

Due Diligence for Responsible Business Conduct

# Account reporting year 2022

for Jacobs Douwe Egberts Norge AS

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# SUSTAINABLE DEVELOPMENT GOALS



## To Readers Of The Report

Business and the public sector have a great impact on people, society, the environment, and animals and can both contribute positively to development, or negatively by causing harm. Businesses therefore hold a central role in achieving UN's Sustainable Development Goals (SDGs).

This report can be used as an account for the Transparency Act, but it has a broader scope with climate and the environment, circular economy, and anti-corruption indicators also being included. Our members are obligated to carry out due diligence and report annually on their work. Base level members also meet the Transparency Act's due diligence duty, and partially the Act's information duty.

Responsible business conduct is the systematic effort that businesses do to identify, prevent or mitigate adverse impacts and explain how they manage their risks of negative impact to people, society, and the environment as well as provide remediation where this is required. Norwegian authorities expect all businesses, regardless of their size, to carry out due diligence in accordance with the UN's Guiding Principles for Business and Human Rights (UNGP) and OECD's Guidelines for Multinational Enterprises. This applies to businesses, the public sector, and organisations.

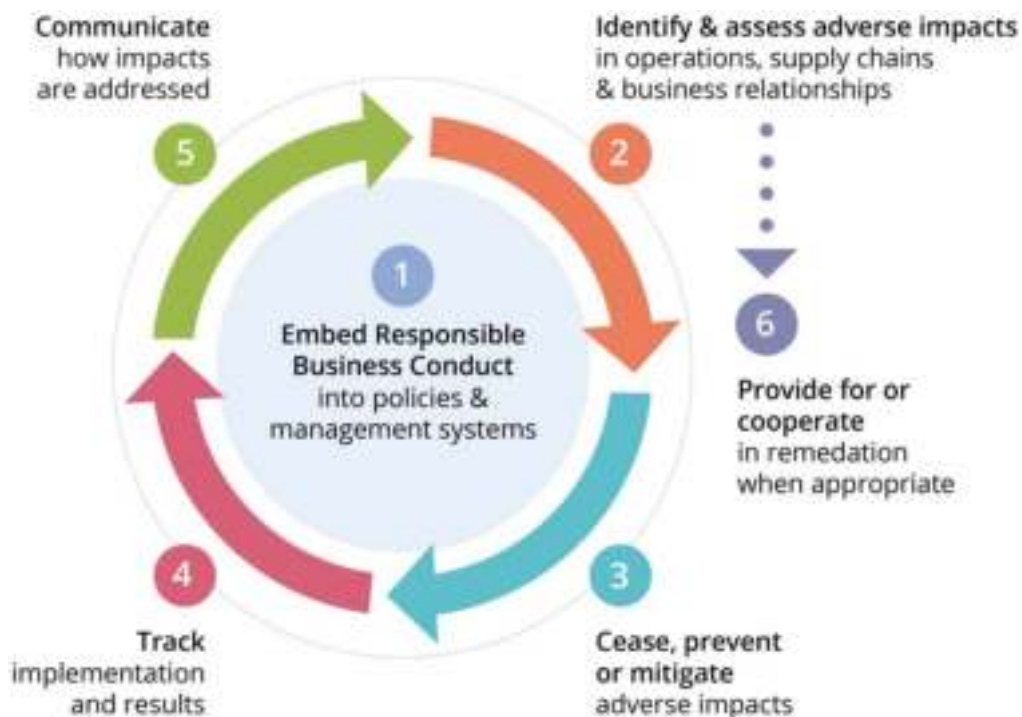
Ethical Trade Norway's Declaration of Principles (our Code of Conduct) covers the areas of decent work, human rights, environment/climate, anti-corruption, and animal welfare. This report is done in full transparency and in line with UNGP and OECD's guidelines. The reports of all members are publicly accessible on Ethical Trade Norway's website.

**Heidi Furustøl**  
*Executive Director*  
Ethical Trade Norway

# Due diligence

This report is based on the UN Guiding Principles on Business and Human Rights and the OECD model for Due Diligence for Responsible Business Conduct.

The model has six steps that describe how companies can work for more responsible and sustainable business practice. However, being good at due diligence does not mean no negative impact on people, planet and the society. It means that the company is open and honest about challenges faced and shows how this is managed in the best possible way in collaboration with its stakeholders. This report is divided in chapters following the OECD model.





# Preface From CEO

Friele is Norway's oldest coffee house with a history going back as far as 1799. Our passion for coffee and tea has led to a rich history of beautiful brands and quality products, such as Norway's most known coffee brand - Friele Frokostkaffe. We have taken responsibility for our supply chain – from bean to cup - and the society we operate in. We are continuously improving our business by setting up relevant partnerships, investing in social initiatives and taking care of all our colleagues, who are committed to giving their best whilst producing your favorite coffee.

We take our responsibility for the environment and the well-being of our farmers seriously, so we can look forward to another 222 years of entrepreneurship. This has inspired us to come up with a sharpened approach to our sustainability strategy. Through concrete actions, products and innovations we want to work with our customers and consumers to make a contribution to our living planet, so that we can all enjoy coffee and tea for many years to come.

**" Our purpose: Unleash the Possibilities of Coffee & Tea to Create a Better Future "**

Lasse Søgaaard  
*Country Manager*

# Board Signature

## **JACOBS DOUWE EGBERTS NORGE AS**

The board of Jacobs Douwe Egberts Norge AS hereby confirms having received and read the report prepared for Ethical Trade Norway, which also forms the basis for our report:

### ***Due diligence assessments for sustainable business practices***

Statement of the reporting year 2022

Jacobs Douwe Egberts

(date,place)

*Fill in the fields below with the name, position and signature of all board members*



Fredrik Mossberg  
General Manager Nordics Professional



Christian Boas Linde  
General Manager Nordics



Tomas Mjøs Andersen  
Site Manager Norge



Lasse Sogaard  
Country Manager Professional Norge

(Oslo,27.4-2023)

Oslo  
27.04.2023

# Company information and business context

## Key company information

### Company name

Jacobs Douwe Egberts Norge AS

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### Head office address

Midtunhaugen 6, 5224 Nesttun, Postboks 175, 5852 Bergen

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### Main brands, products and services offered by the company

Coffee produced in our factory in Bergen: Friele (Frokost) coffee (dark roast, caffeine free , Cafe Noir, filter, french press etc), Krone, Norwegian Roast-series with specialty coffee and full range certified coffee.

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### Description of company structure

Head office from 1st of July 2015 Jacobs Douwe Egberts (KDE) in Amsterdam, Netherlands. National coffee production with administration in Bergen. Head office for JDE Professional Norway in Oslo. Sales offices in all major cities with nation wide sales support.

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### Turnover in reporting year (NOK)

1 346 096 682

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### Number of employees

163

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### Is the company covered by the Transparency Act?

Yes

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## Major changes to the company since last reporting period

We have increased our responsibly sources coffee from 30% to 77% in 2022

We have made a new investment of €150 million to our sustainability program, so we can double amount of small farmers reached through our own programs from 500 000 to 1 million.

We are collaborating with Enveritas, an independent non-profit organization that verifies traceability, sustainability practices, and improvement activities for our coffee sourcing. Enveritas specializes in sustainability verification for smallholder farmers beyond the reach of certification and other similar programs. We have entered into an agreement with SEDEX, which contains a comprehensive supply chain auditing and remedial procedure.

Our roastery in Bergen is PAS 2060 certified

We have increased our donations to City Church Mission to 1 million cups of Friele Frokostkaffe and our employees have worked one day as a volunteer during working hours.

