Welcome to your CDP Water Security Questionnaire 2022

W0. Introduction

W0.1

(W0.1) Give a general description of and introduction to your organization.

JDE Peet’s is the world's leading pure-play coffee and tea company, serving approximately 4,500 cups of coffee or tea per second. JDE Peet's unleashes the possibilities of coffee and tea in more than 100 markets with a portfolio of over 50 brands including L’OR, Peet’s, Jacobs, Senseo, Tassimo, Douwe Egberts, OldTown, Super, Pickwick and Moccona. In 2021, JDE Peet’s generated total sales of EUR 7 billion and employed a global workforce of more than 19,000 employees. Read more about our journey towards a coffee and tea for every cup at www.JDEPeets.com.

At JDE Peet's, we are driven by our purpose to unleash the possibilities of coffee and tea to create a better future. 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 employees and communities are all important principles that guide our business activities.

Coffee & tea creates possibilities for famers and their families, our suppliers, customers, consumers and our employees. By working together with our partners, we believe that our entire ecosystem can benefit and create a better future for all. Our sustainability strategy focuses on those sustainability issues that are most material to our business and where we can have the greatest impact.

W-FB0.1a

(W-FB0.1a) Which activities in the food, beverage, and tobacco sector does your organization engage in?

Processing/Manufacturing

W0.2

(W0.2) State the start and end date of the year for which you are reporting data.

	Start date	End date

Reporting year	January 1, 2021	December 31, 2021

W0.3

(W0.3) Select the countries/areas in which you operate.

Australia
Austria
Belarus
Belgium
Brazil
Bulgaria
China
Czechia
Denmark
Finland
France
Georgia
Germany
Greece
Hong Kong SAR, China
Hungary
Indonesia
Ireland
Isle of Man
Italy
Kazakhstan
Lithuania
Luxembourg
Malaysia
Mexico
Morocco
Myanmar
Netherlands
New Zealand
Norway
Philippines
Poland
Portugal
Russian Federation
Singapore
Slovakia
South Africa
Spain
Sweden
Switzerland
Thailand
Turkey

Ukraine
United Kingdom of Great Britain and Northern Ireland
United States of America
Viet Nam

W0.4

(W0.4) Select the currency used for all financial information disclosed throughout your response.

EUR

W0.5

(W0.5) Select the option that best describes the reporting boundary for companies, entities, or groups for which water impacts on your business are being reported.

Companies, entities or groups over which operational control is exercised

W0.6

(W0.6) Within this boundary, are there any geographies, facilities, water aspects, or other exclusions from your disclosure?

Yes

W0.6a

(W0.6a) Please report the exclusions.

Exclusion	Please explain
Non-manufacturing water use	Our water-related reporting focuses on water in manufacturing, our most material source of water withdrawals and water use. Water-related data is not including water use in our offices, warehouses or coffee store locations.

W0.7

(W0.7) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?

Indicate whether you are able to provide a unique identifier for your organization.	Provide your unique identifier
Yes, an ISIN code	NL0014332678

W1. Current state

W1.1

(W1.1) Rate the importance (current and future) of water quality and water quantity to the success of your business.

	Direct use importance rating	Indirect use importance rating	Please explain
Sufficient amounts of good quality freshwater available for use	Vital	Neutral	Direct primary use: Good quality water is mostly used in our production process to produce instant and liquid coffee, e.g. in the extraction process for instant coffee. Furthermore, water is directly used as direct infeed to our cooling towers and different elements of our production processes such as cooling roasted coffee. In addition, water is used for heating, cooling and cleaning processes in all production sites. Access to good quality freshwater is important. Without access to good quality freshwater we would not be able to produce our instant and liquid products and we would have to invest significantly into alternative water access or treatment to improve water quality. Alternatively, we would have to shift production to sites that have good water quality available or stop production at those specific sites altogether, including the financial impact that comes with it. Indirect primary use: As coffee is mostly rainfed, the indirect primary use for coffee is less dependent on good quality freshwater. We invest through our farmer programs to decrease the dependency on irrigation and freshwater consumption and build resilience for future potential water scarcity. However, due to climate change and droughts we see that the lack of water availability can lead to issues in the supply, causing increased costs and inflating commodity prices. Which would in turn lead to higher costs and hence lower profits. We expect that in the future water scarcity will only further increase and could become a more material issue within JDE Peet's.
Sufficient amounts of recycled, brackish and/or produced water available for use	Neutral	Not very important	Direct primary use: Recycled, brackish & produced water are used in our manufacturing wherever possible. One example is the use of groundwater in our cooling towers. Water is reused several times before it is discharged. It is neutral, rather than important or vital as there are other technical solutions that can deliver the same cooling benefits. Alternatively, freshwater use may be available.

			Indirect primary use: Throughout our value chain, to our knowledge, recycled, brackish and/or produced water are not used as part of the production processes. Future: With growing water stress globally due to climate change, it is likely that access to recycled, brackish &/or produced water will become more limited in the future. This could indirectly lead to supply impact, price increases due to shortages and disruption in our value chain due to growing competition for water.

W-FB1.1a

(W-FB1.1a) Which water-intensive agricultural commodities that your organization produces and/or sources are the most significant to your business by revenue? Select up to five.

Agricultural commodities	% of revenue dependent on these agricultural commodities	Produced and/or sourced	Please explain
Other, please specify Coffee	More than 80%	Sourced	As the world largest pure play coffee player, over 98% of the water footprint of JDE Peet's is associated with coffee. (Based on an assessment using Water Footprint Network data.) Accordingly, other commodities are excluded as they are immaterial when compared to coffee. According to the Water Footprint Network, coffee is 96% rainfed.

W1.2

(W1.2) Across all your operations, what proportion of the following water aspects are regularly measured and monitored?

	% of sites/facilities/operations	Please explain
Water withdrawals – total volumes	100%	Our Environmental Management System (EMS) records water withdrawals for 100% of the manufacturing sites as water withdrawal is one of our key performance indicators. Data is measured real-time on site and through utility bills and reported monthly into our EMS. This data is reported annually in our Annual Report.
Water withdrawals – volumes by source	100%	Water withdrawal data is recorded by source at 100% of our manufacturing sites. This data is

		measured through on-site flow meters or provided by water utility suppliers and split by municipal, surface or groundwater. This data is reported monthly into our EMS and disclosed annually in our Annual Report.
Water withdrawals quality	100%	Water withdrawal quality is measured and reported for 100% of manufacturing operations. These measurements are taken on dependent on site needs and local requirements. This data is not gathered centrally. However, control systems between sites are managed centrally in order to stay aligned on food safety parameters.
Water discharges – total volumes	100%	While water discharge is reported for all our site, it is measured only for ~65% of our sites (27/43) which account for 99% of our water withdrawal. For the remaining sites, we assume water withdrawals are equal to water discharge volumes. While we recognise that this underestimates consumption at those sites, the overall impact on reported numbers is minimal as water withdrawals at these sites are very limited. This data is gathered in our EMS on monthly bases and reported externally on an annual basis.
Water discharges – volumes by destination	100%	Water discharge is measured for 99% of our total water withdrawal, and 100% for all sites that discharge to surface water (no sites discharge to groundwater). The remaining 1% is discharged into public sewers. This data is gathered in our EMS on a monthly basis and reported externally in annual bases.
Water discharges – volumes by treatment method	100%	Water discharge volumes by treatment method are measured at site level for 100%. These volumes are by reported at a site level in accordance with local regulation. This data is not reported centrally on a monthly basis. However, through our central technology overview we are aware which technologies are in place at all sites. For sites that do not measure discharge volumes, treatment is done by the local water utility.
Water discharge quality – by standard effluent parameters	100%	Water discharge quality is measured and tracked locally in all manufacturing sites to ensure local guidelines are not exceeded. These sites measure data through lab tests and

