



CORPORATE RESPONSIBILITY REPORT

# JACOBS DOUWE EGBERTS B.V.

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*For the year ending 31 December 2019*



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# CORPORATE RESPONSIBILITY REPORT

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*For the year ending 31 December 2019*

# ABOUT THIS REPORT

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**AT JACOBS DOUWE EGBERTS B.V. (JDE AND WE, US AND DERIVATIVES), WE ARE DRIVEN BY OUR PASSION FOR COFFEE AND TEA, RESPECT FOR THE ENVIRONMENT, AND CARE FOR PEOPLE. WE TAKE RESPONSIBILITY FOR OUR SUPPLY CHAIN – FROM BEAN TO CUP – AND THE COMMUNITIES WE OPERATE IN. WE STRIVE TO CONTINUOUSLY IMPROVE OUR BUSINESS BY SETTING UP PARTNERSHIPS, INVESTING IN SOCIAL AND ENVIRONMENTAL INITIATIVES AND TAKING CARE OF OUR ASSOCIATES.**

In June 2019, we published our first corporate responsibility report, which stated our targets for our corporate responsibility programme and presented a snapshot of where we stood in 2018. This report provides an update on activities pursuant to, and progress of our corporate responsibility journey in 2019.

Unless otherwise noted, the report covers data and activities for our financial year ended 31 December 2019 across operations in 44 countries in Europe, Latin America, Asia-Pacific and Africa. The content covers the parts of our business over which we have operational control, including the subsidiaries and affiliates in which JDE holds a majority interest. It does not include joint ventures, franchised or outsourced operations. Selected data and information on our global supply chain activities are also included.

On 30 December 2019, JDE Peet's B.V. (JDE Peet's), our holding company, acquired Peet's Coffee, Inc. (Peet's). As a result, we intend to review our corporate responsibility strategy during 2020 to assess how we can achieve our social and environmental objectives. This will include a materiality assessment to refresh both our internal perspective and that of our key stakeholders on the sustainability challenges that are most material to our business. Based on this assessment, we will review how to evolve the key performance indicators (KPIs) and targets we use to track progress. The results of this progress will be shared in next year's corporate responsibility report covering our activities in fiscal year 2020.

## A MESSAGE FROM THE CEO

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Dear valued stakeholder,

The outbreak of COVID-19 has disrupted our lives in a way that's unprecedented in the recent past. It requires coordinated action by governments, the health care sector, businesses, and people in every community across the globe. During this world health pandemic, the safety and health of our associates and meeting the coffee and tea needs of our customers and consumers are our priorities.

I am inspired by our associates across markets who have gone to great lengths to ensure we can continue to supply coffee and tea to our customers and consumers, as well as to support healthcare providers and local communities in need. I am proud to report that to date, we have donated more than 20 million cups of coffee to foodbanks and healthcare workers across more than 100 local initiatives in our markets. These efforts underscore how we live our JDE values also during this crisis.

This moment in time also highlights the importance for businesses of taking good care of the environment and communities we work in. I am therefore pleased to share with you an update on our Corporate Responsibility journey through this report. In 2019, we have made important progress on the responsible sourcing

of our key commodities coffee and tea, have further reduced our greenhouse gas emissions and energy use across a number of categories, and have advanced our efforts to increase the recyclability of our packaging.

Our coffee and tea journey began over 265 years ago and continues today with the collective efforts of all JDE associates. In December 2019, JDE combined with Peet's. In May, JDE Peet's was listed on Euronext Amsterdam. This process provides an opportunity for us at JDE to review our corporate responsibility programme, to learn from our colleagues at Peet's, and to evolve the KPIs and targets we use to track progress. All with the goal to best meet the needs of our business and our stakeholders, while improving the livelihoods of coffee and tea farming communities around the world and reducing our impact on the environment.

Thank you for your interest in JDE's corporate responsibility journey. I look forward to working with you and other stakeholders on further evolving the important work we do in this area.



**Casey Keller**  
Chief Executive Officer



## ABOUT US

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**FOR MORE THAN 265 YEARS, JDE HAS BEEN INSPIRED BY THE BELIEF THAT**  
*“It’s Amazing What Can Happen Over A Cup of Coffee”.*

Today our coffee and tea portfolio is available in more than 100 developed and emerging countries through iconic household names including: Jacobs, Tassimo, Moccona, Ti Ora, Senseo, L’Or, Douwe Egberts, Super, Kenco, Pilão and Gevalia. Our mission is simple: to offer more people around the world access to higher quality coffee and tea experiences.

We primarily organise our business into the consumer packaged goods (CPG) and Out-of-Home sales channel. Our supply chain includes the purchase of raw materials – particularly our main raw materials green coffee and black, green and botanical teas from traders, exporters in country of origin, cooperatives and growers. These commodities are then transported to our manufacturing facilities, which are responsible for the production and packaging of our coffee and tea products. The products are then transported to our customers and consumers in our markets.

Our corporate responsibility programme seeks to address the material sustainability

challenges of these activities along our entire value chain and emphasises partnerships with NGOs, governments, and even our competitors to generate meaningful impact with every cup – from the cultivation of coffee and tea to end-of-life disposal.





<sup>1</sup> Carte Noire: JDE holds the intellectual property rights outside of the European Economic Area.  
<sup>2</sup> Gevalia: JDE holds the intellectual property rights outside of North America, Latin America and the Caribbean.  
<sup>3</sup> Maxim: JDE holds the intellectual property rights outside of South Korea and Japan.  
<sup>4</sup> Maxwell House: JDE holds the intellectual property rights outside of North America, Latin America and the Caribbean.

## OUR CPG BUSINESS

Within the CPG sales channel, our principal products are multi-serve coffee (roast and ground), single-serve coffee, whole-beans, instant coffee and instant mixes, tea and ready-to-drink coffee. We sell coffee and tea to customers through multiple distribution channels, including, large supermarket chains, distributors and wholesalers, as well as to consumers through the online sales channel.

## OUR OUT-OF-HOME BUSINESS

In the Out-of-Home segment, we offer a holistic coffee and tea solution, across price points. These coffee and tea products are primarily marketed and sold through approximately 1,000 sales people to customers under our Power Brands (Global Jewels and Regional Heroes) and Local Brands in more than 55 markets (including 16 markets where we have a direct presence and more than 28 markets where we have entered into a distribution agreement with a third party). Additionally, we sell coffee products through our OldTown, Coffee Company and 12Oz coffee stores.

# CORPORATE GOVERNANCE AT JDE

**OUR VISION, VALUES AND PURPOSE FORM THE BASIS FOR HOW WE OPERATE AS A BUSINESS. STRONG GOVERNANCE STRUCTURES AND CLEAR LINES OF ACCOUNTABILITY UNDERPIN OUR WORK AND ENABLE US TO OPERATE EFFICIENTLY.**

JDE's Board of Directors (Board) considers the interest of our stakeholders. In addition to the overall business strategy for long-term value creation, the Board oversees JDE's corporate responsibility programme and approves our long-term corporate responsibility targets. It receives updates and reviews progress at least two times per year.

Our Corporate and Government Affairs team develops our corporate responsibility strategy for approval by our Board. It 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 drive execution and measurement of the strategy.



Our Executive Committee, assisted by our Corporate Responsibility Governance Committee, oversees the implementation of our corporate responsibility strategy. The Corporate Responsibility Governance Committee, which we set up in early 2020, is comprised of key functional members of our Executive Committee and chaired by our Global Corporate Affairs and Sustainability Officer.

The Executive Committee is further assisted by the Global Compliance Council (GCC), chaired by our Global Compliance Officer (GCO). The GCC sets the compliance strategy and framework, key policies, controls and requirements for global e-learning courses. In this function, the GCC reports quarterly to

the Audit Committee of the Board on key initiatives and issues and priorities for the following quarter. Our local business units are responsible to deploy globally defined policies and controls, activate the global e-learning courses and launch face-to-face courses to target groups. Our business units have established their own Compliance Councils, chaired by the respective Compliance Officer, and regularly report to the GCO on key initiatives and issues.

# ETHICS AND COMPLIANCE

**WE STRIVE FOR A CULTURE OF SIMPLICITY, ENTREPRENEURSHIP, ACCOUNTABILITY, DISCIPLINE AND SOLIDARITY. THESE VALUES ARE AT THE CORE OF OUR CODE OF CONDUCT WHICH UNDERLINES OUR COMMITMENT TO ETHICAL BEHAVIOUR AND COMPLIANCE WITH LAWS AND REGULATIONS IN THE COUNTRIES IN WHICH WE OPERATE.**

Our Code of Conduct and Supplier Code of Conduct set out the framework of our commitment to operating ethically.

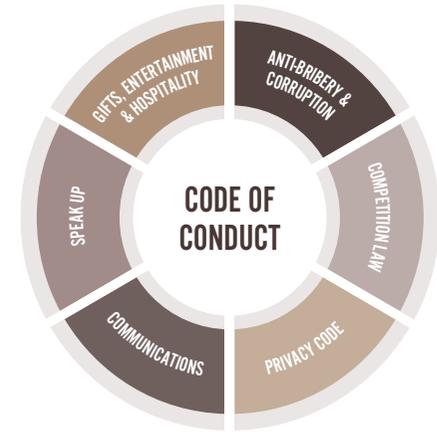
The [Code of Conduct](#) provides the standards of corporate behaviour that we require from our associates when conducting JDE business. The Code of Conduct applies to our associates, consultants and temporary workers. The principles embodied in the Code of Conduct guide us to act with integrity and inspire trust anywhere we do business.