Celebrating the diversity in our coffee ecosystem and aligning with consumer interest in coffee associated with a cause, Peet's Jubilant Blend honoured Black History Month by celebrating two black, female pioneers who have broken racial barriers in coffee importing

JDE's committed to SBTi-approved greenhouse gas emission reduction targets across its value chain. These new targets underscore our commitment to create a better future by actively working to minimise our operational Footprint. By the end of the year, we reduced our Scope 1&2 emissions by 15% and Scope 3 emissions by 1%, compared to our 2020 base year

In response to the war in Ukraine, we improved our medical insurance programme adding coverage for injuries/recovery (including psychological) connected with military actions, increased coverage of non-standard cases, Improved the pregnancy and child insurance programme, and improved the medical screening and prophylaxis programme

JDE's ESG rating was upgraded to the top fourth percentile within the Packaged Foods subindustry by Morningstar Sustainalytics, a leading ESG ratings provider. We improved our scores across all 11 assessment categories that Sustainalytics applies, with the biggest improvements occurring in Occupational Health and Safety, Carbon-Own Operations, and Human Rights-Supply Chain

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## Contact person for the report (name and title)

Eva Gullerud, Marketing Specialist & CSR-responsible

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## Email for contact person for the report

[eva.gullerud@jdecoffee.com](mailto:eva.gullerud@jdecoffee.com)



## Supply chain information

### General description of the company's sourcing model and supply chain

JDE Norge buy our coffee from JDE's central sourcing company KDE Netherlands. KDE Netherlands buy our coffee through traders and local exporters. Norway also buy coffee machines and spareparts through KDE. Approximately 70% our coffee sales in Norway is produced in our factory in Midtun in Bergen (approximately 13 000 tonnes)

Manufacturing mainly in JDE sites (specialized on product type) + small share of 3rd party supplier. Local logistics operations (Warehousing and Distribution) externalized to local suppliers (Bring, DSV).

As a global business, we rely on an extensive supply chain. The majority of our direct material supplier base (other than coffee & tea) are concentrated in packaging materials. Marketing and media make up the majority of our Total spend on indirect materials and services. No significant changes were made to our supply chain in 2022

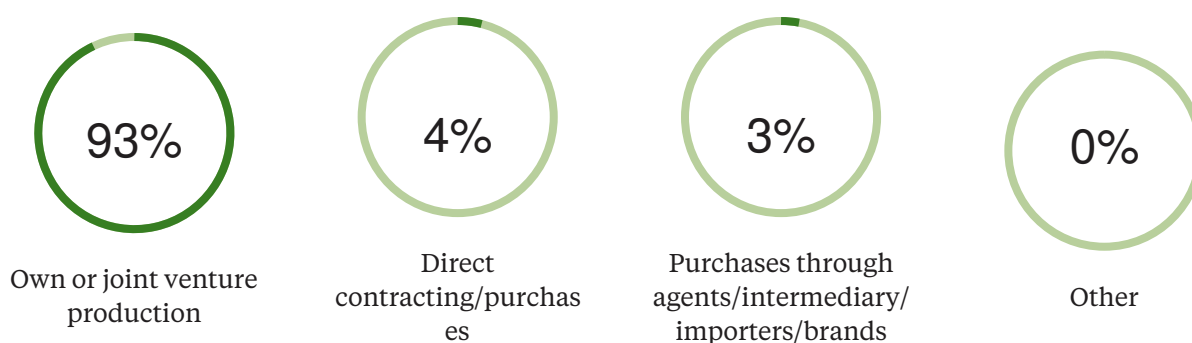
### Number of suppliers with which the company had commercial relations in the reporting year

38

### Comments

We engage with our suppliers to assess their alignment and risk against JDE Coffee Responsible Sourcing Principles (<https://www.jacobsdouweegberts.com/cr/>). This is done through an extensive process of self-assessments and independent review through Rainf

### Type of purchasing/ suppliers relationships



Own or joint venture production - #11 (93%) (JDE MU's: Bergen (NO, 76%), Gävle (SE, 5%), Banbury (UK), Joure (NL), Berlin (DE), Sulasewo (PL), Trostyanets (UA), Andrezieux (FR), Valasske Mezirici (CZ)). Joint Venture: Multeafil, Johan & Nyström

Direct: #16 (4%):

Uelzena, Muskopak, DeSter, Paardekopper, Friesland, Lactalis, illy, Rauch CH, Rauch HU, Krüger, Leroux, Barry Callebaut, Unic, Zengo, Abena, Crem

Purchases through agents/intermediary/importers/brands - #11 (3%):

Friele Foods, Måkestad Engros, Tingstad NO, Tingstad SE, Black Cat, Foodbroker, Merx, Servicegrossisten Øst, Out Of Home, Strandgaarden Wine & Spirits, Johnson Diversey

**List of first tier suppliers\* (producers) by country**

Norway :	1
Sweden :	1
United Kingdom :	1
Germany :	1
Poland :	1
Ukraine :	1
France :	1

JDE MU's: Bergen (NO, 76%)

JDE Gävle (SE, 5%)

JDE Banbury (UK) ,

JDE Joure (NL),

JDE Berlin (DE),

JDE Sulasewo (PL) ,

JDE Trostyanets (UA),

JDE Andrezieux (FR),

JDE Valasske Mezirici (CZ)

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**State the number of workers at first tier producers that the company has an overview of, and the number of suppliers this overview is based on:**

**Number of workers**

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**Number of suppliers this overview is based on**

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**Comments to number of workers**

JDE Peet's source approximately 8% of the world's green coffee

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**Key inputs/raw materials for products or services and associated geographies**

<b>Green coffee</b>	Global Brazil Colombia Guatemala Honduras Indonesia India Kenya Peru
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In Norway we sell most coffee from Brazil, followed by countries such as Colombia, Peru, Guatemala, Indonesia, Kenya and India.

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**Is the company a supplier to the public sector?**

Yes

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## Goals and progress

### Process goals and progress for the reporting year

1

**Goal:** Designing 100% of our packaging to be reusable, recyclable or compostable by 2025

**Status:** Pilot project started in Bergen for compostable packaging

2

**Goal:** Working towards 100% responsibly sourced coffee by 2025

**Status:** We currently have 77% responsible sourced coffee in 2022. Goal for 2023 is have 80-85%

3

**Goal:** Directly reaching over 1 million smallholder coffee, tea & palm oil farmers by 2025

**Status:** More than 590 000 small farmers reached in 2022

4

**Goal:** Targeting gender-balanced management positions by 2025

**Status:** In 2021 we had 26% woman in leadership positions on a global level. at the start of 2022 we established a milestone to reach 40% of women in leadership positions by 2025. We are proud that by the end of 2022 we had already exceeded this commitment, with 41% of our leadership positions held by women. 5 of 7 in the Norwegian leader group are women

5

**Goal:** Climate strategy was approved by the Science Based Targets Initiative (SBTi)

**Status:** Our commitment involves to reduce our absolute greenhouse gas emissions for scope 1 & 2 by 25% and scope 3 by 12.5% by 2030 compared to our 2020 base year. In 2021, we decreased our GHG emissions related to scope 1, 2 & 3 by 5%. For 2023: 1.5% reduction of CO<sub>2</sub>e / cup: Embed GHG emissions intensity into Innovation and commercial Decision processes to steer carbon intensity down.

6

**Goal:** City Church Mission collaboration for social responsibility

**Status:** In 2023 we will donate 1 million cups of coffee and all employees will work one day as a volunteer during office hours

7

**Goal:** Carbon neutral roastery in Bergen

**Status :**

We became ISO 2060 certified in 2022. We use renewable energy from hydropower and will start using bio gas for our roasters. This means we no longer need to climate compensate

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**Goal for coming years**

1

Working towards 100% responsibly sourced green coffee by 2025. The goal for responsibly sourced coffee is to have 80-85% in 2023

2

Report CO2 emission per cup on our coffee products in 2023

3

Renovating our machine portfolio so we can reduce up to 63% CO2 emissions and take an extra step towards circular economy IN 2023

4

Our goal is to submit an even stronger and new SBTi ambition in 2023 to reach net-zero IN 2023.