		external support where needed. We aim to implement full central coverage this year to be able to report on the data of all sites by end 2022.
Water discharge quality – temperature	1-25	Currently, water discharge quality is not measured on temperature for the majority of our sites. However, see water temperature not as a material issue as due to our production process, the discharged water is often ambient. This is with exception of the use of our cooling towers, where water temperature is measured and reported locally and tracked on daily bases. At this moment only one of our sites (1/43=2%) uses groundwater for cooling purposes.
Water consumption – total volume	100%	Water consumption is calculated as total water withdrawals minus the total water discharge. By end of 2022 these data will be gathered in our EMS on monthly bases and reported externally annually. While water discharge is reported for all our sites, its is measured only for ~65% of our sites (27/43) which account for 99% of our water withdrawal. For the remaining sites, we assume water withdrawals are equal to water discharge volumes. While we recognise that this underestimates consumption at those sites, the overall impact on reported numbers is minimal as water withdrawals at these sites are very limited.
Water recycled/reused	Not monitored	
The provision of fully-functioning, safely managed WASH services to all workers	Not monitored	

W1.2b

(W1.2b) What are the total volumes of water withdrawn, discharged, and consumed across all your operations, and how do these volumes compare to the previous reporting year?

	Volume (megaliters/year)	Comparison with previous reporting year	Please explain
Total withdrawals	7,117.81	Lower	In 2021, we achieved a 2.1% reduction of water withdrawals per tonne of production, in line with our annual reduction target. In absolute terms, this translates into savings of 50,000 cubic meters of water. Our manufacturing locations have programs in place to continuously improve water efficiency, lowering the need for water whilst growing in total volume produced. We continue to invest in water saving projects through our capital expenditure program. In the future we expect our total water withdrawals to remain the same while our production volumes increase.
Total discharges	5,778.85	About the same	In 2021, we achieved a 2.1% reduction of water withdrawals per tonne of production, in line with our annual reduction target. In absolute terms, this translates into savings of 50,000 cubic meters of water. Our manufacturing locations have programs in place to continuously improve water efficiency, lowering the need for water whilst growing in total volume produced. We continue to invest in water saving projects through our capital expenditure program. In the future we expect our total water withdrawals to remain the same while our production volumes increase.
Total consumption	1,329.96	About the same	In 2021, we achieved a 2.1% reduction of water withdrawals per tonne of production, in line with our annual reduction target. In absolute terms, this translates into savings of 50,000 cubic meters of water. Our manufacturing locations have programs in place to continuously improve water efficiency, lowering the need for water whilst growing in total volume produced. We continue to invest in water saving projects through our capital expenditure program.

			In the future we expect our total water withdrawals to remain the same while our production volumes increase.

W1.2d

(W1.2d) Indicate whether water is withdrawn from areas with water stress and provide the proportion.

	Withdrawals are from areas with water stress	% withdrawn from areas with water stress	Comparison with previous reporting year	Identification tool	Please explain
Row 1	Yes	26-50	Lower	WRI Aqueduct	WRI Aqueduct was used for assessing 100% of the manufacturing locations of JDE Peet's to define the water stress rating for all sites. Water stress is defined by WRI Aqueduct as all sites that have high (40-80%) or extremely high (80%+) water stress. In 2021 we had 13 out of 43 sites (30%) in water stressed areas. This number reduced from 15 in 2020 due to the closure of two sites. The water withdrawal from water-stressed areas was 32% of total water withdrawals in 2021 versus 35% in 2020. This can be largely attributed to the closure of the two sites. Across our total manufacturing footprint, our water intensity improved from 8.3 to 8.2 m3 per tonne of production.

W-FB1.2e

(W-FB1.2e) For each commodity reported in question W-FB1.1a, do you know the proportion that is produced/sourced from areas with water stress?

Agricultural commodities	The proportion of this commodity produced in areas with water stress is known	The proportion of this commodity sourced from areas with water stress is known	Please explain
Other commodities from W-FB1.1a, please specify Coffee	Not applicable	No, not currently but we intend to collect this data within the next two years	JDE Peet's does not produce agricultural commodities, but sources through our third-party suppliers. We perform Origin Issue Assessments in collaboration with Rainforest Alliance on the key coffee sourcing countries, defining issues locally on the ground among which water risk/stress. In addition, from 2022 onwards, we will work together with Enveritas to provide farm data, that is mapped to our coffee sourcing. In combination with assessments through publicly available sources such as the WRI Aqueduct, we will be able to map our coffee supply chain in terms of vulnerability to water-stress. The mapping provides us guidance on where and how to us to take action to address water related issues.

W1.2h

(W1.2h) Provide total water withdrawal data by source.

	Relevance	Volume (megaliters/year)	Comparison with previous reporting year	Please explain
Fresh surface water, including rainwater, water from wetlands, rivers, and lakes	Not relevant			Less than 0,01% of our total water withdrawals came from surface water. A total of 167 cubic meters were withdrawn and we aim to further bring this down to in the future. At this point, rainwater is not captured however we will investigate opportunities for this where relevant.

Brackish surface water/Seawater	Not relevant			Not applicable. JDE Peet's doesn't use brackish surface water or seawater in its operations.
Groundwater – renewable	Relevant	1,632.07	About the same	Groundwater is primarily used in one of our manufacturing locations for cooling purposes. In 2021 it accounted for 23% of our total water withdrawals, similarly to 2020.
Groundwater – non-renewable	Not relevant			Not applicable. JDE Peet's doesn't use non-renewable groundwater in its operations.
Produced/Entrained water	Not relevant			Not applicable. JDE Peet's doesn't use produced/entrained water in its operations.
Third party sources	Relevant	5,485.58	About the same	Within JDE Peet's, good water quality and high water availability is important for the production process. 77% of the total water withdrawal is from municipal water sources.

W1.2i

(W1.2i) Provide total water discharge data by destination.

	Relevance	Volume (megaliters/year)	Comparison with previous reporting year	Please explain
Fresh surface water	Relevant	2,193.94	This is our first year of measurement	About 38% of JDE Peet's water discharge, is discharged to surface water. This is primarily driven by cooling water discharge. It is expected to remain stable in the future.
Brackish surface water/seawater	Not relevant			No effluents are discharged to seawater, as all surface water is discharged to freshwater sources. In the future this is not expected to change.