The [Supplier Code of Conduct](#) provides the standards of corporate behaviour that we require from our suppliers. We expect that all suppliers from whom we purchase products or services will ensure their business practices and policies are in line with our Supplier Code of Conduct. We require their acknowledgement and acceptance of its terms upon doing business with us.

Our [Speak Up Policy](#) sets our framework for our associates to report violations of our policies, including the Code of Conduct and the Supplier Code of Conduct, or any law. The Speak Up Policy provides our associates with the tools and rules on how to report violations. Reports made by associates are treated confidentially and are promptly investigated. The Speak up Policy applies to all of our operating companies, including subsidiaries and affiliates. Reports made by associates are treated confidentially, and we do not tolerate any retaliation against anyone who makes a report. Reports are investigated in accordance with our Investigation Protocol and the investigators are required to place a priority on completing investigations in a timely, effective, and efficient manner.

Our compliance training approach for our associates comprises three elements:

- *All new associates are enrolled in a Code of Conduct e-learning course. It lays out the importance of a values-based culture and points towards further resources on the topics covered. A closing questionnaire verifies associates' completion and understanding of the course. The e-learning course is made available in multiple languages.*



- *We regularly conduct compliance e-learning courses for associates on key topics. Since the beginning of 2018, we have launched e-learning courses on competition law, anti-bribery and corruption, and data protection.*
- *We also regularly conduct face-to-face courses for 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.*

In 2020, we have started to expand on the courses available to our associates on compliance topics. A revised Code of Conduct e-learning now includes additional areas important to us and many key stakeholders, such as *How to use Social Media properly; How to detect and address Conflict of Interest situations; Sexual Harassment; Modern Slavery; and Speak Up & Raise Concerns.*

# STAKEHOLDER ENGAGEMENT

**WE ARE MINDFUL OF HOW OUR ACTIONS AFFECT OUR STAKEHOLDERS, INCLUDING FARMERS AND THEIR WORKERS, SUPPLIERS, CUSTOMERS, CONSUMERS, NGOS, INDUSTRY PEERS, OUR ASSOCIATES, SHAREHOLDERS, AND OTHERS. WE ROUTINELY LISTEN TO AND ENGAGE WITH OUR STAKEHOLDERS. WE STRIVE TO INFORM OUR ASSESSMENT OF PRIORITIES FOR OUR CORPORATE RESPONSIBILITY PROGRAMME WITH THE PERSPECTIVES FROM THESE STAKEHOLDERS.**

Collaboration with governments, international organisations, NGOs, industry peers and others – such as our membership in the Global Coffee Platform, the Sustainable Coffee Challenge, the European Coffee Federation, World Coffee Research, the Ethical Tea Partnership, CEFLEX, RECOUP or the One Planet Business for Biodiversity (OP2B) coalition – form a central pillar of our corporate responsibility programme in order to effectively address the sustainability challenges which go beyond our immediate supply chain and require broader change.



# **OUR CORPORATE RESPONSIBILITY PROGRAMME**

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# OUR CORPORATE RESPONSIBILITY PROGRAMME

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AT JDE, WE ARE DRIVEN BY OUR PASSION FOR COFFEE AND TEA, RESPECT FOR THE ENVIRONMENT, AND CARE FOR PEOPLE. OUR CORPORATE RESPONSIBILITY STRATEGY WAS CREATED WITH THIS CLEAR VISION IN MIND.

**We recognise that our business activities impact the environment and the communities in which we operate. Sourcing our raw materials responsibly, taking care of the environment, and engaging our own associates and communities are all important principles of our business activities.**

Society faces critical environmental and social issues and the private sector has a responsibility to address these issues.

At JDE, we focus on those issues that are most material to our business and where we can have the greatest impact given the reach of our operations, supply chain and value chain. In line with feedback from our stakeholders, we have set two primary targets for our corporate responsibility programme:

- Working towards 100% responsibly sourced coffee and tea by 2025
- 100% recyclable or compostable packaging by 2025

Further initiatives and objectives complement these two primary targets across the three pillars of our corporate responsibility strategy:

- **Common Grounds**, addressing the priority issues in our supply chain
- **Minimised Footprint**, aimed at reducing our environmental impact step-by-step
- **Connected People**, engaging our associates and our communities





COMMON GROUNDS

*Addressing the priority issues in our supply chain*

*Working towards 100% responsibly sourced coffee, tea & palm oil by 2025*

MINIMISED FOOTPRINT  
*Reducing our environmental impact step-by-step*

*100% recyclable or compostable packaging by 2025*



CONNECTING PEOPLE

*It's amazing what can happen over a cup of coffee*

*Gender-balanced management positions by 2025*

In 2019, we were able to make progress across all areas. Our Common Grounds programme grew to cover 15 origin countries and has reached 300,000 coffee and tea farmers since 2015. 87% of our packaging was either recyclable or compostable. We reduced our manufacturing energy consumption per tonne of production across many of our main categories by 10% and more. The rate of work-related injuries dropped by more than half compared to the previous year. And we launched a Diversity and Inclusion Programme, targeting gender-balanced management positions by 2025. Yet, we still have a long road ahead of us and will work hard to make further progress against our commitments.

## UN SDGs

All our corporate responsibility efforts make a contribution to the Sustainable Development Goals (SDGs) which the United Nations (UN) General Assembly set in 2015. The UN makes an explicit appeal to the business community to contribute to the realisation of these goals, and we are proud to be a company that embraces the SDGs. Our corporate responsibility strategy supports 7 of the 17 SDGs in particular.



### *SDG 1 – No poverty*

Addressing poverty is at the centre of our responsible sourcing efforts. The majority of smallholder farmers earn low incomes, driven by a combination of low farm productivity and small farm size. Through third-party certification / verification and our Common Grounds projects, we aim to increase the productivity, profitability, and sustainability of the smallholders we work with.



### *SDG 5 – Gender equality*

Women and youth are heavily engaged in coffee and tea farming activities. Yet, they tend to have limited access to extension services and training. Our Common Grounds projects integrate locally relevant and culturally appropriate strategies to increase both the opportunities for, and abilities of, women and youth to benefit equally. In our own operations, our goal is to achieve gender balance across JDE's management positions by 2025.



### *SDG 6 – Clean water and sanitation*

Sufficient clean water availability is key to the sustainable development of largely agricultural, rural based economies. Common Grounds projects use different approaches to address water-related issues such as showing water-saving techniques on demonstration plots or working in community groups to raise awareness of the groundwater situation. At our manufacturing facilities, we manage water use carefully with the aim of reducing the amount of water needed to produce our coffee and tea.

Source: <https://sustainabledevelopment.un.org/>

8 DECENT WORK AND ECONOMIC GROWTH



## *SDG 8 – Decent jobs and economic growth*

We are guided by and uphold the conventions set by the International Labour Organization (ILO) on minimum age, the worst forms of child labour and forced labour. Through Common Grounds, we remain committed to playing an active role in addressing these issues in our supply chain in order to protect labour rights and promote safe and secure working environments. JDE also is a founding member of the IDH Farmfit Fund which aims to increase the incomes of 3-5 million farmers through input loans, working capital and renovation and rehabilitation.

13 CLIMATE ACTION



## *SDG 13 – Climate action*

Climate change poses a direct threat to the livelihoods of many smallholder coffee and tea farmers and has the potential to impact the long-term supply of coffee and tea. Common Grounds supports smallholder farmers in building their resilience to climate change. The challenges are geographically specific and require a participatory approach designed to address the issues locally at farm level right up to the landscape approach.

15

12 RESPONSIBLE CONSUMPTION AND PRODUCTION



## *SDG 12 – Responsible consumption and production*

We are working towards our targets of 100% responsibly sourced coffee, tea and palm oil by 2025, and 100% recyclable or compostable packaging of our products by 2025. We are rethinking the way we package our products to reduce the amount of packaging material, use recyclable or compostable materials, increase recycled content and enable reuse wherever possible.

17 PARTNERSHIPS FOR THE GOALS



## *SDG 17 – Partnerships for the goals*

We believe that the best way to improve coffee and tea sustainability is to create partnerships between motivated farmers, cooperatives, exporters, traders, coffee roasters, civil society, and governments. Partnerships allow us to bring together different strengths and capabilities in order to effectively address sustainability challenges. At origin, partnerships help to empower smallholder farmers to make informed long-term choices: Choices that are good for them, good for the people who work with them to produce and harvest their products, good for the environment, and good for the long term sustainability of coffee and tea.

