



DEVELOPING A COFFEE SECTOR GUIDANCE FOR RESPONSIBLE PROCUREMENT

PURPOSE AND PROCESS

Why is responsible procurement important to the future of coffee?

The global coffee sector depends on millions of smallholder producers and farmworkers, yet many are still below poverty lines or unable to earn a living income¹. As in many agricultural products despite significant value generated across the supply chain, most of it is not reaching producers. Farmers continue to face persistent structural challenges, including price volatility, fragmented and small land units, rising production costs, climate change impacts, and limited access to finance. These inequities undermine livelihoods, abilities to pay living wages, restrict investment in sustainable production, and contribute to wider risks such as child labour, environmental degradation, and declining sector resilience.

At the same time, expectations that companies trade responsibly are rapidly increasing. Regulatory frameworks such as the EU Corporate Sustainability Due Diligence Directive (CSDDD), the EU Deforestation Regulation (EUDR), and the Unfair Trading Practices Directive, alongside growing scrutiny from investors and consumers, are placing greater responsibility on businesses to address the human rights and environmental impacts of their sourcing practices. In this context, how coffee is *purchased*—not only how it is *produced*—has emerged as a critical lever for achieving sustainable outcomes and is increasingly integral to companies' risk management and long-term competitiveness.

Purchasing practices impact all actors: day-to-day commercial decisions cascade through the supply chain, directly affecting the ability of suppliers and coffee farmers to plan, invest, and earn sustainable livelihoods. Practices such as short-term contracting, unpredictable demand, long payment terms and delayed payments, as well as prices below the cost of sustainable production can exacerbate financial instability and ultimately transfer risk upstream.

Addressing these systemic challenges requires collective action across the entire coffee sector. No single actor can resolve these issues in isolation. Retailers, roasters, traders, exporters, government institutions and producer organisations each play distinct but interconnected roles in shaping how value, risk, and decision-making power are distributed along the supply chain. While their functions differ, their decisions are interdependent.

There is a need to move beyond traditional procurement models focused primarily on short-term cost and efficiency, to more transparent, predictable, long-term and collaborative trading relationships that are more efficient and risk-mitigating for farmers, suppliers, brands, and retailers in the long run. These will enable coffee farmers and suppliers to better plan, invest, and improve their resilience, while supporting companies to secure supply, manage risk, and meet regulatory and market expectations.

Building the Sector Guidance on a foundation of practical work

The coffee sector has not been standing still. Recognising procurement's power to drive change, organisations previously pursued this work separately: GIZ worked in collaboration with [German retailers](#) under the umbrella of the Sustainable Agricultural Supply Chains Initiative (SASI), funded by the Federal Ministry for Economic Cooperation and Development (BMZ), while GCP, IDH and Solidaridad worked closely with roasters and traders to develop the [Common Procurement Principles \(CPP\)](#), as a response to the Grounds for Sharing report.

GCP, IDH, Solidaridad and GIZ have now united forces, with the support of the Sustainable Food Lab, to shape a common vision for developing the Coffee Sector Guidance on Responsible Procurement — a shared framework around which all actors can align. Recognising that lasting change requires actors across the full value chain to join these efforts, key stakeholders will be actively included in the process, particularly retailers, exporters, producer organisations, and coffee farmers themselves.

Covering all coffee sourcing, the Sector Guidance will build on the foundational Common Procurement Principles (CPP):

- **Strategic Partnerships** — shifting sourcing relationships from short-term transactions to longer-term, trust-based collaboration between farmers, traders, roasters and retailers.
- **Sustainable Coffee Production** — supporting conditions in which farmers can recover their costs and pursue long-term improvements in their livelihoods and farming systems.

The ETI's Common Framework for Responsible Purchasing Practices in Food² was adapted by the German Retailers Working Group to be applicable to the coffee sector, and it will support the operationalisation of the CPPs by providing further structure for discussion and action:

- **Internal Integration** — embedding responsible procurement into company systems and decision-making
- **Equal Relationships** — fostering long-term, transparent relationships based on shared responsibility
- **Collaborative Production Planning** — improving predictability through better forecasting and coordination
- **Fair Payment Terms** — ensuring timely and equitable payments to reduce financial pressure upstream
- **Sustainable Costing** — aligning pricing with the cost of sustainable production and living income goals

Common Procurement Principles	Responsible Purchasing Practice
Strategic Partnerships	Equal Relationships Collaborative Production Planning
Sustainable Coffee Production	Fair Payment Terms Sustainable Costing
Internal Integration	

What is the purpose of the Sector Guidance?

The Coffee Sector Guidance on Responsible Procurement will be designed to serve as a practical reference for companies along the supply chain, helping them assess their current purchasing practices, identify priority areas for improvement, and align commercial decision-making with sustainability objectives. It complements existing sustainability frameworks, tools, and schemes, such as the GCP Coffee Sustainability Reference Code. The Sector Guidance is expected to evolve over time as sector engagement grows and understanding deepens. Its development will be informed by the expertise, practical experience, and perspectives of stakeholders from across the value chain, ensuring that it is relevant, practical, and broadly applicable.