5

Continue our strategic collaboration with the City Church Mission and volunteer work IN 2023

6

Continue to design and implement an effective human rights due diligence programme and investigate potential impacts before they materialise in 2023

7

New webpage in Norwegian on CSR in 2023

8

Directly reach 1 million smallfarmers by 2025

9

Reduce absolute scope 1&2 GHG emissions by 25% (vs 2020) by 2030

10

Reduce absolute scope 3 GHG emssions by 12,5% by 2030

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## Governance and commitment to responsible business conduct

Embedding responsible business conduct means that the company should have strategies and plan, as well as relevant policies\* and guidelines for due diligence for responsible business conduct (hereafter due diligence) which are adopted by management. These should comprise the enterprise's own operations, its supply chain and other business relationships. Effective management systems for implementation are key to success, and due diligence should be an integrated element in company operations. Clear expectations from senior management are crucial, as well as clearly assigned responsibilities within the company, for the implementation of the steps in the due diligence process. Those involved need to know how to proceed. Transparency about commitments the company has for itself, challenges they are facing, and how these are managed is fundamental





## 1.A Policy\* for own business

### 1.A.1 Link to publicly accessible policy for own business

<https://www.jacobsdouweegberts.com/cr/> & <https://www.friele.no/samfunnsansvar/etiske-retningslinjer>

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### 1.A.2 What does the company say publicly about its commitments to respect people, society, the environment and climate?

Our sustainability strategy spans our entire value chain, and aims to ensure we source our raw materials responsibly, minimise our footprint, and engage our own employees as well as all the communities and partners in our entire ecosystem. As we believe this is vital to the long-term success of the company, we worked hard on its execution throughout the year, engaging with stakeholders along the entire supply chain and stepping up our level of ambition for the short and long term.

To support the implementation of our strategy, we have put in place a series of performance targets. For each impact area, we mapped the related material topics, the concerned stakeholders, the key risks identified, the targets we have set for ourselves, the KPIs we use to monitor our performance and the SDGs we contribute to.

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### 1.A.3 How has the policy/commitment been developed and how is it embedded in the company?

Our codes, policies and guidelines go beyond our legal and regulatory obligations and require all of our employees to do the right thing. Because this commitment is at the core of who we are, we also expect that our business partners such as suppliers, agents, consultants and licensees will follow similar standards while working on our behalf to preserve the trust with all of our stakeholders. Violations of our Code, company policies, and the law also carry serious consequences in the form of disciplinary action— up to and including termination, personal fines and in some cases imprisonment.

Our managers and other leaders have a duty to demonstrate a clear commitment to ethics at all times. To endorse the Code, the Company provides for periodic trainings. The Speak Up Policy describes how you should report your concerns and be assured that you will never experience retaliation for reporting in good faith. In 2022 we significantly increased completion monitoring of our global mandatory training. Employees are required to take a certain number of compliance training sessions per year on topics such as cybersecurity, phishing, data protection and privacy, code of conduct and anti-bribery and sanctions risk management. Our eLearning for our Code of Conduct is available in 21 languages and achieved 88% completion rate. JDE also rolled-out a comprehensive third party risk management system integrated with SAP, to manage third party anti-bribery and corruption integrity due diligence as well as restricted party screening and updating our Anti-bribery and Anti-corruption Policy accordingly; Anti-bribery and Corruption September month awareness campaign in APAC; Adoption of Public Advocacy Policy for interacting with government authorities/ officials for public policy development and implementation

Our suppliers' and their subcontractors' business must comply with our Supplier Code of Conduct and all applicable laws and regulations regarding immigration, working conditions and occupational safety. Compliance Ambassadors Programme was rolled out in Brazil and some other markets to extend the reach of Corporate Compliance & Ethics. Our responsible sourcing principles and our Supplier Code of Conduct address the key risks we have identified, such as working conditions, environmental practices, safety standards and human rights.

See attached Governance structure, internal risk management, risk management

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## 1.B Organisation and internal communication

### 1.B.1 How is the due diligence work organised within the company, and why?

Human rights has always been a material topic for JDE's, with our employees our most material asset. Understanding the risks related to the global coffee value chain has helped us identify more precisely the human rights' issues that affect our sourcing regions, and take concrete actions to address them. Following this, in 2022 we published our Human Rights Policy which covers the areas of (gender) discrimination, forced labour, child labour, collective bargaining, fair wages, human treatment, and safe working conditions. This policy governs our own operations and also serves as a basis by which we continue to increase expectations and perform human rights due diligence throughout the supply chain. We have signed up to the UN Global Compact in support of and respect for the protection of internationally proclaimed human rights standards, such as the UN Universal Declaration on Human Rights and the ILO Declaration on Fundamental Rights and Principles at Work to ensure that we are not complicit in such abuses either upstream or downstream in our operations.

We acknowledge that potential human rights risks may exist across different areas of our value chain and that these risks require specific approaches to human rights due diligence. We have therefore established three working groups to address issues in key areas: own operations / manufacturing, coffee & tea sourcing, and procurement of other goods and services. These are overseen and advised by steering committees composed of JDE Peet's senior management. Each working group is charged with defining a suitable human due diligence programme approach for its area, which will subsequently be implemented and cascaded to our relevant segments and markets. We have engaged an external specialised human rights advisory firm to help design priorities and an annual working plan to bring our human rights commitments to life, including a training programme, governance framework for reporting and deciding on any critical non-compliances, grievance mechanisms, and remediation of negative impacts. Each working group will report to its steering committee on key issues in its area of responsibility, progress made, and relevant next steps.

Our achievements in 2022:

- JDE Peet's joined the Sedex platform and linked with suppliers to enable the sharing of site-specific human rights risk and ethical audit information
- We designed a human rights supplier due diligence programme for non-coffee and tea suppliers, with high risk European and global COGS suppliers being prioritised for further due diligence
- We identified at least 8,000 unique supplier locations, which represent around 20% of our annual spend (excluding green coffee & tea vendors), as a combination of low spend and low risk

Under JDE's Supplier Code of Conduct we have an auditing framework in place and we carry out risk based audits. Furthermore we are developing a risk based auditing policy and way of working in preparation of the Due Diligence Supply Chain Directive, which contains requirements that go beyond what is currently stated in the OECD guidelines. As part of that same way of working JDE entered into an agreement with SEDEX, which contains a comprehensive supply chain auditing and remedial procedure.

In short:

- Origin issue assessment: Rainforest Alliance conducted independent country risk assessments from the main origins we source from.
- Supplier engagement:
  - o On a bi-annual basis we reach out to all our suppliers to complete a self-assessment, providing insights to their alignment to our responsibly sourced Coffee Principles and the risks.
  - o Our partner Enveritas is working directly with coffee farmers around the world, provide sustainability assessments (audits) of our supply chains at no cost to our farmers and suppliers. In 2022 Enveritas conducted 40 000 farm level audits. The results of the assessments are not a pass/fail, instead it provides an opportunity to identify gaps or priorities for improvement. We share the findings with our suppliers and together we turn the above insights into action.
- Investment in priority issues: we engage with suppliers, farmers, NGO's, governments, donors etc to address the key issues (which differs per origin/per region) in our supply chains by setting up improvement projects. We have a continuous improvement approach, our project impact is being measured by Enveritas as well.

### **1.B.2 How is the significance of the company's due diligence work defined and clarified for the employees through their job description, work tasks and incentive structures?**

Our Code applies equally to all associates and consultants/temporary workers. Because this commitment is at the core of who we are, we also expect that our business partners such as suppliers, agents, consultants and licensees will follow similar principles while working on our behalf. No one is exempt from our Code, regardless of position or tenure. For suppliers our core of who we are is clearly set forth in our Supplier Code of Conduct. Each of employee has a responsibility to read our Code, understand the values behind it, and adhere to its guidance.