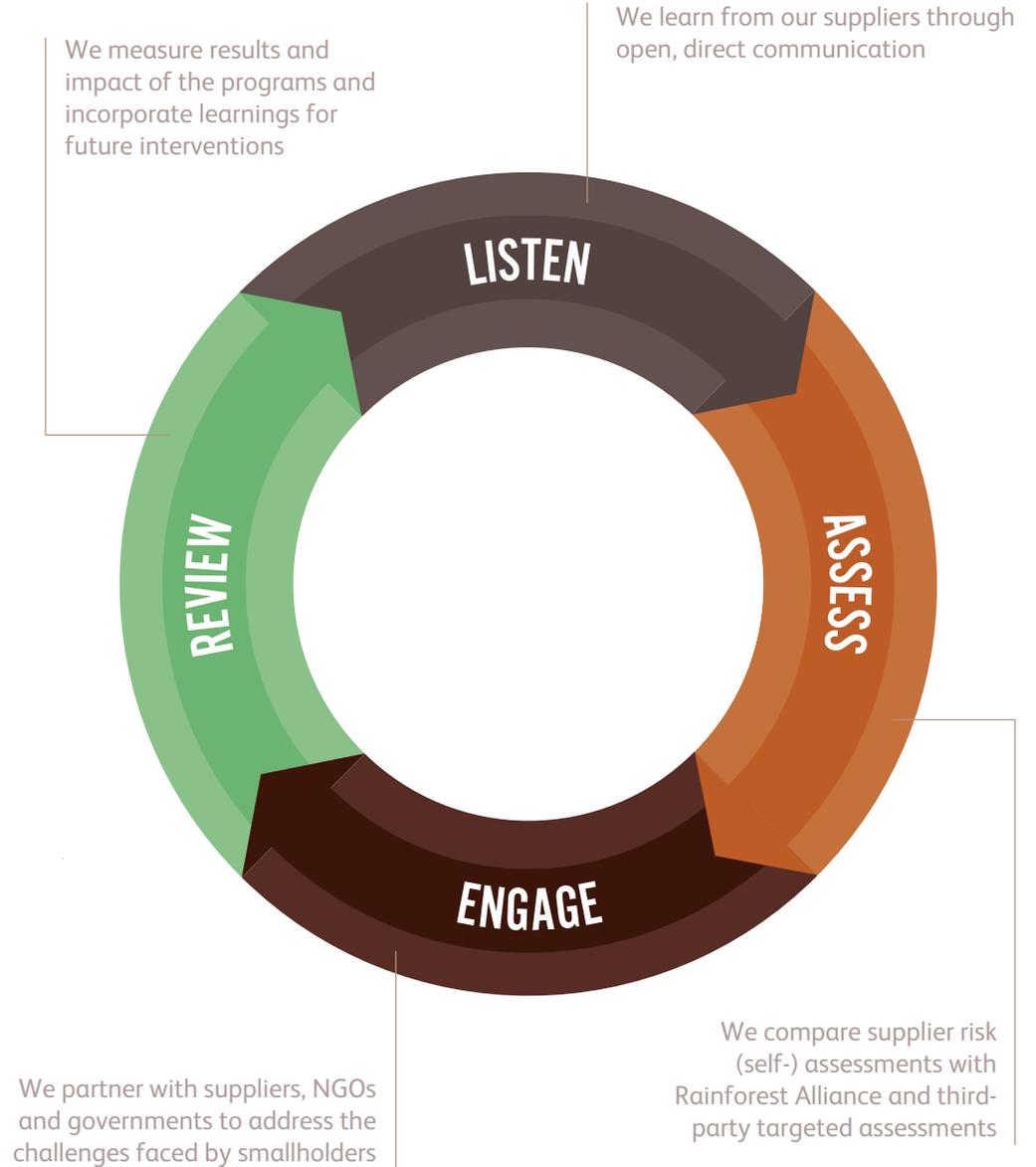
# COMMON GROUNDS

# SOURCING OUR RAW MATERIALS RESPONSIBLY

JDE sources approximately 8% of the world’s green coffee and less than 1% of the world’s tea. Both products are grown in countries that face significant socio-economic and environmental challenges. Poverty among smallholder farmers is still widespread. In 2019 in particular, low coffee prices on the global market saw many producers struggle to cover their full cost of production. Extreme weather, such as more frequent droughts and heavy rains, is posing further challenges for the communities where our key ingredients are grown – just as deforestation and biodiversity loss in many of the same regions are contributing to the challenge.

Developed with the Rainforest Alliance in 2018, JDE’s Common Grounds is our coffee supplier engagement programme which is designed to continuously improve the social, economic and environmental conditions in origins where coffee and tea are grown. Many smallholder farmers aren’t part of formal cooperatives and out of reach of sustainability certification. And many sustainability challenges are complex and go beyond what an individual producer or cooperative can address. These challenges require systemic change and will take multiple years to solve. Accordingly, we believe that the best way to improve coffee and tea sustainability is to drive continuous improvement through partnerships between farmers, cooperatives, exporters, traders, roasters, civil society, and governments.

In addition to buying all of our tea and some of our coffee with third-party sustainability certification (4C certification, Fairtrade, Rainforest Alliance, UTZ) or verification (Enveritas, Ethical Tea Partnership ), Common Grounds works with stakeholders to identify the most important social and environmental issues in our supply chain’s countries of origin and to address them through collaborative action.



# COMMON GROUNDS FOCUS AREAS

COMMON GROUNDS BUILDS UPON A RICH LEGACY OF PUBLIC-PRIVATE PARTNERSHIPS, SUPPORTING SMALLHOLDER FARMERS FOR OVER 20 YEARS IN MORE THAN 15 COUNTRIES. OUR THREE FOCUS AREAS ADDRESS PRIORITY ISSUES TO DRIVE CONTINUOUS IMPROVEMENT IN OUR SUPPLY CHAIN.



## SUSTAINABILITY OF LAND

Agricultural methods that protect our planet for future generations



## EQUALITY OF PEOPLE

Awareness and practices that promote equal opportunities and improve working conditions that create better conditions for women, children and youth



## PROSPERITY OF FARMERS

Building capacities to make farming economically viable



Climate Change



Soil



Water



Gender and Youth Inclusivity



Child Labour



Working Conditions



Farm Management



Yield Improvement



Income Diversification

# OUR COMMITMENTS

In 2019, together with the Rainforest Alliance we further expanded the reach of Common Grounds – i.e. we have assessed and prioritised sustainability issues and are establishing programmes to continuously improve them – from 8 to 15 key origins, representing 98 % of our green coffee volumes. To date, Common Grounds has received more than 200 self-assessments from suppliers (thereof 131 self-assessments in 2019, representing an 86 % response rate so far as we continue to engage in dialogue with our key suppliers), conducted over 8 independent third-party field assessments across 8 key coffee sourcing origins, and worked with the Rainforest Alliance to carry out independent Origin Issue Assessments in 9 priority countries. In addition, 21 % of our coffee and 100 % of our tea purchases<sup>5</sup> had a third-party sustainability certification or verification.

In 2019, we expanded our reporting to also include our responsibly sourced palm oil volumes. The large majority of our products do not contain any palm oil or palm kernel oil, and our overall purchase volume of palm-based oils is

less than 10,000 tonnes. (Out of a global palm oil and palm kernel oil production of approximately 80 million tonnes.) Historically, all our palm oil and palm kernel oil purchases were certified. Some of our recent acquisitions, however, have only recently commenced their journey towards responsibly sourced palm oil with the first Roundtable on Sustainable Palm Oil (RSPO) certified palm oil shipment in November 2019. As a result, in 2019, 11 % of our total volume was RSPO certified. At JDE, we are committed to avoiding deforestation and are

actively developing plans to increase the share of responsibly sourced palm oil in our purchases. In line with our Common Grounds commitments for coffee and tea, we are working towards 100 % responsibly sourced palm oil by 2025.

In addition to certified and verified purchases of coffee, tea, and palm oil, *Common Grounds* engages directly with farmers as well as with other stakeholders in sector partnerships to address priority sustainability challenges and to improve the livelihoods of smallholder farmers.

	2018	2019
<b>Certified / Verified purchases</b>		
• Coffee	22%	21%
• Tea	100%	100% <sup>5</sup>
• Palm oil	N/A	11% <sup>6</sup>
<b>Smallholders Farmers Reached</b>	280,000	300,000

<sup>5</sup> Excluding tea sold under the Ofçay brand.

<sup>6</sup> Including Super Group

In 2019, we had 30 projects across 15 countries. With that, we have reached 300,000 smallholder farmers since 2015. We are well on track to reach our goal of 500,000 smallholder farmers by 2025, primarily through technical assistance. To respond to low coffee prices and address farmer incomes, we are also a signatory to the [London Declaration](#) issued by the International Coffee Organization in September 2019 on price levels, price volatility and the long-term sustainability of the coffee sector. We also actively participated in and contributed to the [Taskforce for Coffee Living Income](#) which was convened by IDH.