Groundwater	Not relevant			No effluents are discharged back into groundwater aquifers. In the future this is not expected to change.
Third-party destinations	Relevant	3,564.51	This is our first year of measurement	About 62% of JDE Peet's water discharge, is discharged to the public sewer. It is expected to steadily decrease as our water efficiency increases.

W1.2j

(W1.2j) Within your direct operations, indicate the highest level(s) to which you treat your discharge.

	Relevance of treatment level to discharge	Please explain
Tertiary treatment	Relevant but volume unknown	Water discharge volumes by treatment method are measured at site level for 100%. These volumes are by reported at a site level in accordance with local regulation. This data is not reported centrally on monthly bases, however through our central technology overview we are aware which technologies are in place at all sites. For sites that do not measure discharge volumes, treatment is done by the local water utility.
Secondary treatment	Relevant but volume unknown	Water discharge volumes by treatment method are measured at site level for 100%. These volumes are by reported at a site level in accordance with local regulation. This data is not reported centrally on monthly bases, however through our central technology overview we are aware which technologies are in place at all sites. For sites that do not measure discharge volumes, treatment is done by the local water utility.
Primary treatment only	Relevant but volume unknown	Water discharge volumes by treatment method are measured at site level for 100%. These volumes are by reported at a site level in accordance with local regulation. This data is not reported centrally on monthly bases, however through our central technology overview we are aware which technologies are in place at all sites. For sites that do not measure discharge volumes, treatment is done by the local water utility.
Discharge to the natural environment without treatment	Not relevant	No water is discharged into the natural environment without treatment. For our sites with surface water discharge, treatment is in place, however not tracked on central level.

Discharge to a third party without treatment	Relevant but volume unknown	Water discharge volumes by treatment method are measured at site level for 100%. These volumes are by reported at a site level in accordance with local regulation. This data is not reported centrally on monthly bases, however through our central technology overview we are aware which technologies are in place at all sites. For sites that do not measure discharge volumes, treatment is done by the local water utility.
Other	Not relevant	

W1.3

(W1.3) Provide a figure for your organization's total water withdrawal efficiency.

	Revenue	Total water withdrawal volume (megaliters)	Total water withdrawal efficiency	Anticipated forward trend
Row 1	7,001,000,000	7,117.81	983,589.053374563	Through our commitment to improve water efficiency on annual bases by 2%, we foresee that water efficiency will continue to improve over time as our revenue grows.

W-FB1.3

(W-FB1.3) Do you collect/calculate water intensity for each commodity reported in question W-FB1.1a?

Agricultural commodities	Water intensity information for this produced commodity is collected/calculated	Water intensity information for this sourced commodity is collected/calculated	Please explain
Other commodities from W-FB1.1a, please specify Coffee	Not applicable	Yes	Data on water intensity on sourced commodities is based on the calculated value by multiplying the Water Footprint Network footprints by the volumes purchased.

W-FB1.3b

(W-FB1.3b) Provide water intensity information for each of the agricultural commodities identified in W-FB1.3 that you source.

Agricultural commodities

Other sourced commodities from W-FB1.3, please specify

Coffee

Water intensity value (m3)

18,900

Numerator: Water aspect

Total water consumption

Denominator

Tons

Comparison with previous reporting year

This is our first year of measurement

Please explain

The water footprint is determined for coffee by the Water Footprint Network. This includes blue, grey and green water.

We don't anticipate this value to shift. As coffee is primarily rainfed, impacting water efficiency is challenging. Through our Origin Issue Assessments, we map the risk of inefficient water use and we address these issues through working together with farmers to promote and implement water management practices. Additionally, we work together with the World Coffee Research to develop and select new coffee varieties that are better suited for water scarce areas and are more climate-change resistant. Through our farmer programmes, we work together on ensuring these crops are planted to ensure a future for coffee.

W1.4

(W1.4) Do you engage with your value chain on water-related issues?

Yes, our suppliers

Yes, our customers or other value chain partners

W1.4a

(W1.4a) What proportion of suppliers do you request to report on their water use, risks and/or management information and what proportion of your procurement spend does this represent?

Row 1

% of suppliers by number

76-100

% of total procurement spend

76-100

Rationale for this coverage

JDE Peet's is the largest pure-play coffee player in the world, and hence we are an important partner in the full coffee value chain. Through our Supplier Code of Conduct, all suppliers (100%) must commit to the requirements set under these principles. Key is that 'Business is conducted in a manner which reduces environmental impact. As such, suppliers will measure and minimise the environmental impact of their facilities and operations, including air and greenhouse gas emissions, water (whether in a production process, for irrigation, or for other uses), contamination and waste.' As such we expect our suppliers to comply with the set code.

As many smallholder farmers today do not have viable access to sustainability certification and many sustainability challenges require systemic change that goes beyond the individual producer or cooperative, we also invest in collaborative action and continuous improvement on our suppliers' sustainability journey beyond sustainability assurance. We engage with our suppliers on continuous improvement in the coffee supply chain, regardless of whether the green coffee we purchase is certified or not. Accordingly, we expect our green coffee suppliers to demonstrate sufficient alignment with our Responsible Coffee Sourcing Principles and a commitment to engage with coffee farmers to address priority issues and improve conditions on the ground.

This engagement is underpinned by independent Origin Issue Assessments to identify the priority sustainability challenges in origin countries. They now cover our 11 most important sourcing countries. We also updated and refined our Responsible Coffee Sourcing Principles and launched the third round of supplier self-assessments in 2021. These covered more than 90 suppliers across 21 coffee origins, with a 98% response rate. This process has equipped us and our suppliers with a much deeper understanding of the most pressing sustainability challenges, including water-related issues, in each origin country, which we then work to address collaboratively.

In addition, we also stepped-up engagement sessions with key suppliers and deepened strategic partnership programmes. Launched in 2020, these nine strategic partnership programmes are set up to achieve shared win/win objectives with our suppliers in the specific context of the respective coffee origins, directly contributing to our purpose of unleashing the possibilities of coffee & tea to create a better future.

Impact of the engagement and measures of success

In total, we supported 54 active coffee, tea and palm oil projects across 18 countries in 2021 to tackle the issues identified in the Origin Issue Assessments and through the supplier self-assessment process. Many of these project include water-related aspects, based on priorities identified in the local context. The 2021 project activity has increased our cumulative farmer reach since 2015 to more than 470,000 farmers, contributing to continuously improve the sustainability of coffee, tea and palm oil production in the countries we source from.

Comment

W1.4b

(W1.4b) Provide details of any other water-related supplier engagement activity.

Type of engagement

Innovation & collaboration

Details of engagement

Encourage/incentivize suppliers to work collaboratively with other users in their river basins

Provide training and support on sustainable agriculture practices to improve water stewardship

Educate suppliers about water stewardship and collaboration

% of suppliers by number

76-100

% of total procurement spend

76-100

Rationale for the coverage of your engagement

We expect our green coffee suppliers to demonstrate sufficient alignment with our Responsible Coffee Sourcing Principles and a commitment to engage with coffee farmers to address priority issues and improve conditions on the ground. This engagement is underpinned by independent Origin Issue Assessments to identify the priority sustainability challenges in origin countries. They now cover our 11 most important sourcing countries. We also launched the third round of supplier self assessments in 2021. These covered more than 90 green coffee suppliers across 21 coffee origins, with a 98% response rate.