In 2022, we paid particular attention to the design of ESG-related internal controls. We designed a set of controls around our ESG KPIs subjected to limited assurance, to ensure the quality of our reported ESG metrics. Throughout the year, the Audit Committee presented the update on the Enterprise Risk Management, including the management's assessment of cyber risks, supply chain business continuity risks and ESG related risks, such as climate and supply chain due diligence

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### **1.B.3 How does the company make sure employees have adequate competence to work on due diligence for responsible business conduct?**

Our managers and other leaders have a duty to demonstrate a clear commitment to ethics at all times. To endorse the Code, the Company provides for periodic trainings. The Speak Up Policy describes how you should report your concerns and be assured that you will never experience retaliation for reporting in good faith. We regularly conduct compliance e-learning courses for employees on topics such as ethical behaviour and principles, competition law, anti-bribery and corruption, data protection, and human rights. Such training courses are mandatory for all our employees who have an email address and access to our Learning Management System. For those employees without such access, such as certain employees working in manufacturing units, we offer shared laptops or conduct in-person training sessions. We also regularly conduct face-to-face training courses for selected target groups. These include, for example, courses on competition law for sales teams, anti-bribery and corruption for procurement teams, and data protection for marketing and human resources teams. As part of our third-party risk management, we have implemented a comprehensive third-party due diligence workflow-powered platform for anti-bribery and anti-corruption integrity due diligence, as well as restricted party screening before engaging third parties. To monitor and ensure compliance with applicable sanctions, we have prepared specific sanction compliance toolkits, expanded third-party screening and provided specialised advice

## 1.C. Plans and resources

### 1.C.1 How are the company's commitments to respect people, society and the environment embedded in strategies and action plans?

One of our core strategic ambitions is to reduce our social debt and ultimately generate social value, to deliver meaningful sustainable impact, and to help future-proof the organisation over the long term. A 'better future' is one in which our societal value is equal to, or even superior to, our market value. To help achieve this, we have united our sustainability agenda under Common Grounds, our CEO-led sustainability programme that has become the home of our sustainability journey "where you grow, we grow, and coffee & tea grows". Our business activities impact the environment and the communities in which we operate both positively and negatively, but if we are to safeguard long-term coffee & tea supply, and thus our own future, we need to be intentional in managing our impact along the value chain. The core of our sustainability strategy comprises three thematic pillars aimed at ensuring we source our raw materials responsibly, take good care of the environment and engage our own employees and communities, all underpinned by our commitment to operate responsibly across our operations and value chain.

In 2022, we consolidated our sustainability agenda under Common Grounds, our CEO-led sustainability programme, and we updated our materiality map and identified nine topics that are most material for our company, linked to the most relevant GRI standards and the United Nations Sustainable Development Goals (SDGs). These include three new topics that have gained greater relevance since 2020, and some topics from the 2020 result that were merged or removed. We also, included EUR 150 million in our long-term strategic growth plans, to spent on a responsible sourcing programme over the next 5 years. More details can be found in the Annual report page 20-22, see also attached our CSR targets and progress.

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### 1.C.2 How is the company's strategies and action plans to work towards being responsible and sustainable followed up by senior management and the board?

The Board regularly, but at least two times per year:

- Oversees the implementation of the sustainability agenda and policies including climate change
- Reviews the progress on ESG-related matters, including climate-related issues as well as responsible sourcing, packaging, water, waste, health and safety, and diversity, equity and inclusion, amongst others
- Monitors the progress of our Common Grounds Sustainability programme, goals and targets.

To place even greater focus on ESG, in 2021, the Board appointed one Sustainability Board Contact, and in 2022 appointed a second Sustainability Board Contact amongst its members of the Board. These appointees provide an oversight of ESG-related matters and advise the Executive Committee as well as company's senior management. Responsibility for JDEP's Common Grounds sustainability agenda and programme lies with the CEO and the individual members of the Executive Committee responsible for specific business areas that specific targets relate to. Specifically, each member of the Executive Committee owns respective ESG targets that build our Common Grounds strategy and programme and are accountable for achieving these targets. Led by the Global Director Quality & Sustainability, the Sustainability team subsequently works with a cross-functional leadership group composed of subject-matter experts from across the company, including areas such as procurement, manufacturing, research and development, marketing, human resources, and compliance to execute and measure the company's ESG and climate-change strategy. In 2022, the Global Sustainability Team implemented Quarterly Program Reviews' where ESG subject matter experts report KPIs performance to the Global Quality and Sustainability Director. The company's CEO is part of these sessions at least once a year

The Norwegian board of directors adapted the Transparency Act through a board resolution and embedded the responsibility in the Norwegian organisation

More information can be found in our Annual Report.

## 1.D Partnerships and collaboration with business relationships, suppliers in particular

### 1.D.1 How does the company emphasise the importance of responsible and sustainable business conduct in its business relationships, particularly in the supply chain?

Our Supplier Code of Conduct is an extension of our Code of Conduct and forms the cornerstone of our commitment to responsibly and sustainably source our products. We believe that by adopting responsible and sustainable business practices in our supply chain we not only contribute to the improvement of our products; it also allows us to enjoy long-term sustainable and mutually beneficial relationships with our Suppliers.

Therefore, we expect our Suppliers to adopt the universal standards as defined in our Code, in order to minimize any adverse environmental and social impact directly associated with the goods and services sourced by JDE.

The requirements laid out in this Code are based on internationally recognized standards, which include the UN Universal Declaration on Human Rights, the UN Guiding Principles on Business and Human Rights, the International Labour Organisation (ILO) Declaration on Fundamental Rights and Principles at Work and the OECD Guidelines for Multinational Enterprises. We require our suppliers to adhere to the Code and the internationally recognized standards on which it is based when conducting business with JDE.

Ethics & good governance are foundational to our corporate culture and form some of the most material issues on our materiality map. We set high standards for the behaviours of our employees. We also apply the same standards to the suppliers with whom we do business. In 2021, we refined our JDE Supplier Code of Conduct with a clear commitment to comply with the OECD Guidelines for Multinational Enterprises, in addition to our commitment to the International Labour Organisation (ILO) Declaration on Fundamental Principles and Rights at Work

In 2022, for our sourcing included under the Enveritas scheme, they conducted over 40,000 farm assessments in 22 origins. We accessed detailed insights on farmers' challenges to focus our farmer initiatives and identify further actions we can take to improve our coffee value chain. This provides us with greater visibility on the ground. We then share the findings with our suppliers and together turn the insights into action plans and multi-year projects to enable us to source with a positive impact. We transparently share the risk/focus areas on our website on the interactive world map: <https://www.jdepeets.com/sustainability/responsible-sourcing/>

## 1.E Experiences and changes

### 1.E.1 What experiences have the company encountered during the reporting period concerning responsible business conduct, and what has changed as a result of this?

Sustainably produced coffee is coffee that is produced following principles that ensure social, environmental and economic value. For coffee, these principles have been defined under the Sustainable Coffee Reference Code by the Global Coffee Platform (GCP), a global non-profit organisation representing producers, traders, roasters and government. The Global Coffee Platform's Coffee Sustainability Reference Code provides a breakthrough for the industry. While recognising and supporting the pioneering role that certification-like sustainability schemes have had in advancing sustainable coffee production and consumption, the GCP Equivalence Mechanism is designed to accommodate a wider range of sustainability schemes, both from the private and public sector, to broaden sustainable coffee production.

Our new partner Enveritas is one of those schemes that are recognised. Continuous improvement in the coffee supply chain has always been a core principle of our approach to responsible sourcing. Now, it is third-party verified by Enveritas. And it reaches everywhere - including the small-scale producers who have been out of reach for too long. This new approach reaches more farmers, more often and during the harvest period when conditions are more representative of actual conditions. We pay for the audits, so there is no cost for farmers to participate. We then go a step further and invest considerably to drive measurable impact in farming communities. This new approach means that our investments in projects are fully linked to our responsibly sourced claim – and we engage Enveritas each year to evaluate the impact of these projects to ensure we are making a real, meaningful difference.