## *Working towards 100% responsibly sourced coffee, tea & palm oil*

Coffee farmer in Uganda





- Climate Change
- Soil
- Water
- Gender & Youth Equality
- Child Labour

- Working Conditions
- Farm Management
- Yield Improvement
- Diversification

# PROJECTS IN 2019

## LATIN AMERICA

### BRAZIL

- 2 projects, 7,300 smallholder farmers
- Agrochemicals, Forced Labour, Working Conditions

### COLOMBIA

- 2 projects, 3,900 smallholder farmers
- Climate Change, Farm Management, Gender and Youth Inclusivity, Water Management

### HONDURAS

- 2 projects, 5,800 smallholder farmers
- Child Labour, Farm Management, Restoration, Yield Improvement

### PERU

- 2 projects, 11,200 smallholder farmers
- Farm Management, Restoration, Soil Fertility, Water Management, Yield Improvement

## AFRICA

### ETHIOPIA

- 1 project, 7,500 smallholder farmers
- Farm Management, Working Conditions, Yield Improvement

### MALAWI (TEA)

- 1 project 30,000 smallholder farmers and workers
- Farm Management, Climate Change, Gender, Living Wage

### RWANDA (TEA)

- 1 project, 4,500 smallholder farmers
- Gender and Youth Inclusivity, Farm Management, Climate Change, Income Diversification

### TANZANIA

- 1 project, 22,500 smallholder farmers
- Farm Management, Yield Improvement, Gender and Youth Inclusivity, Inputs and Service Delivery

## UGANDA

- 4 projects, 77,000 smallholder farmers
- Child Labour, Farm Management, Gender and Youth Inclusivity, Income Diversification, Yield Improvement

## ASIA-PACIFIC

### CHINA

- 1 project, 5,000 smallholder farmers
- Agrochemicals, Farm Management, Water Management

### INDIA (TEA)

- 1 project, 250,000 beneficiaries
- Child Labour, Gender, Working Conditions

### INDONESIA

- 5 projects, 19,500 smallholder farmers
- Farm Management, Gender and Youth Inclusivity, Restoration, Yield Improvement

## LAOS

- 1 project, 2,000 smallholder farmers
- Income Diversification, Soil Fertility, Water Management, Yield Improvement

### PAPUA NEW GUINEA

- 1 project, 4,000 smallholder farmers
- Farm Management, Water Management, Soil Fertility, Yield Improvement, Gender and Youth Inclusivity

### VIETNAM

- 5 projects, 21,000 smallholder farmers
- Agrochemicals, Income Diversification, Landscapes, Water Management





## Case study

### ONE PLANET BUSINESS FOR BIODIVERSITY (OP2B)

In September 2019, JDE joined 20 agriculture-centric companies and the World Business Council for Sustainable Development to launch a new initiative to protect and restore biodiversity within our supply chains and product portfolios.

As a member of this coalition, we see an opportunity to work with farmers and other stakeholders to drive systemic change for the benefit of the people and the planet. This is the ultimate objective of OP2B: an international, cross-sectorial, action-oriented business coalition on biodiversity that brings together companies that share strategic interests in agriculture and recognise this urgent need to act. The coalition intends to take tangible actions, on an individual and collective basis, to develop innovative solutions aimed at protecting and enhancing biodiversity in agricultural systems.

Specifically, as part of our membership of the coalition, we are committed to

*“The OP2B coalition is a great example of the collaborative mindset required to preserve and restore nature in the regions where our coffee and tea is grown.”*



**Casey Keller**  
CEO



**Emmanuel Faber**

Chairman and CEO of Danone and co-initiator of OP2B



promoting “regenerative agriculture”, i.e. alternative farming practices that leverage the power of plants to keep carbon in the soil (carbon sequestration), increase the capacity of soils to hold water, enhance the resilience of crops while reducing excessive or inappropriate synthetic agricultural-chemicals inputs, support the livelihoods of farmers, and

*“Together, we will strive not only to conserve and restore biodiversity, but also to transform human interaction with, and dependency on, nature.”*

regain the nutrient density of food. We are working on defining specific actions within our value chain that can avoid deforestation and protect and restore the world’s most biodiversity-rich and fragile ecosystems.





## Case study

### PUBLIC PRIVATE PARTNERSHIPS CREATED THROUGH JDE COMMON GROUNDS

Collaboration with governments, international organisations, NGOs, industry peers, supply chain partners and farming communities form a central pillar of our Common Grounds program. The program builds upon a rich legacy of public-private partnerships, having supported smallholder farmers for over 20 years in more than 15 countries. Public-Private Partnerships allow us to combine the partners’ key strengths and capabilities to bring greater openness and transparency, to identify and address priority issues and to work to continuously improve social, economic and environmental conditions at origin.



*“The development of this project will be invaluable for the families of coffee producers to improve their standard of living.”*



**Terence Fuschich**  
President COHONDUCAFÉ  
Foundation



Coffee Alliance training programme  
in Honduras



### LATIN AMERICA

In Latin America, the U.S. Agency for International Development (USAID) has become an important partner for our project work with our key suppliers in recent years.

In Honduras, for example, we have formed the [Coffee Alliance](#) (*Alianza para el Café*) with USAID, COHONDUCAFÉ (the country’s largest coffee exporter), and COHONDUCAFÉ Foundation. In the 4-year programme, we work with 5,600 small coffee producers who are struggling with a lack of access to training and financial

services, resulting in low productivity of their farms and poor-quality coffee. The *Coffee Alliance* offers an integrated package of services and environment-friendly technologies which aim to increase coffee yields of participating farmers and to strengthen their families’ livelihoods. The program also facilitates access to rural financial services and direct market opportunities by linking coffee growers with opportunities through the exporters.





Bicycle mill in Peru

In Peru, the [Coffee Alliance for Excellence](#) (CAFÉ) is another unique public-private partnership to benefit 10,000 farming families. Through CAFÉ, USAID, non-profit TechnoServe, impact investment firm Althelia Ecosphere, coffee exporter Perhusa, and JDE are all co-investing and leveraging each other’s comparative strengths to help lift rural families out of poverty. CAFÉ targets areas where coffee production is one of the most promising development opportunities and helps smallholder coffee farmers to improve productivity and quality, as well as diversifying their source of income with other crops and non-farm income.



Coffee nursery in Laos, photo by Outspan

 ASIA

In Asia, IDH, the Dutch Sustainable Trade Initiative, continues to be a key strategic partner of JDE. Through this partnership, we are supporting coffee smallholders in this dynamic and growing region.

In Laos, for example, we [teamed up with IDH and Outspan](#), the local subsidiary of leading coffee exporter Olam International, to enhance the capacity of small-scale coffee farmers to improve the quantity, quality and sustainability of their coffee production. The programme, which concludes in 2020, has reached more than 2,000 coffee-farming households. “One of the techniques is to develop a trap to capture insects that damage coffee plants,” said one of the coffee farmers, adding that this technique reduces operating costs as it is not necessary to buy pesticides. Another smallholder coffee farmer from the project said the farmers have learnt how to make natural fertiliser, cutting costs while also protecting the environment.



In Vietnam, we have [partnered with IDH and four of our key suppliers](#) since 2015 to reduce the carbon footprint and enhance the sustainability of coffee grown in Vietnam's Central Highlands region. Together, we are supporting nearly 14,000 farming households to optimise their fertilizer use, improve water management, and diversify the types of crops and trees grown alongside coffee. In April 2020, we partnered with USAID Green Invest Asia to measure the impact of our organisations' joint sustainable coffee activities in Vietnam.

*“At JDE, we have been actively supporting coffee and tea farming communities through public private partnerships since 1999. We believe that it is through the collaborative efforts of these PPPs that we can effect meaningful change on smallholder coffee and tea farming communities around the world.”*



**Nadia Hoarau-Mwaura**  
Sustainability Director



## OUR WORK IN TEA

In tea, our Common Grounds programme follows a similar approach. One example is our participation in the [Malawi Tea 2020 Revitalisation Programme](#). This multi-stakeholder partnership led by the Ethical Tea Partnership (ETP) and GIZ (Deutsche Gesellschaft fuer Internationale Zusammenarbeit) aims to improve the competitiveness and sustainability of the Malawian industry so that workers earn a living wage and small-scale farmers earn a living income.



A first of its kind in the tea industry, Malawi Tea 2020 brings together 22 organisations from across the value chain – producers, traders, buyers, retailers, trade unions, NGOs and development partners. The programme's goal is to create a competitive and profitable Malawian tea industry that is investing in its future, its smallholder producers, and its workforce so that they can maintain a decent standard of living, for them and their families.

Photo by Andy Hall, ETP



We are proud to be part of the programme [“Improving the lives of women and children in Assam’s tea communities”](#). In collaboration with UNICEF, ETP launched it in 2014 to combat child exploitation in Assam. JDE joined the second phase in cooperation with UNICEF and ETP together with other funding partners. The programme works with more than 200 tea plantations, a quarter of all tea plantations in Assam and aims to reach more than 250,000 children and young people. It is one of the largest programmes of its kind in Assam.

The programme is addressing some of the most challenging issues affecting women and children, including health care, child development and nutrition, water, sanitation, hygiene, education and child protection. Girls in particular are at the centre of this programme because they are the most vulnerable with regard to child protection issues. The programme will continue to improve the safety and lives of women and children who are part of the Assam tea communities.



