

Welcome to your CDP Climate Change Questionnaire 2021

C0. Introduction

C0.1

(C0.1) Give a general description and introduction to your organization.

JDE Peet's is the world's leading pure-play coffee and tea company by revenue and served approximately 4,500 cups of coffee or tea every second in 2020. JDE Peet's unleashes the possibilities of coffee and tea in more than 100 developed and emerging markets through a portfolio of over 50 brands that collectively cover the entire category landscape led by household names such as L'OR, Peet's, Jacobs, Senseo, Tassimo, Douwe Egberts, OldTown, Super, Pickwick and Moccona. In 2020, JDE Peet's generated total sales of EUR 6.7 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 farmers 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 corporate responsibility strategy focuses on those sustainability issues that are most material to our business and where we can have the greatest impact.

C0.2

(C0.2) State the start and end date of the year for which you are reporting data.

	Start date	End date	Indicate if you are providing emissions data for past reporting years	Select the number of past reporting years you will be providing emissions data for
Reporting year	January 1, 2020	December 31, 2020	Yes	1 year

C0.3

(C0.3) Select the countries/areas for which you will be supplying data.

Australia
Belarus
Belgium
Brazil
Bulgaria
China
China, Hong Kong Special Administrative Region
Czechia
Denmark
Finland
France
Georgia
Germany
Greece
Hungary
Indonesia
Ireland
Italy
Kazakhstan
Lithuania
Luxembourg
Malaysia
Mexico
Morocco
Myanmar
Netherlands
New Zealand
Norway
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

C0.4

(C0.4) Select the currency used for all financial information disclosed throughout your response.

EUR

C0.5

(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your chosen approach for consolidating your GHG inventory.

Operational control

C-AC0.6/C-FB0.6/C-PF0.6

(C-AC0.6/C-FB0.6/C-PF0.6) Are emissions from agricultural/forestry, processing/manufacturing, distribution activities or emissions from the consumption of your products – whether in your direct operations or in other parts of your value chain – relevant to your current CDP climate change disclosure?

	Relevance
Agriculture/Forestry	Elsewhere in the value chain only [Agriculture/Forestry/processing/manufacturing/Distribution only]
Processing/Manufacturing	Both direct operations and elsewhere in the value chain [Processing/manufacturing/Distribution only]
Distribution	Both direct operations and elsewhere in the value chain [Processing/manufacturing/Distribution only]
Consumption	Yes [Consumption only]

C-AC0.6b/C-FB0.6b/C-PF0.6b

(C-AC0.6b/C-FB0.6b/C-PF0.6b) Why are emissions from agricultural/forestry activities undertaken on your own land not relevant to your current CDP climate change disclosure?

Row 1

Primary reason

Do not own/manage land

Please explain

JDE Peet's sources coffee, tea and other commodity ingredients from around the globe via importers. The company is not vertically integrated in its agricultural supply chains and does not own or manage any land dedicated to agriculture/forestry.

C-AC0.7/C-FB0.7/C-PF0.7

(C-AC0.7/C-FB0.7/C-PF0.7) Which agricultural commodity(ies) that your organization produces and/or sources are the most significant to your business by revenue?

Select up to five.

Agricultural commodity

Other, please specify

Coffee

% of revenue dependent on this agricultural commodity

More than 80%

Produced or sourced

Sourced

Please explain

JDE Peet's is the world's leading pure-play coffee and tea group by revenue with local roots dating back more than two centuries. Coffee is our main agricultural commodity, featured through a portfolio of over 50 brands that collectively cover the entire category landscape through leading household names such as L'OR, Peet's, Jacobs, Senseo, Tassimo, Douwe Egberts, Old Town, Super and Moccona.

Agricultural commodity

Other, please specify

Tea

% of revenue dependent on this agricultural commodity

Less than 10%

Produced or sourced

Sourced

Please explain

We offer a variety of loose leaf and packaged tea products through brands such as Pickwick, Ofçay, Bell Tea, Hornimans, TiOra, Tea Forté and Mighty Leaf Tea.

C1. Governance

C1.1

(C1.1) Is there board-level oversight of climate-related issues within your organization?

Yes

C1.1a

(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.