## 2

### Defining the focus for reporting

## Identify and assess the company's impact on people, society and environment

“Identify and assess” is about identifying the company's risk for, and actual negative impact on, people, society and the environment, including in the supply chain and through business relationships. As a first step the company should get an overall risk picture, before subsequently prioritising further mapping and measures where the risk of negative impact is the greatest, i.e. salient issues. The company's involvement in the negative impact is central to determine which measures the company should implement in the next step of the due diligence model. Involvement of stakeholders, especially those affected, is central when assessing risks. It is also important to consult with stakeholders when implementing measures to manage the negative impact.

## 2.A Mapping and prioritising

### STATEMENT ON SALIENT ISSUES

*Prioritising one or more risk areas on the basis of severity does not mean that some risks are more important than others, or that the company should not take action on other risks, but that risks with the greatest negative impact are prioritised first. Mapping and prioritisation are a continuous process.*

**2.A.1 List the company's prioritised risk of negative impact on people, society and environment. Take note that the prioritized risk that you list in the table below will be exported to step 3 of this report, where you will be asked to answer how you work with stopping, preventing, or reducing the negative impact.**

Salient issue	Related topic	Geography
<p>We assessed more than 10,000 supplier locations on the basis of inherent human rights risk, based on location and industry activity. We used six indicators on environment and business ethics and the Sedex platform which contains eight of the most serious human rights risks, aligned with the ILO Conventions: • Forced labour • Discrimination • Freedom of association • Gender • Children &amp; young workers • Regular employment • Working hours • Health safety &amp; hygiene. We then prioritised suppliers for due diligence based on their combined risk score and our annual spend with them, allowing us to identify high-, medium- and low-risk suppliers. Based on our risk mapping exercise conducted in 2022, at least 8,000 unique supplier locations, which represent around 20% of our annual spend (excluding green coffee &amp; tea vendors), are considered a combination of low spend and low risk. The remaining group is prioritised for further due</p>	<p>Forced labour Freedom of association and collective bargaining Child labour Discrimination Occupational Health and safety Working hours Regular employment</p>	

We believe responsible sourcing is about understanding our supply chain and taking action to avoid and mitigate the risk of negative impacts when sourcing agricultural commodities. Our responsible sourcing principles and our Supplier Code of Conduct address the key risks we have identified, such as working conditions, environmental practices, safety standards and human rights. Our sustainability strategy spans our entire value chain and focuses on those sustainability topics that are most material to our business and where we can have the greatest impact.

We assessed more than 10,000 supplier locations on the basis of inherent human rights risk, based on location and industry activity. We used six indicators on environment and business ethics and the Sedex platform which contains eight of the most serious human rights risks, aligned with the ILO Conventions:

- Forced labour
- Discrimination
- Freedom of association
- Gender
- Children & young workers

- Regular employment
- Working hours
- Health safety & hygiene.

We then prioritised suppliers for due diligence based on their combined risk score and our annual spend with them, allowing us to identify high-, medium- and low-risk suppliers. Based on our risk mapping exercise conducted in 2022, at least 8,000 unique supplier locations, which represent around 20% of our annual spend (excluding green coffee & tea vendors), are considered a combination of low spend and low risk. The remaining group is prioritised for further due diligence. After assessing projects that were due to end, we have concluded that a number of them still have the potential to make a positive impact. Consequently, in 2023 we will scale up the size and scope of several projects through extensions. In Tolima and Cauca, Colombia, we will extend our project with Federacion Nacional de Cafeteros de Colombia to continue setting up a community-based governance for the management of water and improve access to potable water, sanitary units and household wastewater infrastructure.

We recognise that human rights issues, including child labour, forced labour, violence and harassment, are complex and require solutions involving other industry players, governmental institutions and other relevant stakeholders. That is why we are designing and implementing a balanced human rights due diligence programme, which not only follows the requirements of applicable EU and national laws and guidance from international bodies, but also importantly focuses on long term, continuous improvement founded on a risk-based, multi-layer industry approach. We acknowledge that potential human rights risks may exist across different areas of our value chain and that these risks require specific approaches to human rights due diligence. We have therefore established three working groups to address issues in key areas: own operations /manufacturing, coffee & tea sourcing, and procurement of other goods and services. These are overseen and advised by steering committees composed of JDE's senior management. Each working group is charged with defining a suitable human due diligence programme approach for its area, which will subsequently be implemented and cascaded to our relevant segments and markets. We have engaged an external specialised human rights advisory firm to help design priorities and an annual working plan to bring our human rights commitments to life, including a training programme, governance framework for reporting and deciding on any critical non-compliances, grievance mechanisms, and remediation of negative impacts. Each working group will report to its steering committee on key issues in its area of responsibility, progress made, and relevant next steps.

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## DETERMINATION OF SALIENT ISSUES

**2.A.2 Describe: a) the company's routines for mapping and identifying risk and show how the negative impact was identified and prioritised in this period: b) eventual aspects of the company that have not been covered in this report (product groups, own products, departments etc.) and why you not chose to prioritize these in the continued work: c) how information was gathered, what sources were used, and which stakeholders have been involved/consulted: d) whether you have identified areas where information is lacking in order to get an overview, and how you are planning to proceed to collect more information/handle this.**

Our procedures to identify, manage, and prevent adverse human rights impacts are based on a variety of processes and methods, including our due diligence and Common Grounds responsible sourcing programme which is designed to provide transparency on the priority sustainability challenges in the coffee and tea supply chain and to continuously improve the social, economic and environmental conditions in the origin countries with independent Origin Issue Assessments and supplier self-assessments. For our own operations we have designed internal controls intended to demonstrate and measure the extent of actual deployment of our codes and policies which include a letter of representation issued on a quarterly basis by local and regional General Managers and Finance Directors, in which they confirm compliance of their business units with the Company's codes and policies, labour laws and other applicable laws and regulations. As a further layer of assurance, the Internal Audit team designs and deploys a risk-based annual audit plan to review and test compliance controls deployment and compliance maturity.

In 2022, we intensified our due diligence process across our supply chain to identify priority issues and take action to prevent and mitigate against the risks. We have engaged Enveritas, a non-profit organisation that verifies coffee purchases against sustainable coffee standards. To reach our responsibly sourced status, Enveritas requires that we implement a defined number of farmer programmes targeting the identified issues to drive continuous improvement. We also reaffirmed our engagement and increased our investment into World Coffee Research (WCR), supporting collaborative coffee agricultural research to grow, protect, and enhance supplies of quality coffee while improving the livelihoods of the families who produce it.

We regularly engage with our suppliers through direct conversations, comprehensive supplier engagement sessions as well as in collaborative industry forums. We have defined and published our Supplier Code of Conduct, which all of our suppliers are subject to. In addition to strategic partnerships with key suppliers, our responsible sourcing programme engages with suppliers to identify and address supply chain issues.

We had weekly, and in some cases daily, interaction with suppliers to guarantee product availability, quality and operational alignment. We used a quality audit plan and performance evaluation to monitor product quality, and engaged with strategic suppliers on specific topics, such as sustainability. We used internal and external productivity project trackers, including external market indexes/inflation analysis, to monitor developments throughout the year, and also communicated our Supplier Code of Conduct.

As a further layer of assurance, the Internal Audit team designs and deploys a risk-based annual audit plan to review and test compliance controls deployment and compliance maturity.