*“ETP’s programmes address a number of complex social and environmental issues in tea communities and bring together a wide range of stakeholders. Thanks to JDE’s support of our biggest programmes ETP are able to catalyse transformational change to improve tea workers and farmers lives.”*



**Jenny Costelloe**  
ETP Executive Director

Photo by Abbie Trayler-Smith, Panos



# A MINIMISED FOOTPRINT

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## MANAGING OUR ENVIRONMENTAL IMPACT CAREFULLY

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**We are committed to reducing our environmental footprint while providing quality products that meet the needs and preferences of our consumers and customers.**

Our Global Environmental Management System drives continuous improvement, helping the business to reduce our environmental impact by reducing waste and optimising natural resources and energy usage.

As an organisation, we are committed to meeting all applicable environmental legal requirements, as well as JDE company standards. We work to continuously improve our environmental performance step-by-step, in a manner that respects the earth and its finite resources. And we work with our suppliers and engage in dialogue with members of our global community to make sound sustainable progress.

We produce our coffee and tea across 43 manufacturing facilities globally.<sup>7</sup> As a result of acquisitions in recent years, this manufacturing network has grown significantly, particularly in the Asia/Pacific region and in Turkey, up from 23 manufacturing facilities in 2015. Currently, 19 of our manufacturing facilities are certified against ISO 14001. (Up from 18 in 2018.) By the end of 2021, we expect to have 22 manufacturing facilities certified.



JDE manufacturing facility at Andrezieux, France

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<sup>7</sup> One of the 43 manufacturing facilities was closed in the fourth quarter of 2019. It is included in the environmental performance data up until then.

## IMPROVING OUR PACKAGING

**The way our coffee and tea products are packaged is critical to ensuring their great taste, freshness, safety, and to maximising the consumer's experience, but we recognise it also has an environmental impact which must be limited.**

Plastic packaging in particular has become an increasing public concern, however it is important to note its numerous benefits: it is lightweight, durable. Its production process is much less energy-intensive than that of many other materials. It increases shelf life of products, and it provides a hygienic product handling. This is why plastic packaging is so prevalent in our world.

Additionally, when combined with our delivery systems, packaging offers consumers a convenient way to enjoy our products by accurately dosing the optimum amount of product for each serving while reducing food waste and energy consumption at the same time.

But while packaging is critical to protect, preserve and deliver the food product, it becomes waste and its end of life needs to be managed as part of a circular economy.

This is why we are rethinking the way we package our products to **reduce** the amount of packaging material without compromising on its product quality. Where packaging is absolutely required, we are working on providing consumers with responsibly packaged products and optimised end of life solutions, including:

- Addressing plastic waste and pollution by moving towards packaging designed to be **recyclable** or **compostable**.
- Increasing the amount of **recycled content** to support the circular economy.
- Creating solutions enabling the **reuse** of our packaging wherever possible.

In 2018, JDE set a target of 100% recyclable or compostable packaging of our products by 2025. This is a very challenging target. But we are making significant progress. In 2019, 87% of our primary and secondary packaging was either recyclable or compostable, and 28% of our packaging came from recycled materials.<sup>8</sup> Our Research and Development function is driving an agenda to further



work towards our corporate responsibility targets in the coming years. An upcoming highlight for 2020 is the implementation of industrial compostable material across the full Senseo pure coffee portfolio. Our independently verified life-cycle analysis shows that the Senseo coffee pod system has a low environmental impact when compared against a range of coffee appliances.

<sup>8</sup> By total material weight. The dataset excludes Super Group, Ofçay, Maison Lyovel and Espresso House products.



## Case study

# JDE FRANCE JOINS FORCES WITH NESPRESSO FRANCE TO RECYCLE 100% OF ALUMINIUM CAPSULES IN FRANCE

JDE offers consumers aluminium single-serve coffee capsules for various brands, including L'Or, Jacobs, Douwe Egberts and Pilão. Aluminium is optimal for preserving coffee aromas from light, oxygen and humidity. It is also 100% recyclable and can therefore be reused almost indefinitely. However, in most countries, the public recycling infrastructure is not able to recycle small lightweight packaging such as aluminium coffee capsules, screw-tops for wine, or yogurt foils.

That's why in November 2019, JDE France teamed up with Nespresso and Nestlé France to launch the "Alliance pour le Recyclage des Capsules en Aluminium" (Alliance for the Recycling of Aluminium Capsules). It aims to strengthen the recycling of aluminium capsules and builds on the collection and recycling efforts initiated by Nespresso 10 years ago. The alliance's goal is to develop and simplify the sorting process and work towards recycling 100% of aluminium capsules in France.

Together, we will develop new collection points for aluminium capsules, in particular by setting up several hundred collection points in various supermarket chains and deploying aluminium collection in selective sorting bins.

All the capsules collected via selective sorting bins are taken to a pyrolysis furnace. The recovered aluminium is then used to make other objects, such as bicycles, computers and car engines, for example. All capsules collected by other means (e.g., in supermarkets) are sent to a processing centre specifically for aluminium capsules. The coffee grounds are recycled into compost, and the aluminium is used to make new objects.



*"We have a responsibility to take action to reduce the environmental impact of our packaging. I call on capsule producers to join the movement."*



**Juan Amat**

Managing Director of JDE France



Nespresso France has created the first recycling network for aluminium capsules in France in 2008. In 2019, it included more than 5,000 collection points. JDE France was the first player to make a commitment alongside Nespresso.

### COMMENT PUIS-JE RECYCLER MA CAPSULE EN ALUMINIUM ?

L'aluminium de ma capsule permet de préserver mon café de la lumière, de l'air et de l'humidité: tout en étant 100% recyclable.

Mais une fois mon café dégusté, que dois-je faire ?

**3 SOLUTIONS**

**1 JE JETTE MA CAPSULE DANS MA POUCELLE DE RECYCLAGE**

Grâce à la création de la filière de recyclage dédiée à tous les petits métaux en France, il est maintenant possible de jeter dans les poubelles métalliques.

**LES CAPSULES PASSENT DANS UN FOUR À PYROLYSE**

LE MARC DE CAFÉ EST BRÛLÉ ET FOURNIT DE L'ÉNERGIE AU FOUR

ALUMINIUM EST RECYCLÉ

Une fois retiré, l'aluminium peut servir à fabriquer une multitude de nouveaux objets.

**LE SAVIEZ-VOUS ?**

Avant en France, les petits emballages inférieurs à 6 cm de diamètre, ceux qui se jetaient dans les poubelles, n'étaient pas recyclés.

C'est la raison pour laquelle Nespresso a initié et cofinance la 1<sup>ère</sup> filière de recyclage des petits emballages en acier et en aluminium en France. JDE a rejoint cette filière en 2017.

**OBJECTIF 2019** 25% **OBJECTIF 2022** 50%

En cherchant une solution pour ses capsules, Nespresso a trouvé une solution pour tous les autres petits emballages métalliques: petites canettes, petits aérosols, plaquettes de médicaments...

**2 J'APPORTE MES CAPSULES DANS UN POINT RELAIS**

**3 JE RAPPORTE MES CAPSULES EN DÉCHÈTTERIE**

Plus de 2/3 des déchèteries ont un point de collecte dédié aux capsules de café en aluminium.

Grâce à un partenariat avec Mondial Relay, de nombreux commerces peuvent en France collecter vos capsules usagées, et vous permettent ainsi de leur offrir une seconde vie.

**LE MARC DE CAFÉ EST SÉPARÉ DES CAPSULES**

LE MARC DE CAFÉ EST VALORISÉ

EN BIODAZ

EN COMPOST AGRICOLE

ALUMINIUM EST RECYCLÉ

Découvrez la solution la plus proche de chez vous sur : [www.nespresso.com/entreepoint-de-recyclage](http://www.nespresso.com/entreepoint-de-recyclage)

**Et demain ?**

Grâce à la création de l'alliance pour le recyclage des capsules en Aluminium, il sera bientôt possible de déposer vos capsules directement dans plusieurs centaines de points de collecte des enseignes de grande distribution partenaires.

Comment est née cette alliance ? En mars 2019, Nespresso lançait un appel mondial aux producteurs de café portés, les invitant à rejoindre sa filière de recyclage, ouvrant ainsi la voie à un système mondial de recyclage des capsules en aluminium. En France, Nespresso, Nestlé et JDE (Jacobs Douwe Egberts) créent ensemble un partenariat inédit.



## RECYCLING PACKAGING WASTE IN BRAZIL

Brazil's National Solid Waste Policy establishes a shared responsibility of manufacturers for the post-consumption packaging lifecycle and requires them to implement reverse logistics systems. JDE Brazil has taken steps in addition to those required by the law.

In the municipality of Piumhi, Minas Gerais, where one of our plants is located, we work closely with the local government to strengthen public waste management. This includes, for example, the installation of collection points for recyclable waste at strategic points across the city, as part of the VIRASER program, a partnership between JDE Brazil and NGO Grupo Gaia. For 2020, the construction of a recyclable waste processing plant is planned, for which the municipality has already allocated public land. In addition, we conducted multiple educational sessions for school children on environmental topics ranging from the importance of fresh water to waste recycling.

We also partner with TerraCycle for the collection of our aluminium capsules. Consumers can ship back their used capsules, which are then sent to a recycling centre. The coffee grounds residues are destined for composting whereas the aluminium is returned back into the aluminium production chain. The effort won the *Prêmio Eco Brasil* award in 2019.