Impact of the engagement and measures of success

This process has equipped us and our suppliers with a much deeper understanding of the most pressing sustainability challenges, including water-related issues, in each origin country, which we then work to address collaboratively. In total, we supported 54 active coffee, tea and palm oil projects across 18 countries in 2021 to tackle the issues identified in the Origin Issue Assessments and through the supplier self-assessment process. Many of these project include water-related aspects, based on priorities identified in the local context. The 2021 project activity has increased our cumulative farmer reach since 2015 to more than 470,000 farmers, contributing to continuously improve the sustainability of coffee, tea and palm oil production in the countries we source from.

Comment

W1.4c

(W1.4c) What is your organization's rationale and strategy for prioritizing engagements with customers or other partners in its value chain?

The constantly evolving regulatory framework as well as engagement from consumer associations are bringing environmental, good health and societal topics to the forefront of our retail partners and our e-commerce and out-of-home customers. This means as their suppliers, we are increasingly engaging with them on sustainability topics such as packaging sustainability, our customers' GHG emission reduction or carbon neutrality commitments, or water-related issues in the value chain. We work closely with a number of our customers across geographies on their sustainability initiatives.

As we or our value chain partners identify water-related issues as priority sustainability topics in the countries where our coffee and tea are grown (e.g, through our Origin Issue Assessments, our self-assessment surveys of our green coffee suppliers, or our partnership with Enveritas) , we also engage with others partners, including our suppliers, multi-stakeholder platforms like the Global Coffee Platform, non-profit organizations, and local governments to address them in the local context.

W2. Business impacts

W2.1

(W2.1) Has your organization experienced any detrimental water-related impacts?

No

W2.2

(W2.2) In the reporting year, was your organization subject to any fines, enforcement orders, and/or other penalties for water-related regulatory violations?

Yes, fines, enforcement orders or other penalties but none that are considered as significant

W2.2a

(W2.2a) Provide the total number and financial value of all water-related fines.

Row 1

Total number of fines

Total value of fines

% of total facilities/operations associated

Number of fines compared to previous reporting year

About the same

Comment

We were not subject to any fines, enforcement orders, and/or other penalties for water-related regulatory violations that are considered as significant.

W3. Procedures

W-FB3.1

(W-FB3.1) How does your organization identify and classify potential water pollutants associated with its food, beverage, and tobacco sector activities that could have a detrimental impact on water ecosystems or human health?

Within our operations: At JDE Peet's we aim to comply to the legal requirements for water pollutants across our value chain. Within our operations, our water is treated by onsite or third party treatment of wastewater. As of 2022, all water discharged in JDE Peet's will be monitored before leaving our premises to ensure this legal compliance. As local legislation differs and water requires local adaptations, we have not set a central standard but ensure our sites comply to all locally set guidelines. Water discharge quality is managed on site level, but not reported back centrally in all instances. For our own production process, we ensure water quality is up to standards through standardized measurement of water against pollutants. These measurements are checked in our labs on COD levels and tracked on site level to estimate trends.

With our suppliers: Through our supply chain, we ensure our suppliers comply to our supplier code of conduct, which addresses environmental impact management and among others the use of water. In addition, being a beverage company, we make sure our products and packaging comply with any food standards that may apply locally. Our materials and products are assessed regularly to ensure compliance with local food standards and regulation and our Supplier Code of Conduct. Throughout our full value chain, our key partners are required to ensure chain of custody and declarations that all regulatory and policy requirements set by JDE Peet's are met.

At the source with the farmers: Through our Origin Issue Assessments we assess on country level which issues are in highest need of addressing. Specifically, our focus on "Inappropriate wastewater treatment, separation, and quality monitoring" and "Wastewater and water quality treatment at processing units" identifies issues related to water pollutants. As arabica coffee is predominantly wet processed, the most impact of water pollutants occurs in regions where arabica coffee is grown and processed by smallholder farmers without proper water treatment. Coffee is often grown in countries that score poorly on the Yale Environmental Performance Index and the effects on the water ecosystems locally do exists. The impact on the human health is not impacted by the wastewater at farm level due to extensive washing and processing after transporting to our production facilities.

W-FB3.1a

(W-FB3.1a) Describe how your organization minimizes the adverse impacts of potential water pollutants on water ecosystems or human health associated with your food, beverage, and tobacco sector activities.

Potential water pollutant

Chemicals formed during processing, storage and distribution (e.g., acrylamide, aflatoxins)

Activity/value chain stage

Manufacturing – direct operations

Description of water pollutant and potential impacts

In our cooling towers, we take regular measurements against legionella, total bacterial content and among others the existence of corrosion. These measurements are taken through lab checks against set local legislation and our own global standards. If anything is found, dependent on the severity, either additional cleaning or killing with biocide is performed. When reaching over the next thresholds, authorities are alarmed, the full process is reset, water treatment is checked and the area is completely cleared. Continued checks take place, and finally cooling could be stopped altogether, causing production to come to a halt.

As per standard procedure, throughout the standardized measurement process, documentation is made and kept locally to ensure trends can be observed and a log is kept. Annual logs of sampling goes into our local log. These learnings are fed back into standard operating procedures.

Management procedures

Follow regulation standards

Please explain

Potential water pollutant

Fertilizers

Activity/value chain stage

Agriculture – supply chain

Description of water pollutant and potential impacts

JDE Peet's sources agricultural inputs. Growing these commodities can require applying nutrients to promote plant growth. Adding nutrients can cause eutrophication due to over-application.

Management procedures

Soil conservation practices

Crop management practices
Sustainable irrigation and drainage management
Fertilizer management
Pesticide management
Substitution of pesticides for less toxic or environmentally hazardous alternatives

Please explain

Sustainability certification or verification that is based on 2nd-party or 3rd-party includes standards that provide auditable standards and required mechanisms to ensure compliance. This forms an important pillar of our responsible sourcing approach. This includes, for example, the Rainforest Alliance, Enveritas, Fairtrade and 4C certification.

As many smallholder farmers today do not have viable access to sustainability certification and many sustainability challenges require systemic change that goes beyond the individual producer or cooperative, we also invest in collaborative action and continuous improvement on our suppliers' sustainability journey beyond sustainability assurance. We work to address the identified challenges through a cycle of continuous improvement in multi-year projects. These are implemented in close partnership with our suppliers, as well as with farmers, cooperatives, exporters, traders, civil society and governments. In total, we supported 54 active coffee, tea and palm oil projects across 18 countries in 2021. Our responsible sourcing program together with Enveritas allows us to track fertilizer use over time and see the improvements being made on the ground.

Potential water pollutant

Wastewater and sludge with high organic or suspended solids content

Activity/value chain stage

Agriculture – supply chain

Description of water pollutant and potential impacts

Some of the green coffee we buy is washed Arabica or Robusta. This coffee is processed in washing stations in or near the communities growing the coffee. Many traditional washing stations use inefficient quantities of water, and the wastewater that comes from the washing process and the discarded coffee pulp are often still untreated. This wastewater is returned to streams and rivers and is loaded with organic matter, is acidic, and has high biological oxygen demand.