## ADDITIONAL SEVERE IMPACTS

### **2.A.3 Describe any other negative impacts on people, society and the environment that were identified in the mapping of the business, supply chain or other business relationships during the reporting period and how these have been handled.**

Enveritas evaluates social, environmental and economic conditions across 30 standards. The standards are based on global sustainability priorities recognized by United Nations and International Labour Organization conventions. Many of the standards are aligned with Rainforest Alliance and Fairtrade certification programs BUT

Enveritas includes additional standards tailored to Smallholder Farms. That is critical because most coffee comes from smallholder coffee farmers. Important to note: The Enveritas evaluation and audits is NOT about exclusion - the focus is on continuous improvement rather than a pass/fail compliance system. Enveritas reports on conditions as it relates to all 30 standards, which JDE Peet's uses to identify where/how we can support the unique needs of each region



A woman in a blue surgical cap and gown is shown in profile, looking down, in a brightly lit operating room. Other staff in similar attire are visible in the background, working at a surgical table. The scene is clean and professional, with overhead surgical lights providing illumination.

### 3

#### Management of salient issues

## Cease, prevent or mitigate negative impacts

“Cease, prevent and mitigate” is about managing findings from the risk assessment in a good way. The most salient negative impact on people, society and the environment should be prioritised first. This does not mean that other risks are insignificant or that they are not handled. The way the company is involved in the negative impact is key to taking the appropriate action. Negative impact that the company causes or contributes to must cease, be prevented and be reduced. To address negative impact directly linked to the company, e.g. in the supply chain, the business must use its leverage to influence the entity causing the negative impact to cease, prevent or mitigate it. This involves developing and implementing plans and routines to manage risk and may require changes to the company's own policy documents and management systems. Effective management of the negative impact on people, society and the environment is a major contribution to the achievement of the Sustainable Development Goals (SDGs).



### 3. A Cease, prevent or mitigate

3.A.1 For each salient risk, add a goal, progress status and describe the measures you have implemented to handle the company's prioritized negative impact on people, society and the environment

<p>Salient issue</p>	<p><b>We assessed more than 10,000 supplier locations on the basis of inherent human rights risk, based on location and industry activity. We used six indicators on environment and business ethics and the Sedex platform which contains eight of the most serious human rights risks, aligned with the ILO Conventions:</b></p> <ul style="list-style-type: none"><li>• <b>Forced labour</b></li><li>• <b>Discrimination</b></li><li>• <b>Freedom of association</b></li><li>• <b>Gender</b></li><li>• <b>Children &amp; young workers</b></li><li>• <b>Regular employment</b></li><li>• <b>Working hours</b></li><li>• <b>Health safety &amp; hygiene.</b></li></ul> <p><b>We then prioritised suppliers for due diligence based on their combined risk score and our annual spend with them, allowing us to identify high-, medium- and low-risk suppliers. Based on our risk mapping exercise conducted in 2022, at least 8,000 unique supplier locations, which represent around 20% of our annual spend (excluding green coffee &amp; tea vendors), are considered a combination of low spend and low risk. The remaining group is prioritised for further due</b></p>
<p>Goal :</p>	<p>We set up multi-year Farmer Programmes with partners on the ground to address specific needs of farming communities across the globe. One of the ways we go about assessing sustainability risks in each of our sourcing regions is through our verification partner, Enveritas but also through our supplier engagement approach.</p> <p>It is important to address the root cause of child or forced labour and this is why in addition to working with the at risk communities (children) we also support the families through capacity building and training to improve their productivity and yield and agricultural practices to earn a better income. See attached project overview from Uganda where we set up project in Uganda in response to the risk rating. You can read more details on the website.</p>

<p><b>Status :</b></p>	<p>Uganda project status: Increased school retention levels and decent employment opportunities for youth from 2019-2023</p> <p>Partnering with Kyagalani Coffee Ltd, Rainforest Alliance, Netherlands Enterprise Agency (RVO) and local partners this project aims to establish an enabling environment for promoting child education in the coffee areas and producer communities by creating strategies for behavior change. The project will embed awareness of the prohibition of child labor and the value of education in the whole area.</p> <p>Together we are working at the community level in two coffee sourcing regions of Masaka and Rwenzori to tackle child labor and its root causes. The approach is to involve all stakeholders within the area including coffee exporter staff, teachers, parents, children, unions, community groups, local authorities and employers to work together to end all forms of child labor.</p>
<p><b>Goals in reporting year :</b></p>	<p>JDE's set public multi-year goals for compliance improvement and track progress transparently over time (e.g., goal to be 100% responsibly sourced by 2025)</p> <p>Full report on impacts of our activities is reported with GRI content index <a href="https://www.jdepeets.com/siteassets/sustainability/jde-peets-gri-content-index-2022.pdf">https://www.jdepeets.com/siteassets/sustainability/jde-peets-gri-content-index-2022.pdf</a></p>

**Completed measures and reasoning :**

We believe in focusing on continuous improvement and addressing the risks in our supply chain. We do so by investing in farmer programmes, either directly with a partner (NGO, supplier, local government), or by joining collaborative initiatives with sector partners and peers.

We currently have 61 projects in 22 countries where we directly reach more than 590 000 farmers.

Examples of project on human right: Developing a sustainable supply chain model for unwashed coffee in Ethiopia - phase II, TIME FRAME: 2019-2022, LOCATION: Mana Woreda, Jimma Zone, Oromia regions, Ethiopia, SMALLHOLDER FARMERS REACHED: 11,180, PARTNER: TechnoServe.

Other examples of current programmes that address human rights risks in our supply chain include: Honduras – partnering with World Vision

Uganda – partnering with a supplier, a local teaching union, and Rainforest Alliance

Vietnam – partnering with suppliers and Rainforest Alliance

Brazil – collaborative partnership with Global Coffee Platform

India (tea) - partnership with the Ethical Tea Partnership and UNICEF

Malawi (tea) – providing access to quality and safe schools for children in our supply chain

We also are partnering with Verite – a labour organisation, creating a toolkit for responsible labour practices in Brazil – addressing brokers, contracts, and risk mapping

More examples can be found in our annual report page 50-57.

Goals and activities for the coming reporting year :

We will continue to deepen our supplier engagement using the Enveritas origin risk assessments of 22 countries as an additional method of assessing human rights in our green coffee supply chain and expand the reach of our farmers programmes to continue to improve farmers' livelihoods. Our goal is to increase from 590 000 farmers reached to 1 million by 2025 and increase our responsible sourced coffee to 80-85% in 2023.

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## OTHER ACTIONS RELATED TO MANAGEMENT OF NEGATIVE IMPACTS

**Describe the company's general measures to cease, prevent or mitigate negative impacts, including in the supply chain.**

### **3.B.1 Reduction of nature- and environmental impact**

Our Global Environmental Management System pursues continuous sustainability improvements by optimising our use of energy, water and other resources while reducing waste across our manufacturing activities. We also address our environmental footprint along the rest of the value chain by, for instance, the introduction of more sustainable packaging.

We are committed to climate action, while enhancing our operations. That's why we have set science-based targets to:

- Reduce absolute scope 1 & 2 GHG emissions 25% by 2030 from a 2020 base year
- Reduce absolute value chain scope 3 GHG emissions 12.5% by 2030 from a 2020 base year
- Our primary focus is to operate our manufacturing facilities efficiently and reduce fossil fuel use
- We also work with our partners to address the footprint of our value chain

See also our Environmental policy:

<https://www.jdepeets.com/contentassets/b0f008dc768d470b8e740d086ccfdda7/jde-environmental-policy.pdf>

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### **3.B.2 Reduction of greenhouse gas emissions**

We have set ourselves science-based targets to:

Reduce absolute scope 1 & 2 GHG emissions 25% by 2030 from a 2020 base year, and  
Reduce absolute value chain scope 3 GHG emissions 12.5% by 2030 from a 2020 base year.