In addition, JDE Brazil joined *Reciclar pelo Brasil* in 2019, a platform to support selected collection and recycling initiatives in Brazil. The platform was created by Coca-Cola, Ambev and the National Association of Waste Pickers and Recyclable Materials Collectors (ANCAT) in 2017 and now comprises 15 members from across industries. In 2019, more than 230 waste picker cooperatives



across 21 states were supported, contributing to the training, growth and income generation of more than 5,500 cooperative members. More than 130,000 tonnes of waste were collected and recycled.

*“The partnership with JDE has contributed to the VIRASER Program’s efforts to scale recycling in the country. It helps to strengthen the productivity of this important link in the recycling chain and increases the income for people who live from the selective collection of recyclable materials.”*



**Maíra Pereira**  
GAIA Social Executive Director



## ELIMINATING WASTE

**We strive to reduce waste in all our manufacturing processes and to eliminate it wherever possible.**

That’s why many of our manufacturing facilities, particularly in Europe, strive to achieve Zero Waste to Landfill status. In 2019, 19 of our manufacturing facilities were landfill free, up from 16 in 2018. We are on track to achieve Zero Waste to Landfill at 4 additional manufacturing facilities by 2021.

In addition, we were able to reduce total waste produced by our manufacturing facilities by 15 % per tonne of production since 2013.<sup>9</sup> Waste to landfill per tonne was reduced by 73 % since 2013. This progress has been achieved through a wide array of efforts to raise awareness and invest in new technologies. For example, 5 of our manufacturing facilities are equipped with spent ground burners to convert spent coffee grounds to energy for use in our production. In 2019, we incinerated approximately 123,000 tonnes of coffee grounds, up from 101,000 tonnes in 2013, and 113,000 tonnes in 2015.



Spent grounds burner at JDE manufacturing facility in St. Petersburg, Russia

<sup>9</sup> To be consistent with other KPIs, the base year has been adjusted to 2013. The dataset covered 29 of our 43 manufacturing facilities in 2019. Since 2018, three additional manufacturing facilities in Asia have been included in the data. A focus on waste management has now been established in the newly integrated manufacturing facilities which provides further opportunities for waste reduction. The remaining manufacturing facilities from recent acquisitions will be included in future reports from 2020 onwards.



## REUSING SPENT COFFEE GROUNDS IN BANBURY

In our Banbury manufacturing facility in the UK, where coffee for our Kenco brand is produced, amongst others, we work to minimise waste production while capturing the value of the waste we cannot eliminate.

The production of instant coffee generates large volumes of spent coffee grounds during the extraction process. We believe spent grounds are a valuable resource rather than waste. Over half of the volume generated from our annual production of instant coffee is turned into fuel for a waste-to-energy incinerator that generates hot water and steam for use in our manufacturing facility. Combined with the methane produced in our wastewater treatment process (which we use to generate electricity for our operations) this makes up approximately 20% of our energy use in Banbury. This replaces the use of fossil fuels – especially natural gas – while reducing waste at our manufacturing facility.

The remainder of spent coffee grounds and coffee sludge from our wastewater treatment process are sent to anaerobic digestion facilities. There, the coffee grounds form a vital part of the feedstock, which turns food waste into biogas to generate electricity. Our spent coffee grounds thereby contribute to powering more than 4,000 homes in Oxfordshire. In addition, the digestate (i.e. the waste left over in the anaerobic digestion process) provides a nutrient-rich fertiliser. In a truly circular fashion, this can be spread across local farmland, replacing chemical fertilisers to grow food and feed.



*“As our factory is located within the heart of Banbury, it’s extremely important that we manage our environmental footprint carefully and I’m proud of the measures we’ve taken to do this over the last few years.”*



**Rob Williams**

Banbury Plant Director



JDE manufacturing facility in Banbury, UK

## REDUCING ENERGY USE AND GHG EMISSIONS

We are focused on reducing our energy use and greenhouse gas (GHG) emissions across our operations to lessen our environmental impact. Our main focus is on operating our manufacturing facilities efficiently and reducing fossil fuel use in our operations and fleet.

We aim to achieve reductions of the specific energy intensity of our manufacturing processes by 10% per category by 2025, against a 2013 baseline. We are making good progress and are already meeting or exceeding the benchmark we have set for ourselves for many of our main categories, like single-serve or instant coffee production. Based on our 2013 volume mix, we have been able to reduce manufacturing energy consumption by 10.5% per tonne of production through a focus on instant coffee in particular, which makes up a large share of our manufacturing energy consumption.

However, increasing consumption and consumer demand for more energy-intensive products like instant coffee have led to changes in the relative weight of categories in overall production since 2013. In combination

with adding manufacturing facilities from our recent acquisitions, this has resulted in an increase of 5% of our energy consumption per tonne of overall production between 2013 and 2019. At the same time, we were able to reduce our GHG emissions per tonne of production by 0.4% over the same period.

We will continue and strengthen our efforts to operate efficiently, while meeting the demand of our customers and consumers for the high-quality, fresh products they desire.

*Table: Change in energy and GHG emissions for our main categories per tonne of production, 2019 vs. 2013<sup>10</sup>*

CATEGORY	ENERGY (GJ/T)	GHG (T CO <sub>2</sub> /T)
Roast & ground coffee and whole beans	-3%	-13%
Single-serve coffee	-36%	-40%
Freeze-dry instant coffee	-11%	-14%
Spray-dry instant coffee	-24%	-10%

<sup>10</sup> This data covers 29 of our 43 manufacturing facilities. All remaining manufacturing facilities from recent acquisitions will be included in future reports from 2020 onwards.

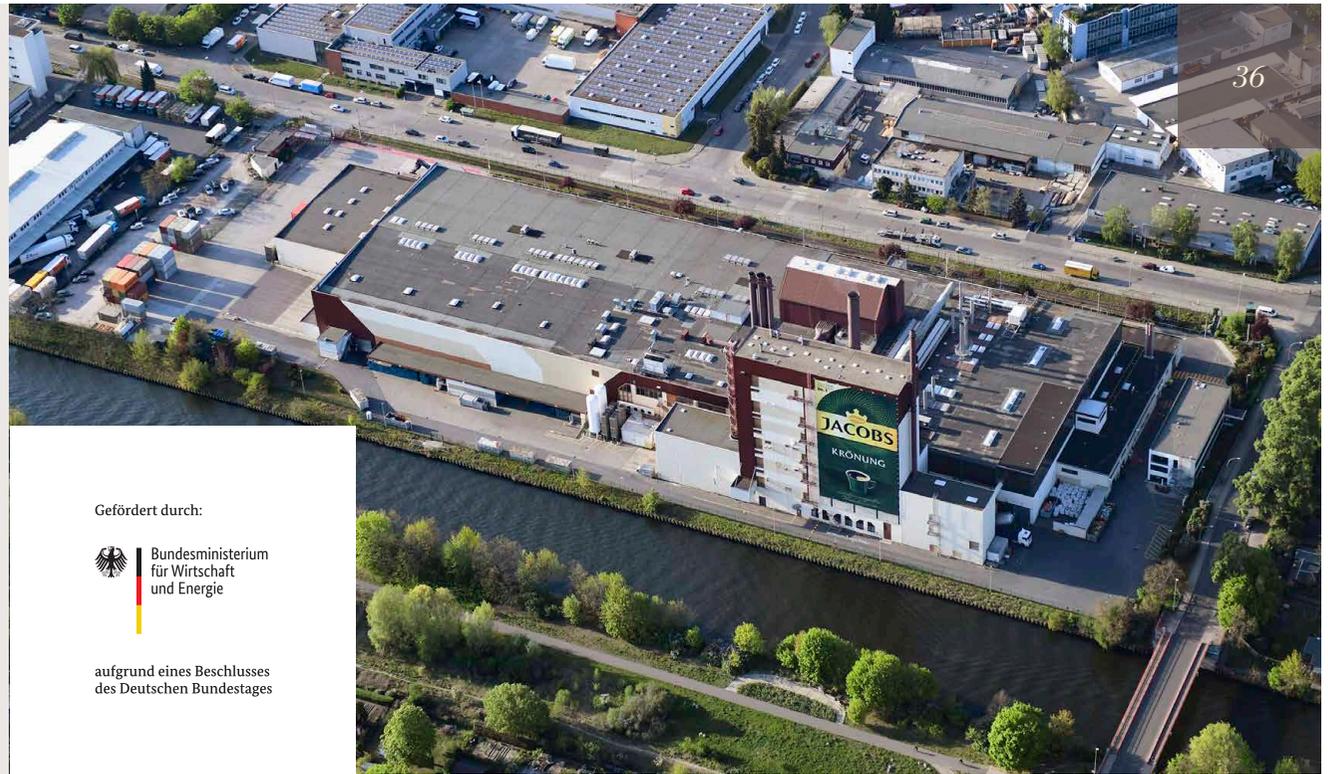


## WASTE HEAT FROM OUR MANUFACTURING FACILITY TO SUPPLY THE DISTRICT HEATING NETWORK IN BERLIN

Our JACOBS coffee roasting plant in Berlin-Neukoelln produces over 80,000 tonnes of coffee annually. The roasting takes place in roasters using hot air at temperatures approaching 300° C. Historically, while some of the waste heat has been used for water heating most of the hot air was discharged to the environment.