Management procedures

Waste water management

Please explain

Through our responsible sourcing programme, we engage to address the most important sustainability issues in a region with supply chain partners. In instances where wastewater effluents from washing stations are an issue, we set up collaborative projects to address the issue. For example in Rwanda and Peru, we worked with TechnoServe, a nonprofit, to establish vetiver wastewater management systems for coffee washing stations. Similarly, in Colombia, we are working with the Federación

Nacional de Cafeteros de Colombia on a project "Water at the Heart of the Coffee Grower Communities in Tolima and Cauca", which includes the construction of ecological wet mills with vegetation filters.

W3.3

(W3.3) Does your organization undertake a water-related risk assessment?

Yes, water-related risks are assessed

W3.3a

(W3.3a) Select the options that best describe your procedures for identifying and assessing water-related risks.

Value chain stage

Direct operations

Coverage

Full

Risk assessment procedure

Water risks are assessed in an environmental risk assessment

Frequency of assessment

Annually

How far into the future are risks considered?

More than 6 years

Type of tools and methods used

Tools on the market
International methodologies and standards
Databases

Tools and methods used

Water Footprint Network Assessment tool
WRI Aqueduct
Other, please specify
ARGOS

Contextual issues considered

Water availability at a basin/catchment level
Water quality at a basin/catchment level
Water regulatory frameworks
Status of ecosystems and habitats

Stakeholders considered

Customers

Employees
Local communities
Regulators
Suppliers
Water utilities at a local level

Comment

On an annual basis, we assess the water risks at all our manufacturing locations. Through a combined analysis of WRI Aqueduct, the Water Footprint Network Assessment tool and an external analysis through our insurers through ARGOS, we are able to define a risk profile of all manufacturing sites. Combining that with the dependency of water and annual consumption, we define which sites should address water risks in their area.

Additionally, we use the WRI Aqueduct water risk projections for 2040 to get a perspective of the future risks of our manufacturing sites. This drives local action to manage water dependency, water risks and potential future water stress.
The Water Footprint Network methodology to assess the water footprint of key agricultural commodities, which allows us to steer primary focus on specific commodities that have higher water dependency.

Value chain stage

Supply chain

Coverage

Partial

Risk assessment procedure

Water risks are assessed as part of other company-wide risk assessment system

Frequency of assessment

Every two years

How far into the future are risks considered?

More than 6 years

Type of tools and methods used

Tools on the market
International methodologies and standards
Databases
Other

Tools and methods used

Internal company methods
External consultants
Nation specific databases, tools, or standards
Other, please specify
Supplier self-assessments

Contextual issues considered

Stakeholder conflicts concerning water resources at a basin/catchment level
Implications of water on your key commodities/raw materials
Status of ecosystems and habitats

Stakeholders considered

Local communities
NGOs
Suppliers

Comment

Our Responsible Sourcing programme, which we developed in partnership with the Rainforest Alliance in 2018, works with our suppliers and other stakeholders to identify the most important social and environmental issues wherever we source our coffee, tea and agricultural ingredients such as palm oil. We then engage on these issues through open, direct communication with our suppliers, collaborative action (such as GCP Collective Action Initiatives) and projects on the ground.

W3.3b

(W3.3b) Describe your organization's process for identifying, assessing, and responding to water-related risks within your direct operations and other stages of your value chain.

At JDE Peet's, our enterprise risk management process and risk assessment are a continuous activity throughout the year. The full cycle is completed every year with a discussion in the Executive Committee, and subsequently presented to the Audit Committee and discussed by the Board. As an outcome of this risk management process the company identifies the main risks for the company. Sustainability risks and opportunities, including those related to water, are fully integrated into this ERM process. For example, the insufficient supply of quality and sustainable coffee & tea has been identified as a physical risk (chronic and/or acute) through this process, because of changes in weather patterns around the globe, including in coffee & tea-growing countries. Changing weather patterns may affect the quality, limit availability or increase the cost of key agricultural commodities, such as green coffee & tea. This could affect our ability to procure raw materials in the quantities needed and could materially adversely affect our business.

In addition, through our responsible sourcing programme, we conduct a cycle of self-assessments of our key suppliers against our Coffee Responsible Sourcing Principles. This country risk assessment process serves to identify the main sustainability challenges, including water-related issues, in the countries from which we source. The self-assessment process is further complemented with external Origin Issue Assessments for key sourcing regions (available at https://www.jdepeets.com/sustainability/responsible-sourcing/) and on-the-ground country risk assessments by independent third parties. This process equips us and our suppliers with a much deeper understanding of the most pressing sustainability challenges in each origin country. We then work to address these challenges through a cycle of continuous improvement in multi-year projects. These are implemented in close partnership with our suppliers, as well as with farmers, cooperatives, exporters, traders, civil society and

governments. In total, we supported 54 active coffee, tea and palm oil projects across 18 countries in 2021.

Lastly, our operational excellence framework provides a clear roadmap for our manufacturing facilities to improve their performance, including amongst others, quality, safety and environmental performance. The management and operation of our manufacturing facilities also includes a regular assessment and exchange regarding sustainability-related risks and opportunities, including water, such as policy and legal transition risks related to increasing energy prices, potential physical risks as a result of changing weather patterns leading, for example, to heatwaves or storms, as well as resource efficiency and technology opportunities to strengthen our manufacturing facilities' resilience while increasing production efficiency.

W4. Risks and opportunities

W4.1

(W4.1) Have you identified any inherent water-related risks with the potential to have a substantive financial or strategic impact on your business?

Yes, only in our value chain beyond our direct operations

W4.1a

(W4.1a) How does your organization define substantive financial or strategic impact on your business?

In 2020, we completed our first comprehensive materiality analysis for JDE Peet's and envisage to refresh this perspective every 2-3 years. This helps to ensure that we prioritise the issues that most influence the decision making of our external and internal stakeholders and have the most impact on our business success. As part of this process, a comprehensive list of issues was identified and determined through a sector analysis, review of sustainability reporting standards and company priorities and strategies. For each issue, the relative importance to business and to external stakeholders was then assessed:

- In order to determine their relative importance to business, each issue was assessed according to its impact on JDE Peet's' brands and reputation, growth, employee engagement, operational efficiency and product quality and innovation.
- In order to determine their relative importance to external stakeholders, each issue was assessed according to its importance to various stakeholder groups including business partners, NGOs and civil society, shareholders/investors, customers, and governments/regulators.

We then mapped scores for each issue, taking into account business and external stakeholder importance, which identified the priorities presented in our materiality matrix. Through this process, climate change was confirmed as one of the 7 top priority topics that are most material to our external stakeholders and the company's business success, which form the core of our corporate responsibility strategy. In our 2020 assessment, water-related issues were identified among the second tier of topic by both internal and external stakeholders, i.e. in a cluster of major topics for creating medium and long-term value.

In addition, sustainability, including water-related issues, form part of our Enterprise Risk Management process, as outlined in further detail in the JDE Peet's Annual Report 2021. In addition, we adopt the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). To fulfil TCFD recommendations and deepen our understanding of climate risk and resilience for JDE Peet's, we are undertaking climate scenario assessments. This assessment includes water-related physical risks such as precipitation variability, drought, and flooding events.