Position of individual(s)	Please explain
Board-level committee	<p>The JDE Peet's Board supervises the general course of affairs and is responsible for long-term value creation of the company and its continuity. The non-executive Directors supervise the executive Director. In doing so, they focus on the effectiveness of the company's internal risk management and control systems (including internal audit function). This extends, among others, to corporate responsibility, including climate-related risks and opportunities.</p> <p>The Board's responsibilities include, among other things, setting the company's management agenda, developing a view on long-term value creation by the company, enhancing the performance of the company, developing a strategy, identifying, analysing and managing the risks associated with the company's strategy and activities, which encompasses climate-related risks and opportunities and their integration into the overall company strategy and management agenda.</p> <p>The Audit Committee's role includes, amongst other things the monitoring of the financial-accounting process, the efficiency of the internal management system and the internal audit and risk management system, which include any climate-related risks and opportunities.</p>
Chief Executive Officer (CEO)	<p>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 corporate responsibility strategy and programme, which includes climate-related risks and opportunities.</p> <p>Responsibilities for climate-related issues cover potential risk impacts to the organisation as part of overall enterprise risk management and oversight; the approval of corporate responsibility targets, including on energy and GHG emission reductions; and oversight of the performance against these targets and commitments.</p>

C1.1b

(C1.1b) Provide further details on the board's oversight of climate-related issues.

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Please explain

Scheduled – some meetings	Reviewing and guiding strategy Reviewing and guiding risk management policies Monitoring implementation and performance of objectives Overseeing major capital expenditures, acquisitions and divestitures Monitoring and overseeing progress against goals and targets for addressing climate-related issues	The JDE Peet's Board reviews the company's corporate responsibility progress at least annually, including climate-related issues on the corporate responsibility dashboard (but also including responsible sourcing, packaging, water, waste, health and safety, diversity, equity & inclusion as well as other ESG-related matters). This process informs the Board's oversight of progress against goals and targets as well as the implementation of risk-management policies. In addition, the Audit Committee reviews climate-related transition and physical 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.
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C1.2

(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.

Name of the position(s) and/or committee(s)	Responsibility	Frequency of reporting to the board on climate-related issues
Chief Executive Officer (CEO)	Both assessing and managing climate-related risks and opportunities	Half-yearly
Corporate responsibility committee	Both assessing and managing climate-related risks and opportunities	Quarterly

C1.2a

(C1.2a) Describe where in the organizational structure this/these position(s) and/or committees lie, what their associated responsibilities are, and how climate-related issues are monitored (do not include the names of individuals).

Our Corporate Responsibility team develops our overall corporate responsibility strategy, including climate-related risks and opportunities, for approval by our Board. It works with a crossfunctional 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.

The CEO and our Executive Committee, assisted by our Corporate Responsibility Governance Committee, oversees the implementation of our corporate responsibility and climate change strategies. The Corporate Responsibility Governance Committee is comprised of key functional members of our Executive Committee and chaired by our Global Quality & Sustainability Director.

Climate-related risks are assessed as part of our enterprise risk management process. Risk assessment is 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.

C1.3

(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?

	Provide incentives for the management of climate-related issues	Comment
Row 1	Yes	

C1.3a

(C1.3a) Provide further details on the incentives provided for the management of climate-related issues (do not include the names of individuals).

Entitled to incentive	Type of incentive	Activity incentivized	Comment
Environment/Sustainability manager	Monetary reward	Emissions reduction target Energy reduction target	The performance of relevant teams and positions, for example the Global Director Quality & Sustainability, the Operational Excellence Director or manufacturing facility directors, includes an evaluation against the respective teams' effectiveness to manage our corporate responsibility agenda, particularly including energy and GHG emission reduction targets.
All employees	Non-monetary reward	Emissions reduction project Energy reduction project Efficiency project	Individual employees and/or teams within Operations are recognised regularly for outstanding achievements related to increases in resource efficiency and/or energy and GHG emission reductions. While these awards are mostly non-monetary, they often also include a limited financial reward.
Corporate executive team	Monetary reward	Other (please specify)	JDE Peet's' Variable Compensation payouts are subject to an assessment (both

		ESG-related metrics including climate change	<p>upwards and downwards) on overall performance on qualitative metrics, including ESG-related metrics and climate-related issues.</p> <p>This assessment safeguards and balances JDE Peet's' short-term and long-term and financial and non-financial performance</p>
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C2. Risks and opportunities

C2.1

(C2.1) Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?

Yes

C2.1a

(C2.1a) How does your organization define short-, medium- and long-term time horizons?