In August 2019, JDE won an energy efficiency funding competition of the Federal Ministry for Economic Affairs and Energy. Under the project, the previously unused waste heat will be used for the Berlin-Neukoelln district heating network, supplying up to 6,000 apartments in the direct vicinity of the roasting plant.

By using the waste heat, 18,500 MWh of fossil fuel heating can be replaced annually, reducing our CO2 emissions by more than 3,000 tonnes. The project is currently in progress and is planned to be completed in 2021.



Gefördert durch:



Bundesministerium  
für Wirtschaft  
und Energie

aufgrund eines Beschlusses  
des Deutschen Bundestages

JDE manufacturing facility in Berlin, Germany

*“With this measure we are further expanding the sustainability of our plant.”*



**Andreas Zeitlhofer**  
Plant Director Berlin



## MANAGING OUR WATER USE

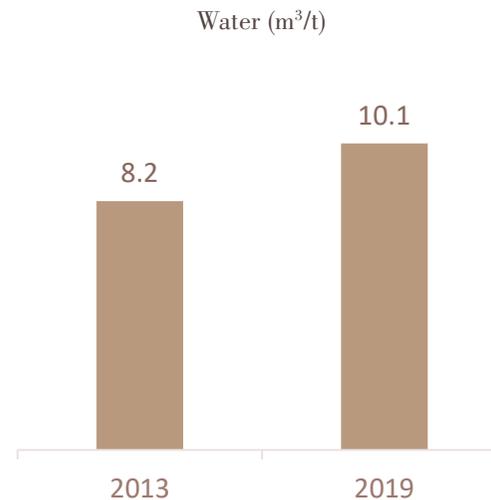
Using water efficiently and ensuring our wastewater is treated adequately to avoid any negative environmental impact are important to us. Projects on water reduction are planned across many of our manufacturing facilities or are already underway.

At our manufacturing facility near St Petersburg, Russia, for example, a reduction in water consumption was a strong focus in 2019. By the end of 2019, we were able to reduce our daily water consumption by 15 % versus consumption in 2018. The biggest lever was the re-use of condensate that is formed during the production of instant coffee. Across our manufacturing facilities in the EU, we reduced water withdrawals in 2019 by approximately 6 % compared to the previous year.

Nevertheless, across our manufacturing facilities, reducing water use remains a challenge. Tea and the roast and ground, whole beans, and single-serve coffee categories use relatively little water in the production process. The production of instant coffee, on the other hand, is more water intensive. Increasing consumer demand for instant coffee

and manufacturing facilities from recent acquisitions have led to an increase of water withdrawal per tonne of overall production by 23 % since 2013. We will continue to invest in awareness building and technical innovations to reverse this trend.

*Table: Total water withdrawal per tonne of production, 2019 vs. 2013 <sup>11</sup>*



<sup>11</sup> This data covers 29 of our 43 manufacturing facilities.

**CONNECTED PEOPLE**

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# ENGAGING OUR COMMUNITIES

**COFFEE AND TEA ARE AT THE HEART OF LIFE. THEY ARE WITH US AT THE BIG MOMENTS AND THE SMALL. AT JDE, WE CELEBRATE LIFE BEYOND THE BEVERAGE, PUTTING THE CUP OF COFFEE OR TEA AT THE CENTRE OF THE CONVERSATION, WHEREVER IN THE WORLD IT TAKES PLACE.**

We are committed to giving back to the communities where we live and work. We believe that effectively operating our business also means being a good corporate citizen and a good neighbour.

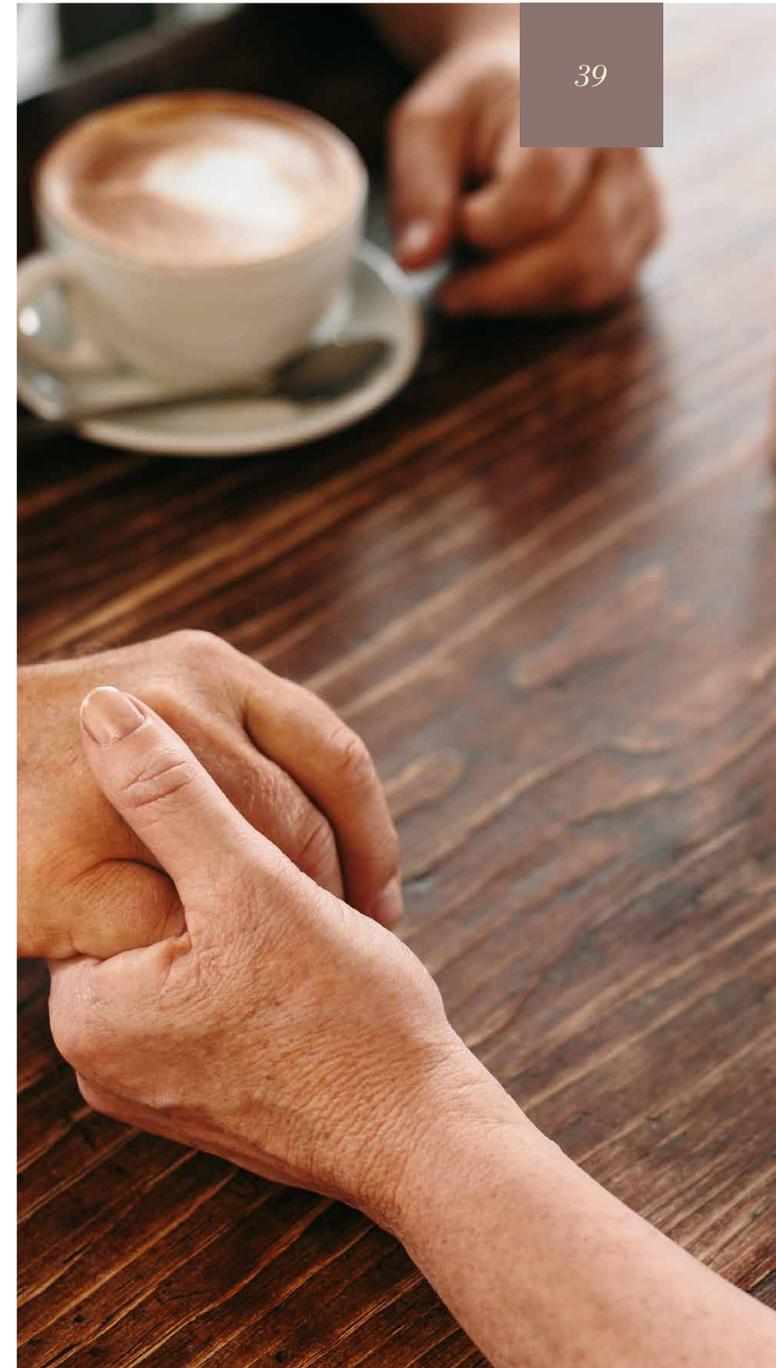
*It's amazing what can happen over a cup of coffee*

In 2019, we carried out charitable community initiatives in more than 20 countries. Local markets design and drive these initiatives in ways that most effectively give back to the communities we work and live in. Some markets chose

to donate products to local charities and foodbanks, others supported local non-profit organisations financially. Across many markets, our associates volunteered their time to work with and support charities.

We donated approximately 100 tonnes of products globally in 2019, for example. That's more than 16 million cups of coffee. Most of these donations went to foodbanks, where some of our associates volunteered their time also.

In our UK office, for example, our 'Grounded' scheme gives associates the opportunity to take up to two paid days off per year to volunteer either as an individual or as a team for a cause of their choice. This allows associates the chance to give back to the community the things that they care about most. In 2019, activities included foodbanks, teaching classes to the elderly, or helping schools with CV advice, to name just a few.





## DOUWE EGBERTS' COFFEE FOR EVERYONE IN BELGIUM

For more than 20 years, Douwe Egberts in Belgium has been organising “Café Pour Tous” or “Coffee for Everyone” with our partner, the Belgian Federation of Food Banks. The initiative distributes coffee to the 618 local affiliated food banks in Belgium. With this simple, warm gesture, “Coffee for Everyone” provides much more than just coffee. It offers warm and friendly moments to people in need.

The principle of “Coffee for Everyone” is simple: when consumers purchase Douwe Egberts throughout the year, they contribute to the yearly donation of Douwe Egberts coffee to the foodbanks. Since the initiative began in 1998, Douwe Egberts has distributed almost 550 tonnes – or 90 million cups – of coffee. In 2019, JDE Belgium donated approximately 45 tonnes of coffee, the equivalent of more than 7.5 million cups. During the Covid-19 crisis, Douwe Egberts increased its donation with an emergency delivery of an extra 10 tonnes of coffee.



*“Coffee is physical, mental and social fuel. Therefore, it’s so important also for the people in need.”*



**Vanessa Barba de Calignon**  
Marketing Director JDE BelLux





## Case study

### ENGAGING OUR COMMUNITIES DURING THE COVID-19 PANDEMIC

At JDE, we care for the communities in which we operate. The Covid-19 pandemic has disrupted the lives of many in an unprecedented way and after carefully considering how we could best contribute, we decided to stick with what we do best and provide free coffee & tea to those who deserve a break as well as those who might not be able to obtain one of life's small pleasures during this crisis.

