To guide our approach, we collaborated with BSR, a global business network and consultancy focused on sustainability. We identified, scored and prioritised issues using the following methodology:

1. **Identify material issues**: A comprehensive list of issues was identified and determined through a sector analysis, review of sustainability reporting standards and company priorities and strategies.

2. **Determine importance to business**: 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. Key internal stakeholders provided input via in-depth interviews with JDE and Peet’s leadership as well as surveys to a broader audience of colleagues in both businesses.

3. **Determine importance to external stakeholders**: In order to determine their relative importance to external stakeholders, each issue was assessed according to its importance to various stakeholder groups: business partners, NGOs and civil society, shareholders/investors, customers, and governments/regulators. In-depth interviews were conducted with external stakeholders spanning our key stakeholder types: coffee farmer representatives, coffee traders, customers, NGOs, certification bodies, industry groups, investors, coffee value chain experts, and multi-stakeholder collaborations.

4. **Prioritise**: We mapped scores for each issue, taking into account business and external stakeholder importance, which identified the priorities presented in our materiality matrix.

In 2020, we completed our first comprehensive materiality analysis as a company. This was an important tool for informing our corporate responsibility strategy. It also identified our priorities according to their importance for external and internal stakeholders as well as their impact on our business success. The results of the process were reviewed and discussed comprehensively by our Corporate Responsibility Governance Committee.
The material topics are linked to the three pillars of our corporate responsibility strategy, our underlying commitment to responsible business practices and our evolving business model. The distribution of topics on our materiality map, across three distinct tiers, informs our approach to value creation for our company and society and helps to integrate our business and sustainability priorities with the United Nations Sustainable Development Goals.

The first tier is made up of the topics most material to our external stakeholders and the company’s business success. They form the core of our corporate responsibility strategy. The seven top priorities emerging from the assessment are listed below:

- Climate change mitigation
- Ethics and governance
- Product quality
- Responsible supplier labour practices
- Supply chain transparency
- Sustainable agriculture
- Sustainable packaging

The second tier is a cluster of major topics for creating medium and long-term value, including farmer livelihoods, operational resource efficiency or human rights. This tier also includes most of the topics related to our employees. A talented pool of engaged employees is critical if we are to thrive as a business and effectively address other topics on our materiality map.

The third tier of topics is devoted mainly to compliance-driven matters. These topics are addressed through compliance, monitoring and ongoing management.

The topics on our materiality map do not exist independently. Climate change mitigation, for instance, is closely linked to other topics such as sustainable agriculture, farmer livelihoods, operational resource efficiency, and sustainable packaging. The wider topic of human rights is intimately connected to responsible supplier labour practices and ethics and governance. As a result, some of the topics on our materiality map are addressed in multiple sections of this report. The definitions of material topics can be found under section ‘About this report’ in this Annual Report.

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OUR TOP 7 PRIORITIES