W4.1b

(W4.1b) What is the total number of facilities exposed to water risks with the potential to have a substantive financial or strategic impact on your business, and what proportion of your company-wide facilities does this represent?

	Total number of facilities exposed to water risk	% company-wide facilities this represents	Comment
Row 1	0	Less than 1%	Out of the 13 manufacturing facilities located in water-stressed areas, 3 withdraw and/or consume significant amounts of water. In addition, 2 further facilities with significant water consumption are in areas that will likely experience water stress in the future (according to the WRI Aqueduct Water Risk Atlas). We carefully work to assess and monitor the financial or strategic impacts on our business of water risks across our business, with a particular focus on those locations. In addition, we continuously focus on improving the water efficiency of our operations. In 2 out of the 5 facilities, we do not expect any material impact of water-related risks in the near-term and water stress is projected to decrease in the future. For the remaining 3 sites, we work closely with stakeholders, including local government, and do have mitigation plans in place. As a result, we currently assess our exposure to water risks with significant financial or strategic impact as limited.

W4.1c

(W4.1c) By river basin, what is the number and proportion of facilities exposed to water risks that could have a substantive financial or strategic impact on your business, and what is the potential business impact associated with those facilities?

W4.2a

(W4.2a) Provide details of risks identified within your value chain (beyond direct operations) with the potential to have a substantive financial or strategic impact on your business, and your response to those risks.

Country/Area & River basin

Stage of value chain

Supply chain

Type of risk & Primary risk driver

Chronic physical

Changing precipitation patterns and types (rain, hail, snow/ice)

Primary potential impact

Increased production costs due to changing input prices from supplier

Company-specific description

In a 4°C scenario, precipitation patterns are likely to change in many key coffee-growing regions, increasing the risk of droughts and the need for irrigation. This could have impacts on coffee yields as well as, importantly, on the livelihoods of many smallholder farmers who grow coffee. Our Responsible Sourcing programme already invests in addressing these challenges today.

Timeframe

More than 6 years

Magnitude of potential impact

Medium-high

Likelihood

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

Potential financial impact figure - minimum (currency)

Potential financial impact figure - maximum (currency)

Explanation of financial impact

Changing weather and precipitation patterns may affect the quality, limit availability or increase the cost of key agricultural commodities, such as green coffee & tea. This could affect our ability to procure raw materials in the quantities needed and could materially adversely affect our business.

Primary response to risk

Supplier engagement

Other, please specify

Promote the adoption of Good Agricultural Practices and/or climate-smart agricultural practices

Description of response

Together with partners, our Responsible Sourcing programme supports smallholder farmers on key sustainability challenges, including training on climate-smart agricultural practices, supporting them to both adapt to changing climatic conditions as well as reduce the GHG emissions associated with coffee and tea cultivation. We have more than 50 active projects across 18 countries in 2021 and have cumulatively reached more than 470,000 smallholder farmers since 2015. We also continue to invest in extraction technology which gets the most out of every bean, limiting our waste. We continue to leverage our flexible blending approach so as to ensure that we can maintain quality and consistency, despite climate change. Climate risk informs our approach to maintaining a broad strategic approach to supply from multiple countries. We also continue our support towards World Coffee Research in the development of new, more resistant crop varieties.

Cost of response

Explanation of cost of response

W4.2b

(W4.2b) Why does your organization not consider itself exposed to water risks in its direct operations with the potential to have a substantive financial or strategic impact?

	Primary reason	Please explain
Row 1	Risks exist, but no substantive impact anticipated	Out of the 13 manufacturing facilities located in water-stressed areas, 3 withdraw and/or consume significant amounts of water. In addition, 2 further facilities with significant water consumption are in areas that will likely experience water stress in the future (according to the WRI Aqueduct Water Risk Atlas). We carefully work to assess and monitor the financial or strategic impacts on our business of water risks across our business, with a particular focus on those locations. In addition, we continuously focus on improving the water efficiency of our operations.

		In 2 out of the 5 facilities, we do not expect any material impact of water-related risks in the near-term and water stress is projected to decrease in the future. For the remaining 3 sites, we work closely with stakeholders, including local government, and do have mitigation plans in place. As a result, we currently assess our exposure to water risks with significant financial or strategic impact as limited.

W4.3

(W4.3) Have you identified any water-related opportunities with the potential to have a substantive financial or strategic impact on your business?

Yes, we have identified opportunities, and some/all are being realized

W4.3a

(W4.3a) Provide details of opportunities currently being realized that could have a substantive financial or strategic impact on your business.

Type of opportunity

Efficiency

Primary water-related opportunity

Improved water efficiency in operations

Company-specific description & strategy to realize opportunity

In line with our 2% water efficiency improvement target, we aim to decrease our dependency on water at a local level. Annually we have a cycle to define with all our factories which opportunities would exist to improve water efficiency in their operations. This creates a longlist of opportunities, of which some can be implemented directly e.g. changing settings to reduce water used in specific production processes. Others require small capital expenditures e.g. to remove leakage in the process or refurbishment to newer versions of machine parts. However, also larger capital expenditures may take place that have a significant impact on our P&L. One example has been the implementation of a 2SN primary feed water installation in our Hemelingen instant factory which led to an annual reduction of 32.000M3 in water consumption and a subsequent positive financial impact due to decreased cost of water use.

Estimated timeframe for realization

1 to 3 years

Magnitude of potential financial impact

Low-medium

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

250,000

Potential financial impact figure – maximum (currency)

1,000,000

Explanation of financial impact

Taking the average water price of the countries of factories, multiplied by the 2% reduction and multiplied by our total operational water footprint adds up to a range of 250.000 euros up to 1.000.000 euros in savings that can be achieved from implementing a 2% reduction of our water use year on year.

W6. Governance

W6.1

(W6.1) Does your organization have a water policy?

No, but we plan to develop one within the next 2 years

W6.2

(W6.2) Is there board level oversight of water-related issues within your organization?

Yes

W6.2a

(W6.2a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for water-related issues.

Position of individual	Please explain
Board-level committee	As a one-tier board, the Board of JDE Peet's is the executive and supervisory body of the company. It is therefore entrusted with the management of the company. At the same time, it supervises the general course of affairs, and is responsible for long-term value creation of the company and its continuity. The Board's responsibilities include, among other things, setting the company's management agenda and strategy, developing a view on long-term value creation by the company, enhancing the performance of the company, and identifying, analysing and managing the risks associated with the company's strategy and activities including environmental, social and governance issues (ESG), which includes water-related issues. The Board regularly, but at least two times per year, (i) oversees the implementation

	of the sustainability strategy and policies, (ii) reviews the progress on ESG-related matters, including water-related issues on the company's sustainability dashboard as well as responsible sourcing, climate action, packaging, waste, health and safety, and diversity, equity and inclusion, amongst others, and (iii) monitors the company's progress against ESG-related goals and targets. To turn its further attention to ESG, the Board has appointed two Sustainability Board Contacts as focal point for oversight of ESG-related matters, and to advise the Executive Committee, which is supported by the company's Sustainability team. Led by Global Director Quality & Sustainability, the Sustainability team 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 sustainability strategy.
Chief Executive Officer (CEO)	The CEO is responsible for the company's day-to-day management. This includes, among other things, formulating its strategies and policies and setting and achieving its objectives, including the JDE Peet's sustainability strategy and programme, which includes water-related issues.