Ultimately, achieving meaningful impact will depend on the adoption of responsible procurement practices across the entire supply chain. Companies that are not directly connected to producers play a critical role in driving change by engaging their suppliers and ensuring that these improved practices cascade upstream, as this shapes the environment in which farmers operate. Procurement alone cannot address all challenges, but when aligned with other levers — such as public policy, inclusive finance, and improved farm practices — it can help enable farmer prosperity.

This is the moment to act on that need collectively. We invite you to help shape it.

Process and timeline

Step 1 – Building a shared foundation (May–July 2026)

- Build alignment between GCP, IDH, Solidaridad and GIZ on a common vision and approach, supported by SFL.
- Ensure that producer perspectives shape the Guidance from the start — consultations have already taken place at World of Coffee, and in Peru through a workshop coordinated by GIZ.
- Hold the first cross-sector Learning Dialogue with traders, roasters and German retailers to deep-dive into internal integration of Responsible Purchasing Practices, sharing real-life examples, challenges and insights.
- Identify additional stakeholders to engage with (e.g. other retailers, roasters, traders, exporters, producers, civil society/similar initiatives).

Step 2 – Launching the joint initiative to develop Sector Guidance (September 2026)

- Co-create the announcement of the Sector Guidance initiative with traders, roasters and retailers (July 2026).
- Collect logos from interested companies (August–September 2026).
- Launch the announcement of the joint development of the coffee Sector Guidance at the GCP 10-year anniversary event in Geneva, 30 September 2026.

Step 3 – Developing the Sector Guidance (June 2026–June 2027)

3.1 Development and revision of the Sector Guidance document, from first draft (Q3 2026) through to final version (Q2 2027):

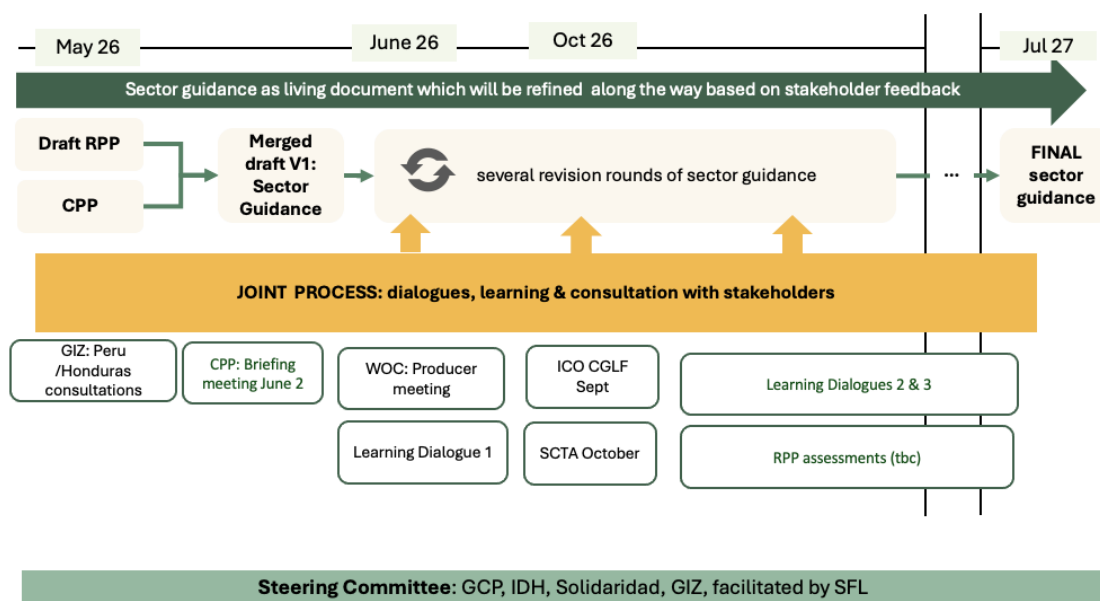
- **Consultation** rounds with supply chain actors (retailers, traders, roasters, producer organisations) from across the sector, and participation in workstreams such as learning dialogues and assessments/reviews of current purchasing practices (Q3 2026–Q2 2027).
- Exchanges with civil society and other related groups throughout.

3.2 Further Learning Dialogues will provide a safe environment for learning and exploring new ideas and advancing innovation. Lessons and insights, including learnings from other sectors, will provide crucial input to create a credible and business-relevant Sector Guidance. (Q3 2026 / Q1 2027)

3.3 Review of purchasing practices by interested companies, to build a better understanding of the current level of implementation and how purchasing practices affect different actors along the value chain, particularly coffee producers. In addition to providing practical inputs to the Sector Guidance, the insights generated will help identify good practices, common challenges, and priority areas for improvement. (2026/27)

3.4 Explore institutionalisation mechanisms, in order to ensure the Sector Guidance evolves from a reference document into a formally recognised, consistently applied foundation for sector practice that is robust, credible, and durable over time. (2026/27)

Coffee Sector Guidance: draft timeline



Compliance note. Throughout all activities, **applicable antitrust regulations will be respected and adhered to at all times.** All collaboration will be conducted in full compliance with competition law, ensuring that no exchange of commercially sensitive information or coordination of market behaviour takes place.

¹ 'The net annual income required for a household in a particular place to afford a decent standard of living for all members of that household' — living-income.com/the-concept

² 'This framework acts as a core reference document, to provide a common language and structure for discussion and action, after which guidelines for different elements of the industry may be developed.' — [Ethical Trading Initiative](#)