In our own operations, direct greenhouse gas (GHG) emissions (scope 1) and indirect emissions from purchased energy (scope 2) arise in our manufacturing processes, our warehouses, offices and restaurants, and from the fuel use of our fleet. More than 90% of those Scope 1 and 2 emissions occur within our manufacturing facilities. Our primary focus is therefore to operate our manufacturing facilities efficiently and reduce fossil fuel use.

Overall, our GHG emissions are primarily indirect (scope 3) – our scope 1 & 2 emissions make up less than 10% of our total emissions along the entire value chain. That's why we are working with our supply chain partners to also address and reduce the GHG emissions that are beyond our immediate control. This includes, for example, our Responsible Sourcing programme, of which climate change forms an important pillar, and our efforts to reduce packaging and choose responsible packaging materials for our products.

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### **3.B.3 Adapting own purchasing practices (sourcing)**

We are accelerating our efforts and adding the more inclusive, data-driven, and highly impactful approach with Enveritas to our responsible sourcing journey. JDE inclusive approach, consists of measuring the level of compliance with the Coffee Sustainability Reference Code of a representative sample of farmers in a production area, in order to demonstrate both the existing good practices and also to identify any gaps. This verification is free of charge for all farmers and provides transparent data on the scale of the gaps to tackle. Based on the findings, we are then required to implement a volume of farmer initiatives proportional to the extent of the issues. Finally, during the following year, the verification is renewed and measures the impact of the actions taken by us. This continuous improvement loop, pioneered by the non-profit organisation Enveritas, was recognised by the GCP as a responsible sourcing scheme in January 2022. Continuous improvement in the coffee supply chain has always been a core principle of our approach to responsible sourcing. Now, it is third-party verified by Enveritas. And it reaches everywhere - including the small-scale producers who have been out of reach for too long.

### 3.B.4 Choice of products and certifications

UTZ/Rainforest Alliance, Debio, Fairtrade, RSPO, 4C, Ethical Tea Partnership, FSC, FSA,

Certification is a great start, but not enough. Waiting for the world's 70% of smallholder coffee farmers to adopt new tools and processes to be certified will take far too long - it has already been 50 years since the first certified coffee was sold. That is why JDE are moving away from a selective "compliance" approach to one that is more engaging, open to all, and focuses on continuous improvement regardless of your starting point. As this approach is fully open and inclusive, farmers do not need to pay: everyone can truly participate. (We pay for the verification process.) Finally, this approach is collaborative, engaging the numerous suppliers, NGOs and other local stakeholders who have the local presence and knowledge to deliver concrete, quick impact on the ground. . We will help more small farmers and local ecosystems to thrive, also supporting them to produce more with less (more fertile soils, no deforestation, sustainable water use etc...) top reserve the planet and foster thriving livelihoods. Our investments and continuous improvement approach will also have a key impact to preserve more coffee varieties available to all: this means richer flavours for our coffee lovers and climate and disease resistant varieties. Sustainably produced coffee is coffee that is produced following principles that ensure social, environmental and economic value. For coffee, these principles have been defined under the Sustainable Coffee Reference Code by the Global Coffee Platform (GCP), a global non-profit organisation representing producers, traders, roasters and government.

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### 3.B.5 Actively support free trade union organisation and collective bargaining, or where the law does not allow it, actively support other forms of democratically elected worker representation

6.2 in Responsible Sourcing Principles:

"Workers rights and duties

Workers are aware of their rights and duties and these are adhered to by their employer.

Suppliers' internal management systems identify, assess and address that in processing units and on (smallholder) farms:

- Workers have access to information regarding workers' individual rights and duties, reflected in their employment contracts or verbal agreements
- Workers can freely establish and join workers' organizations, both internal (such as workers' representations) and external (such as trade unions) and take part in collective bargaining on working conditions. Employers provide training on social dialogue and workers' rights, and for grievances procedures.
- Workers are regularly paid at least the minimum national wage, the minimum regional wage, or the wage agreed upon by a collective bargaining agreement, whichever is higher. Employers keep records of paid wages and track applicable minimum wages paid to workers in their supply chain.
- Workers and their families are provided with accommodation on-farm or near processing facilities have safe, clean and decent living quarters taking into account local conditions."

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### 3.B.6 Contribution to development, capacity building and training internally and of suppliers and workers in the supply chain

Many smallholder farmers are not part of formal cooperatives and are currently beyond the reach of sustainability certification. Moreover, many sustainability challenges are complex and go beyond what an individual producer or cooperative can address. These challenges require systemic change and take multiple years to solve. Accordingly, we believe that the best way to improve coffee & tea sustainability is to drive continuous improvement through partnerships among farmers, cooperatives, exporters, traders, roasters, civil society, and governments. Common Grounds works with stakeholders to identify the most important social and environmental issues wherever we source our coffee & tea. We then address those issues through collaborative action and open, direct communication with our suppliers. After identifying the local priorities, we work in partnership with our suppliers, NGOs and governments to address the challenges faced by smallholders

### **3.B.7 Combatting corruption and bribery in own company and supply chain.**

Anti-Bribery & Corruption Policy (“ABC Policy”) describes the mandatory requirements and responsibilities for complying with laws that prohibit bribery and corruption in the conduct of (inter)national business. The ABC Policy contains the standards of conduct and practices that apply to all our business transactions and Third Parties acting with or on behalf of JDE, as well as to the individual behavior of our associates. For the joint ventures or other partnerships where JDE participates as a non-controlling shareholder, JDE Anti-Bribery & Corruption principles should be promoted, with commitment of respective joint-venture or partnership to adopt a similar policy. By implementing respective Anti-Bribery & Corruption contract clauses, JDE will ensure its advisers, agents, distributors, suppliers, and other Third Parties as defined below in this Policy, acknowledge and commit to JDE principles in this area.

See our Anti Bribery policy: <https://www.jdepeets.com/contentassets/0aabbfa9d1b7471088549b8c89fc2ac7/jde-abc-policy.pdf>

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### **3.B.8 Other relevant information concerning the company’s work to reduce, prevent, and manage negative impact on people, society and environment**

In JDE we have values and principles-based culture at the core of our business. Our codes, policies and guidelines go beyond our legal and regulatory obligations and require all of our employees to do the right thing. Because this commitment is at the core of who we are, we also expect that our business partners such as suppliers, agents, consultants and licensees will follow similar standards while working on our behalf to preserve the trust with all of our stakeholders

Policies include:

Code of Conduct, Supplier Code of Conduct, Environmental policy, Health and Safety policy, Anti-Bribery policy, Speak-up policy, Responsible Sourcing policies, animal welfare policy, Human Right policy.

All our policies can be found here: <https://www.jdepeets.com/about-us/policies/>





## 4

# Track implementation and results

Tracking implementation of actions and results relates to measuring the effects of the systematic approach and own work in each step of the due diligence process, showing whether the company conducts sound due diligence work. The company needs to have procedures and routines in place in order to uncover and critically assess own conclusions, prioritizations and measures that have been made as part of the due diligence process. For example, is mapping and prioritisation of salient issues done in a scientifically sound and credible way? Does it reflect the actual conditions in the supply chain? Do measures aimed at ceasing, preventing and reducing the company's negative impact work as intended? Is negative impact remediated where relevant? This may apply to measures taken by the company alone or carried out in collaboration with others. The company's experiences from working on due diligence should be used to improve procedures and routines in the future.