	From (years)	To (years)	Comment
Short-term	0	1	Time horizon aligned with our annual operating plan
Medium-term	1	5	Time horizon aligned with our 5-year value creation planning cycle
Long-term	5	10	Time horizon utilised when evaluating the long-term developments of our business. Much of our sustainability- and climate-focused strategies fits in the long-term time horizon. For example, we developed a set of 2025 sustainability targets in 2018/2019. We are in the process of setting a science-based 2030 target for our GHG reduction efforts. Please note that we consider any time horizon beyond 5 years long-term. 10 years was selected as proxy for the upper threshold; depending on the type and materiality of issues, this could extend beyond the 10-year time horizon.

C2.1b

(C2.1b) 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.

C2.2

(C2.2) Describe your process(es) for identifying, assessing and responding to climate-related risks and opportunities.

Value chain stage(s) covered

Direct operations
Upstream
Downstream

Risk management process

Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment

Annually

Time horizon(s) covered

Short-term
Medium-term
Long-term

Description of process

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. Climate-related risks and opportunities 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.

Similarly, changing consumer tastes form a climate related transition risk for our company. The focus of consumers is increasingly shifting towards sustainable products, particularly regarding recycling, climate change/environmental and social aspects. Our key sustainability targets over the next few years include: increasing the use of reusable, recyclable or compostable packaging; the percentage of responsibly sourced coffee & tea; and efforts to reduce our GHG emissions. Our failure to meet consumers expectations and our own targets relating to sustainability could impact our future sales as well as damage our reputation.

Value chain stage(s) covered

Upstream

Risk management process

Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment

Every two years

Time horizon(s) covered

Short-term

Medium-term

Long-term

Description of process

Through our Common Grounds responsible sourcing programme, which we developed with the Rainforest Alliance in 2018, 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 climate-related issues, in the countries from which we source. The self-assessment process is further complemented with Origin Issue Assessments conducted by the Rainforest Alliance for key sourcing regions (available at <https://www.jacobsdouweegberts.com/cr/>) 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, including climate-related issues such as deforestation, climate-smart agriculture and the application of good agricultural

practices. 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 2020, we supported more than 40 coffee & tea projects across 18 countries.

Value chain stage(s) covered

Direct operations

Risk management process

Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment

More than once a year

Time horizon(s) covered

- Short-term
- Medium-term
- Long-term

Description of process

Our operational excellence framework provides a clear roadmap for our manufacturing facilities to improve their performance, including amongst others, quality, safety as well as environmental performance. The management and operation of our manufacturing facilities also includes a regular assessment and exchange regarding climate-related risks and opportunities 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. In addition to tracking energy use and GHG emissions on a monthly basis, the GHG emissions impact of new investments is also considered in the approval process for Capex investments.

C2.2a

(C2.2a) Which risk types are considered in your organization's climate-related risk assessments?

	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	At JDE Peet's, we are subject to applicable environmental and climate-change related regimes in the various countries where we operate, including with respect to the use of natural resources. In the ordinary course of business, our operations are subject to internal environmental policies and management procedures and standards, environmental inspections and monitoring by governmental

		<p>enforcement authorities.</p> <p>Our internal controls are defined at entity level, at process level, and at functional level. As part of the entity level controls management at local and regional level sign off a Letter of Representation (LOR) on a quarterly basis, including environmental concerns. In addition, the Entity Level Controls include regular oversight over the regions and country organisations. This includes central risk assessment and periodic reviews, including regarding current environmental and climate-related regulation.</p>
Emerging regulation	Relevant, always included	<p>Concern over climate change and sustainability considerations more broadly will continue to lead to legislative and regulatory initiatives, for example directed at limiting GHG gas emissions or reducing certain (packaging) waste. As a company with a strong European footprint, the European Green Deal and associated regulatory agenda therefore has strong implications for our business. Laws and regulations that directly or indirectly affect our production, distribution, packaging, cost of raw materials, ingredients or energy could all negatively impact our business and financial results. Therefore, risks relating to emerging regulation are relevant and included in our risk management process as well as in the development of our corporate responsibility strategy and targets.</p>
Technology	Relevant, always included	<p>New technologies, including packaging formats and materials, production and energy use, amongst others, are key to continue to meet consumer expectations and trends, to adhere to current and emerging regulation, to remain competitive. As a significant consumer of energy, we are continuously taking steps to increase resource efficiency and to reduce emissions in our manufacturing facilities. We continue to invest in extraction technology which gets the most out of every bean, limiting our waste. And our research and development teams work closely with our marketing, supply chain and procurement teams to develop new products and modify existing products for all our product lines. For example, our multidisciplinary development approach has led to proprietary capsule technology which, together with innovative manufacturing technology, is the basis for our delivery of high-quality, single-serve aluminium coffee capsules across many product variants.</p>
Legal	Relevant, always included	<p>At JDE Peet's, we are committed to ethical behaviour and compliance with laws and regulations in the countries in which we operate. Accordingly, climate-related and environmental legal risk for part of our enterprise risk management process. As part of the entity level controls management at local and regional level sign off a Letter of Representation (LOR) on a quarterly basis, including environmental concerns. In addition, the Entity Level Controls include regular oversight over the regions and country organisations. This includes</p>

