCP encourages all roasters and retailers to source sustainable coffee with remunerative prices that allow for investments into sustainable coffee production.

GCP's new strategy provides opportunities to all coffee stakeholders and development partners to take the big step forward on collective action for collective impact towards achieving farmer prosperity and sustainability.

In this spirit we extend a hearty invitation to all roasters and retailers to participate in the next year's round of GCP Collective Reporting on Sustainable Coffee Purchases. We would also be delighted to welcome you to the GCP Roundtable on Sustainable Sourcing to work with your peers on new ways of enacting shared responsibility for sustainability and empower sustainable purchasing leadership throughout the coffee sector.

# Sustainability tools for the coffee sector and beyond



The Coffee Sustainability

Reference Code provides
a simplified framework to foster
better understanding of baseline
sustainable coffee production.
It addresses climate change,
diversity, equity and inclusion.

<u>Learn more</u>



The Equivalence

Mechanism is an innovative
building block to support continual
increases in the purchase of coffee
produced following baseline
principles and practices of
sustainability.

<u>Learn more</u>



The GCP Snapshot is the result of a transparent and precompetitive approach. Explore the GCP Snapshot reports from 2018-2022 to see the growth in sustainable coffee purchases from the sector's leading companies.

<u>Learn more</u>



exciting era in coffee sustainability. Learn about GCP 2.0 and the new GCP 2030 Goal of transformational change on the prosperity of more than one million farmers in more than 10 countries by 2030.

<u>Learn more</u>