## 4.A. Track and assess

### 4.A.1 Describe the assignment of responsibility for tracking the effect of measures implemented to cease/prevent/mitigate salient risks of negative impact on people, society and the environment, as well as how the tracking is done in practice

In order for our green coffee purchases to be declared “responsibly sourced” JDE needs to do the following: Supplier engagement; JDE shares verification results with suppliers on the ground at origin who set priorities and undertake initiatives to address issues (e.g., suppliers train farmers on occupational health and safety). Collaborative initiatives; Industry, governments and civil society actors come together to promote alignment and progress on issues beyond any single actor (e.g., Implement a new national policy on banned pesticides). Farmer support; JDE undertake projects on the ground together with partners to help farmers address sustainability projects (e.g., agronomy training to raise incomes) Progress transparency; JDE set public multi-year goals for compliance improvement and track progress transparently over time (e.g., goal to be 100% responsibly sourced by 2025)

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### 4.A.2 Describe how the company ensures that measures taken to identify, prevent and reduce negative impact actually work

JDE'S coffee purchases are 3rd party verified by Enveritas. In 2022 they did 40 000 farm level audits against 30 coffee sustainability standards across all regions JDE's sources from. Rigorous sampling methodology and quality control ensures we receive highly accurate sustainability result. We share scores with suppliers in all sourcing regions. We then identify priorities, launch action plans, and track progress. We support farmer groups in all sourcing regions. JDE's obligated to reach regional targets. We join or launch collaborative initiatives benefiting all sourcing regions. Enveritas evaluates the impact of JDE's continuous improvement projects to ensure we are making a meaningful difference

With all the insights from our supply chain risk assessments, end-line evaluations of completed projects and our commitment to deliver against our SBTi carbon reduction commitments, we have begun conceptualising and designing several new projects. Our focus remains on reducing our Scope 3 GHG emissions through climate-smart agriculture and regenerative agriculture. We monitor progress and KPIs to capture the learnings and, wherever possible, we replicate the successes in other locations.

We assessed more than 10,000 supplier locations on the basis of inherent human rights risk, based on location and industry activity. We used six indicators on environment and business ethics and the Sedex platform which contains eight of the most serious human rights risks, aligned with the ILO Conventions: • Forced labour • Discrimination • Freedom of association • Gender • Children & young workers • Regular employment • Working hours • Health safety & hygiene. We then prioritised suppliers for due diligence based on their combined risk score and our annual spend with them, allowing us to identify high-, medium- and low-risk suppliers. Based on our risk mapping exercise conducted in 2022, at least 8,000 unique supplier locations, which represent around 20% of our annual spend (excluding green coffee & tea vendors), are considered a combination of low spend and low risk. The remaining group is prioritised for further due diligence



## 5

# Communicate how negative impacts are addressed

A prerequisite for good external communication on due diligence for responsible business conduct is that it builds on concrete activities and results. Companies should make relevant documents concerning due diligence publicly accessible, i.e. policies, codes of conduct, guidelines, processes and activities related to identifying and handling the company's actual and potential negative impacts on people, society and environment. Communication should include information about how the risks have been identified and handled, as well as the effect of the measures/activities. The Transparency Act (Åpenhetsloven) §5 requires companies to publicly account for their human rights due diligence on an annual basis.

## 5.A External communication

### 5.A.1 Describe how the company communicates with affected stakeholders about managing negative impact

We set up multi-year Farmer Programmes with partners on the ground to address specific needs of farming communities across the globe. One of the ways we go about assessing sustainability risks in each of our sourcing regions is through our verification partner, Enveritas but also through our supplier engagement approach. We transparently share the risk/focus areas on our website on the interactive world map:  
<https://www.jdepeets.com/sustainability/responsible-sourcing/>

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### 5.A.2 Describe how the company publicly communicates its own work on identifying and managing negative impact/harm

We transparently share the risk/focus areas on our website on the interactive world map:  
<https://www.jdepeets.com/sustainability/responsible-sourcing/>

JDE provide resources available for our supplier and our own employees, including:

- The Alert Line <http://speakup.jdepeets.com>
- Our Supply Chain, Procurement, and/or Compliance Departments
- The Ethics and Compliance team at [Ethics.compliance@JDEcoffee.com](mailto:Ethics.compliance@JDEcoffee.com)

The Alert Line is maintained by an independent third party provider—it is not staffed with JDE associates. It is available online to all of our Suppliers worldwide and is accessible by telephone in most of the locations in which we operate. Operators are available in the various languages our suppliers and their associates speak

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### 5.A.3 Describe the company's routines for maintaining and answering external inquiries related to the information requirement imposed by the Transparency Act

Procedures for answering inquiries are telephone, company mail or the inquiry form on our website. Inquiries are sent to the project lead or country manager. Questions are registered with an answer deadline, but answers are sent as soon as the information has been obtained. Requests that needs to be investigated with more information will be postponed with a notice.





6

## Provide for or cooperate to ensure remediation when appropriate

Once a company has identified that it has caused or contributed to negative impact on people, society or the environment, the company must provide for, or cooperate in, remediation. Remediation may involve financial compensation, a public apology or other ways to remediate the negative impact. Another aspect of remediation is that companies should provide for, or cooperate with legitimate complaint mechanisms, to ensure that workers and/or local communities can raise complaints and be heard.



## 6.A Remediation

### **6.A.1 Describe the company's policy for remediation of negative impacts on people, society and the environment**

Based on our thorough risk mapping and due diligence approach (described in section 5), we address the issues raised by setting up farmer programmes in the specific area/community/region. We work with local and international partners who are best placed to address child protection, human rights and access to education. It is important to address the root cause of child or forced labour and this is why in addition to working with the at risk communities (children) we also support the families through capacity building and training to improve their productivity and yield and agricultural practices to earn a better income. See also the attached overview of the project we set up in Uganda in response to the risk rating. You can read more details on the website.

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### **6.A.2 If relevant, describe cases of remediation in the reporting year**

Each incidence is unique and each community has a different challenge. We work on the basis of international conventions and processes (ILO, UN) but make sure we partner with local organizations who understand the community needs and protection/remediation systems in place. While detection is important, prevention is even more so. Together with the communities we set up (CLMRS) child labour monitoring and remediation systems.

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## 6.B. Ensure access to grievance mechanisms

### 6.B.1 Describe what the company does to ensure that workers and local communities have access to effective grievance mechanisms when this is needed

In our Supplier Code of Conduct it clearly states that "Suppliers shall have systems in place to enable fair, confidential and anonymous grievance reporting and follow-up without fear of reprisal. This includes worker whistle blower protections"

JDE provide resources available for our supplier and our own employees, including:

- The Alert Line <http://speakup.jdepeets.com>
- Our Supply Chain, Procurement, and/or Compliance Departments
- The Ethics and Compliance team at [Ethics.compliance@JDEcoffee.com](mailto:Ethics.compliance@JDEcoffee.com)

JDE has alert lines which are available 24/7 to inform JDE of alleged or known misconduct or other ethics and compliance related matters that may require an investigation or review. The alert line is directly available in around 40 countries where JDE operates and in addition to those country specific telephone lines there is a general alert line available for reporters outside the 40 countries. Further contact numbers can be found on JDE's websites which give access to our global ethics and compliance function and our dedicated and safe Speak Up portal handled by a third party service provider.

All reports are treated confidentially and are followed up by providing feedback to the reporting party or, when required, promptly investigated so that any appropriate remedial action can be taken. We do not tolerate any retaliation against anyone who files a report in good faith. The Global Compliance Council, which is led by our Global Compliance Officer and comprises the Chief Legal and Corporate Affairs Officer, the Chief Financial Officer, the Global Director Group Control, the Internal Audit Director, and the Chief Human Resources Officer, issues a quarterly report to the Audit Committee of the Board on key compliance issues pertaining to the last quarter (including any material speak-up reports). Most of the speak up reports received in 2022 related to routine human resources issues. Other issues frequently reported through our Speak Up lines include alleged harassment, use of inappropriate or discriminatory language, employee dishonesty, and alleged non-compliance with laws/policies. All received reports were promptly followed-up and investigated as required. In 2022, there were no speak up complaints which revealed any material compliance or material ethical issues. Even though the lines and website are used, we always want to improve and so we are currently improving our speak up ways of working and related policies.

More details are to be found in our Annual Report on page 14,15 and 16.

Contact details:

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