W6.2b

(W6.2b) Provide further details on the board's oversight of water-related issues.

	Frequency that water-related issues are a scheduled agenda item	Governance mechanisms into which water-related issues are integrated	Please explain
Row 1	Scheduled - some meetings	Monitoring implementation and performance Overseeing acquisitions and divestiture Overseeing major capital expenditures Reviewing and guiding risk management policies Reviewing and guiding strategy Reviewing and guiding corporate responsibility strategy	The Board regularly, but at least two times per year, (i) oversees the implementation of the sustainability strategy and policies, (ii) reviews the progress on ESG-related matters, including water-related issues on the company's sustainability dashboard as well as responsible sourcing, climate action, packaging, waste, health and safety, and diversity, equity and inclusion, amongst others, and (iii) monitors the company's progress against ESG-related goals and targets. In addition, the Audit Committee reviews ESG-/sustainability-related risks as part of the enterprise risk management process. The full cycle is completed every year with a discussion in the Executive Committee, and subsequently presented to the Audit Committee and discussed the Board.

W6.2d

(W6.2d) Does your organization have at least one board member with competence on water-related issues?

	Board member(s) have competence on water-related issues	Criteria used to assess competence of board member(s) on water-related issues
Row 1	Yes	One of our Sustainability Board Contacts serves as Executive Vice President, Corporate & Legal Affairs and General Counsel for Mondelēz International. In her role, she oversees the company's global legal, compliance, corporate reputation and ESG agendas, including public and government affairs, internal and external corporate communications, sustainability, community and foundation efforts.

W6.3

(W6.3) Provide the highest management-level position(s) or committee(s) with responsibility for water-related issues (do not include the names of individuals).

Name of the position(s) and/or committee(s)

Chief Executive Officer (CEO)

Responsibility

Assessing water-related risks and opportunities
Managing water-related risks and opportunities

Frequency of reporting to the board on water-related issues

Quarterly

Please explain

The Chief Executive Officer is responsible for assessing, reporting and managing any significant water-related risks. On quarterly bases, Executive Committee is informed of all most material risks, how to mitigate them and the actions taken. This is a consolidation of inputs from the Enterprise Risk Management process and the Sustainability Program Review that highlight any topics that need to be brought to the attention. The ERM structure allows for direct assessment of water-related risks where the CEO together with his Executive Committee assesses the risk appetite for such risks. This forward-looking approach allows for risk mitigation before the fact. With regards to the Sustainability Program Review, a quarterly update is given on the company's performance against set KPIs (i.e. water efficiency). The Executive Committee is then able to set directions on the required course of action.

Name of the position(s) and/or committee(s)

Other C-Suite Officer, please specify

Chief Supply Officer

Responsibility

Assessing water-related risks and opportunities

Managing water-related risks and opportunities

Frequency of reporting to the board on water-related issues

As important matters arise

Please explain

The CSO is responsible for ensuring a continued supply of coffee from our origins up to our customers. JDE Peet's being a globally spread organization, risks and issues related to water may arise at all times. Flooding, drought or issues with water quality/quantity may arise at all times and final accountability on managing those risks lies with the Chief Supply Officer. When relevant, these issues may be raised to the remaining Executive Committee members.

W6.4

(W6.4) Do you provide incentives to C-suite employees or board members for the management of water-related issues?

	Provide incentives for management of water-related issues	Comment
Row 1	Yes	We have a bonus mechanism related to ESG and compliance performance. The bonus criteria for management includes the following clause: "The Remuneration Committee, upon recommendation of the CEO, may make use of its right to adjust up to 25% of the expected bonus payout up or down for one of the following reasons: (i) Quality delivery (quality market share, quality shape, brand performance and investing for the future), (ii) ESG, or (iii) Extraordinary circumstances."

W6.4a

(W6.4a) What incentives are provided to C-suite employees or board members for the management of water-related issues (do not include the names of individuals)?

	Role(s) entitled to incentive	Performance indicator	Please explain
Monetary reward	Corporate executive team	Reduction of water withdrawals Reduction in consumption volumes	We have a bonus mechanism related to ESG and compliance performance. The bonus criteria for management includes the following clause: "The Remuneration Committee, upon recommendation of the CEO, may make use of its right to adjust up to 25% of the expected bonus payout up or down for one

		Improvements in efficiency - direct operations	of the following reasons: (i) Quality delivery (quality market share, quality shape, brand performance and investing for the future), (ii) ESG, or (iii) Extraordinary circumstances.”
Non-monetary reward			

W6.5

(W6.5) Do you engage in activities that could either directly or indirectly influence public policy on water through any of the following?

Yes, trade associations

Yes, funding research organizations

W6.5a

(W6.5a) What processes do you have in place to ensure that all of your direct and indirect activities seeking to influence policy are consistent with your water policy/water commitments?

At JDE Peet's, we unleash the possibilities of coffee and tea to create a better future. Sourcing our raw materials responsibly, taking care of the environment, and engaging our own employees and communities are all important principles that guide our business activities. We actively engage with multiple organisations, trade associations and industry platforms to enhance our societal impact. These partnerships form a central pillar of our stakeholder engagement so that we effectively address the broader sustainability challenges which go beyond our immediate supply chain. The participation in these fora is managed by our internal Sustainability governance structure.

Our participation in these organisations, including membership on an organisation's board, does not mean that we endorse every position these organisations take on an issue. From time to time, our corporate positions may differ from those of the organisations of which we are a member. We engage with the respective organisation in those instances to express our views.

W6.6

(W6.6) Did your organization include information about its response to water-related risks in its most recent mainstream financial report?

Yes (you may attach the report - this is optional)

jde-peets-annual-report-2021.pdf

W7. Business strategy

W7.1

(W7.1) Are water-related issues integrated into any aspects of your long-term strategic business plan, and if so how?

	Are water-related issues integrated?	Long-term time horizon (years)	Please explain
Long-term business objectives	Yes, water-related issues are integrated	5-10	Our long-term business objective is driven by our purpose: Unleash The Possibilities Of Coffee & Tea To Create A Better Future. We've defined this Better Future through our Common Grounds approach which aim at three pillars, Responsible Sourcing, Minimized Footprint and Connected People. Where our Minimized Footprint pillar focuses on minimizing our environmental impact through climate action, sustainable packaging, zero waste and water stewardship. On water, we see increased water scarcity, water stress and continued dependency on fresh water. As is reported in our annual report, SDG 6 is one of the main development goals to which JDE Peet's aims to contribute, focusing on a 2030 timescale. Our operations focus on improving the water efficiency in our factories, which is reported on quarterly bases to the Executive Committee and twice per year to the board where long-term business objectives are discussed. We aim to expand these commitments beyond water efficiency in our operations in 2022.
Strategy for achieving long-term objectives	Yes, water-related issues are integrated	5-10	The commitments made within our Common Grounds program allow our stakeholders to review, address and comment these and hold us accountable for the progress on these. The Executive Committee each own their own commitments and ensure through a systematic way that they can steer to correct course where needed. For capital expenditures where water is considered material, water consumption is considered as part of the capex approval process.
Financial planning	Yes, water-related issues are integrated	5-10	Looking ahead, a continued tightening of resources is expected in the availability of coffee, water and due the climate change the excess of carbon. As we see the interconnection between coffee yield, carbon impact

			and water use; our investments in R&D, technology and engineering aim to improve all three at the same time. Our R&D and technology roadmaps are aimed to fuel our factories for the decades to come, whilst our capital expenditures could last over 20 to 30 years. Considerations in achievable returns are heavily related to the expected yield improvement, carbon and water reduction.