Coffee and tea are important for our daily rituals, providing that pause in the middle of a stressful, hectic, and demanding day. That's why our associates have started more than 100 initiatives across our markets since the beginning of the crisis. We have donated more than 20 million cups of coffee and tea to express our gratitude to the front-line healthcare workers who are tirelessly working to keep us well and to our long-standing partner food banks who support those most in need.



*“We applaud the relentless efforts of the front-line healthcare workers, emergency service staff, truck drivers and many others who keep us safe and well during the pandemic. And, a very big thank you to our associates for truly living up to the JDE values during this crisis.”*



**Casey Keller**  
CEO



**Nederland is #metelkaar!**



persoonlijke berichten



verrassende commercials



minuten zendtijd



# ENGAGING OUR ASSOCIATES

**In 2019, we employed more than 16,000 full-time equivalent associates across 44 countries. Providing a workplace our associates can enjoy and take pride in is important for our business success.**

Investing in our associates ranges from training offers, programmes to keep our associates safe and a culture of openness and transparency to initiatives that strengthen the diversity of our associate community.

Our regular associate engagement survey provides an important platform for us to listen to the concerns and suggestions of our associates. All of our associates can provide candid feedback on what's working well and where we can improve. As true engagement begins at the local level, local, employee-led teams then translate the survey results into actions plans to tackle the areas that come up. Outside of this regular cycle, we strive for transparency and honest feedback and encourage all associates to contribute to the future of their team and our company.

Our Speak Up Policy sets the framework for our associates to report violations and potential breaches of our policies, including the Code of Conduct and the Supplier Code of Conduct, or any law. Associates are provided with an alert line, website, and email address through which they can report concerns, if preferred anonymously.

## SAFEGUARDING OUR ASSOCIATES' HEALTH AND SAFETY

We are committed to providing a safe and healthy work environment for our associates, contractors and visitors. At JDE, *We Work Safely or We Don't Work!* This principle has been a key focus of activities in 2019 across our manufacturing facilities. As a result, we achieved a Total Recordable Incidents Rate (TRIR) of 0.26 in 2019, a reduction by more than half compared to the previous year including third-party employees and contractors at our manufacturing facilities.

*Table: Total Recordable Incidents Rate (TRIR) <sup>12</sup>*

CATEGORY	2015	2018	2019
<b>Total Recordable Incidents Rate (TRIR)</b>	0.88	0.54	0.26
<b>Workplace fatalities</b>	0	0	0

Note: Rates are calculated as frequency of injuries per 200,000 working hours

<sup>12</sup> This data covers 29 of our 43 manufacturing facilities.

*We work safely or  
we don't work!*



I have the right qualification before I work on an electrical network



I always provide safety feedback and will stop any unsafe behaviour.



When working at a height or in a confined space I take the right steps to be safe supported by PTW.



I always apply LOTOTO before any intervention on running machinery.



I always respect process risk procedures.



I always respect traffic rules.



Health & safety signs at the entrance to our roasting plant in Utrecht, Netherlands

These results were achieved by a strong focus on health and safety throughout 2019. Health and safety is a core topic in all daily shop floor meetings at a majority of our manufacturing facilities. Electronic signs at the entrance of our manufacturing facilities track our health and safety performance and remind our associates of the importance of this topic. Our manufacturing facility in St. Petersburg, Russia, for example, achieved 2,000 days without an accident.

For the past five years, we have also joined the International Labour Organization's *World Day for Safety and Health at Work*. To strengthen our safety culture

and reduce accidents caused by unsafe behaviour, we conducted 15 Safety Culture scans in 2019 across all EU manufacturing facilities. These multi-day on-site reviews by qualified experts assess and rate how safety is integrated into day-to-day operations and develops specific recommendations for improvement for each manufacturing facilities covered. We intend to scan all remaining European sites over the course of 2020.

In addition, we introduced 6 "Life-Saving Rules" in our manufacturing facilities in 2019, which are supported by a clear communication plan that highlights one rule every two months to educate and

remind our associates on safety as a value.

Our management system in this area is governed by the JDE Safety Policy and the OHSAS 45001 (changed from 18001) Occupational Health and Safety Management System. As of year-end 2019, 18 of our manufacturing facilities as well as our international headquarter (IHQ) were certified against OHSAS 18001. We are working towards covering additional sites by 2021 (including recent acquisitions) and will continue our steadfast commitment to ensuring our associates' health and safety.

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## VALUING DIVERSITY

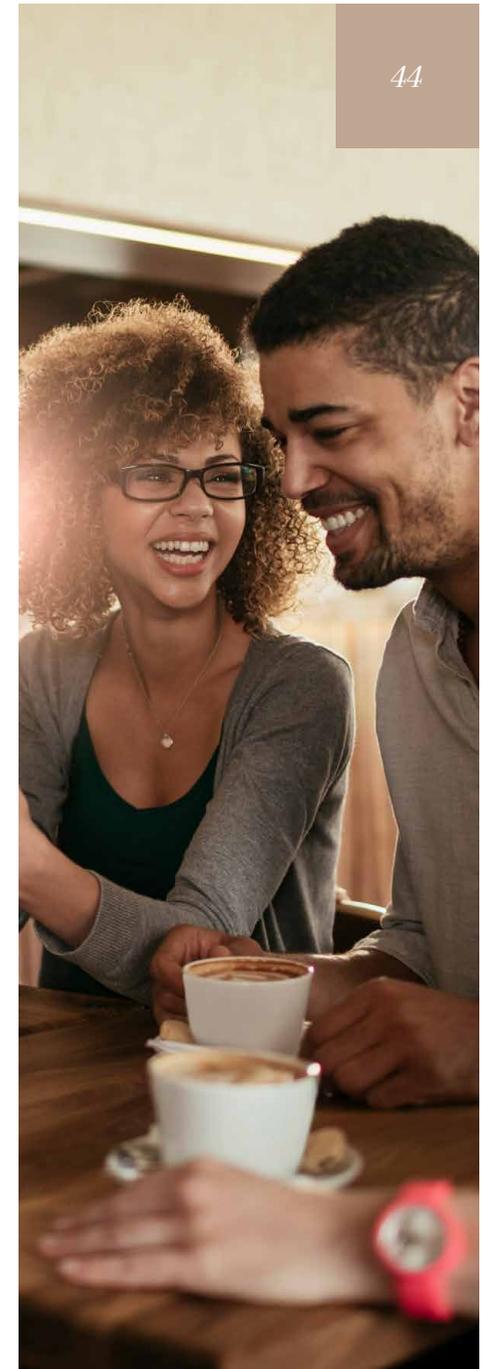
**At JDE we believe that everyone deserves the coffee they love. We also believe that a diverse and inclusive culture enables us to serve every coffee and tea lover in the best possible way. By creating an environment where the unique voices of every country, culture, and individual is heard we can be the true champions of coffee democracy. It enables us to grow our business and spark innovation.**

We want JDE to be an organisation where every individual can contribute, grow, develop and be valued for their unique perspective no matter who they are, where they are from, how they live their life - or how they drink their coffee or tea! We know that an inclusive culture makes us stronger.

To underpin this commitment, we launched a new Diversity and Inclusion Programme in the fourth quarter of 2019. It aims to foster a more inclusive culture in the workplace, supported by global unconscious bias and inclusive

culture training programmes. Progress is tracked through our annual engagement survey. The programme also establishes a global Diversity and Inclusion Board with business leaders from every market who are responsible for strengthening diversity and an inclusive culture in their parts of the organisation.

As part of the programme, our goal is to achieve gender balance across JDE's management positions by 2025 and to aim for a mix of nationalities at our IHQ in Amsterdam that's representative of our regional footprint. As of 31 December 2019, 35% of our management and 43% of our associates were women, with more than 75 nationalities represented across the Group.



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## Information Regarding Forward-Looking Statements

This report includes forward-looking statements. These forward-looking statements are subject to a number of risks and uncertainties, many of which are beyond our control and all of which are based on our current beliefs and expectations about future events. Forward-looking statements are sometimes identified by the use of forward-looking terminology such as “aim”, “annualised”, “anticipate”, “assume”, “believe”, “continue”, “could”, “estimate”, “expect”, “goal”, “hope”, “intend”, “may”, “objective”, “plan”, “position”, “potential”, “predict”, “project”, “risk”, “seek”, “should”, “target”, “will” or “would” or the highlights or the negatives thereof, other variations thereon or comparable terminology. These forward-looking statements include all matters that are not historical facts. These forward-looking statements and other statements contained in this report regarding matters that are not historical facts involve predictions. No assurance can be given that such future results will be achieved; actual events or results may differ materially as a result of risks and uncertainties facing us. Such risks and uncertainties could cause actual results to vary materially from the future results indicated, expressed or implied in such forward-looking statements. Forward-looking statements in this report speak only as of the date of this report. Except as required by applicable laws and regulations, we expressly disclaim any obligation or undertaking to update or revise the forward-looking statements contained in this report to reflect any change in our expectations or any change in events, conditions or circumstances on which such statements are based.



# JDE

A coffee for *every cup*