W7.2

(W7.2) What is the trend in your organization's water-related capital expenditure (CAPEX) and operating expenditure (OPEX) for the reporting year, and the anticipated trend for the next reporting year?

Row 1

Water-related CAPEX (+/- % change)

Anticipated forward trend for CAPEX (+/- % change)

Water-related OPEX (+/- % change)

Anticipated forward trend for OPEX (+/- % change)

Please explain

We report on our financial performance, including comparisons / changes vs. prior years, in our Annual Report at https://www.jdepeets.com/investors/financial-reports/annual-reports/. Water opex and capex are driven by multiple factors, including manufacturing technologies used, the age of infrastructure and systems, and product mix. We do not report on water-related open and capex separately.

W7.3

(W7.3) Does your organization use scenario analysis to inform its business strategy?

	Use of scenario analysis	Comment
Row 1	Yes	

W7.3a

(W7.3a) Provide details of the scenario analysis, what water-related outcomes were identified, and how they have influenced your organization's business strategy.

	Type of scenario analysis used	Parameters, assumptions, analytical choices	Description of possible water-related outcomes	Influence on business strategy
Row 1	Climate-related	At JDE Peet's, we take the threat of climate change seriously. While climate change poses risks to current business models, it also creates opportunities for companies that act decisively in a competitive environment. In addition to our own actions to tackle climate change, we assess how climate change may impact our business. We adopt the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). To fulfil TCFD recommendations and deepen our understanding of climate risk and resilience for JDE Peet's, we are undertaking climate scenario assessments.	In a 4°C scenario, precipitation patterns are likely to change in many key coffee-growing regions, increasing the risk of droughts and the need for irrigation. This could have impacts on coffee yields as well as, importantly, on the livelihoods of many smallholder farmers who grow coffee. Our Responsible Sourcing programme already invests in addressing these challenges today. In addition, while most of our categories use relatively little water in the manufacturing process, water stress could also impact our own operations in the longer term. We therefore carefully assess (and report on) the exposure of our operations to current and potential future water stress. And we place a focus on the efficient use of water in our operations, with a particular emphasis on the production of instant coffee, which is more water intensive.	

W7.4

(W7.4) Does your company use an internal price on water?

Row 1

Does your company use an internal price on water?

No, and we do not anticipate doing so within the next two years

Please explain

W7.5

(W7.5) Do you classify any of your current products and/or services as low water impact?

	Products and/or services classified as low water impact	Primary reason for not classifying any of your current products and/or services as low water impact	Please explain
Row 1	No, and we do not plan to address this within the next two years	Judged to be unimportant, explanation provided	The water footprint of coffee is 99% dependent on the cultivation stage of which 96% is rainfed, whilst our manufacturing and use-phase account for <1% of the total water footprint. Significant impact can only be made in drinking less coffee or less coffee per serving, e.g. instant coffee uses about 2 grams of coffee per cup, vs. coffee capsules 5 grams. The consideration of water as part of product development is seen as unimportant, considering the nature of its footprint.

W8. Targets

W8.1

(W8.1) Describe your approach to setting and monitoring water-related targets and/or goals.

	Levels for targets and/or goals	Monitoring at corporate level	Approach to setting and monitoring targets and/or goals
Row 1	Company-wide targets and goals	Targets are monitored at the corporate level	We have set ourselves an internal a target for our manufacturing facilities of reducing water withdrawals by 2% per year per tonne of production. Our tea and the roast and ground, whole beans, and single-serve coffee categories use relatively little water in the manufacturing process. The production of instant coffee, on the other hand, is more water intensive. Accordingly, that's where a focus on the efficient use of this resource is particularly important.

W8.1a

(W8.1a) Provide details of your water targets that are monitored at the corporate level, and the progress made.

Target reference number
Target 1

Category of target
Product water intensity

Level
Company-wide

Primary motivation
Reduced environmental impact

Description of target
It is essential that we use water efficiently and ensure that our wastewater is treated adequately to avoid any negative environmental impact. We have set ourselves an internal a target of reducing water withdrawals by 2% per year per tonne of production.

Quantitative metric
% reduction per product

Baseline year

Start year

Target year

% of target achieved
100

Please explain
Our target is an annual water efficiency target, which we have achieved in each of the past 2 years.

Target reference number
Target 2

Category of target
Supplier engagement

Level

Company-wide

Primary motivation

Shared value

Description of target

Our smallholder engagement programme is a core element of our approach to responsible sourcing, designed to address the primary sustainability challenges in the countries that grow our coffee & tea and to improve the livelihoods of smallholder farmers. We believe we can make a positive impact and lasting change in the lives of smallholders through action and collaboration. That's why we are committed to reach 1 million farmers by 2025 through investments in improvement projects and capacity building, many of which include water-related aspects.

Quantitative metric

Other, please specify

Farmers reached through investments in improvement projects and capacity building

Baseline year

2015

Start year

2015

Target year

2025

% of target achieved

47

Please explain

In total, we supported 54 active coffee, tea and palm oil projects across 18 countries in 2021. This has increased our cumulative farmer reach since 2015 to more than 470,000 farmers, getting is within reach of our original goal of 500,000 smallholder farmers by 2025. As part of a broader commitment to accelerate our Responsible Sourcing journey, we have recently increased our target to 1 million farmers.

W9. Verification

W9.1

(W9.1) Do you verify any other water information reported in your CDP disclosure (not already covered by W5.1a)?

No, but we are actively considering verifying within the next two years

W10. Sign off

W-FI

(W-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

Signed off

W10.1

(W10.1) Provide details for the person that has signed off (approved) your CDP water response.

	Job title	Corresponding job category
Row 1	Global Director Quality & Sustainability	Other, please specify Director

W10.2

(W10.2) Please indicate whether your organization agrees for CDP to transfer your publicly disclosed data on your impact and risk response strategies to the CEO Water Mandate's Water Action Hub [applies only to W2.1a (response to impacts), W4.2 and W4.2a (response to risks)].

Yes

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	I understand that my response will be shared with all requesting stakeholders	Response permission
Please select your submission options	Yes	Public

The European Climate Pact Submission

Please indicate your consent for CDP to showcase your disclosed environmental actions on the European Climate Pact website as pledges to the Pact.

No, we do not wish to pledge under the European Climate Pact at this stage

Please confirm below

I have read and accept the applicable Terms