		central risk assessment and periodic reviews, including regarding current environmental and climate-related regulation.
Market	Relevant, always included	For some years, consumers have grown more and more conscious of the impact their choices have on the environment and the well-being of others. As a consequence, they have been choosing more sustainable options such as responsibly and fairly sourced coffees & teas, environmentally friendly packaging, and products with a limited or zero carbon footprint. To address and mitigate these strategic commercial risks in a competitive environment, we continue to develop impactful, sustainable innovations and successful launches into the market. Although innovation is a less formal activity by nature, we have defined processes to guide early innovations to successful launches, such as the Innovate for Growth (I4G) and the Adapt for Excellence (A4E) processes. Our research and development teams, which include a dedicated consumer science team, are focused on addressing consumer tastes and preferences, including on sustainability and climate change.
Reputation	Relevant, always included	At JDE Peet's, we recognise that our business activities impact the environment and the communities in which we operate. Our key sustainability targets over the next few years include increasing the use of reusable, recyclable or compostable packaging and the percentage of responsibly sourced coffee & tea, as well as reducing our GHG emissions. Our failure to meet consumers expectations and our own targets relating to sustainability could impact our future sales as well as damage our reputation and brand image. Our Common Grounds responsible sourcing programme, for example, is designed to provide transparency on the priority sustainability challenges in the supply chain, including those related to climate change, and to continuously improve the social, economic and environmental conditions in the origin countries.
Acute physical	Relevant, always included	A discontinuity in our manufacturing and distribution facilities could materially adversely affect our business and is considered a main operational risk for JDE Peet's. Our manufacturing and distribution facilities could be disrupted for many reasons, including, amounts others natural hazards such as earthquakes, extreme weather conditions, fires, or floods. For mitigation of operational risks, there is focus on processes, policies, specific controls as well as awareness and training. There is also central monitoring on the related KPIs, management and mitigation of these risks is the key accountability of management in the markets.
Chronic physical	Relevant, always included	We are highly dependent on the availability of an adequate supply of green coffee, including premium Arabica coffee, at the required volumes and quality levels or with the required sustainability certifications from our coffee suppliers, traders, exporters, cooperatives

		<p>and growers, as well as on the availability of an adequate supply of tea. There is a growing concern that a gradual increase in global average temperatures and the impact of climate change has caused, and will continue to cause, significant changes in weather patterns around the globe, including in coffee 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.</p>
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C2.3

(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.3a

(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Risk 1

Where in the value chain does the risk driver occur?

Upstream

Risk type & Primary climate-related risk driver

Chronic physical

Changes in precipitation patterns and extreme variability in weather patterns

Primary potential financial impact

Increased direct costs

Company-specific description

We are highly dependent on the availability of an adequate supply of green coffee, including premium Arabica coffee, at the required volumes and quality levels or with the required sustainability certifications from our coffee suppliers, traders, exporters, cooperatives and growers, as well as on the availability of an adequate supply of tea. There is a growing concern that a gradual increase in global average temperatures and the impact of climate change has caused, and will continue to cause, significant changes in weather patterns around the globe, including in coffee 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.

Time horizon

Long-term

Likelihood

More likely than not

Magnitude of impact

Medium-high

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 figure

Cost of response to risk

Description of response and explanation of cost calculation

To mitigate the risk of climate change and the impact for the availability of quality coffee, we are taking steps to reduce emissions, both at manufacturing units and throughout the supply chain. We are strengthening our diversity of supply by sourcing from, and supporting farmers in, a diverse set of origins and supporting farmers to adapt to climate change. Together with partners, our Common Grounds 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 had more than 40 active projects across 18 countries in 2020 and have cumulatively reached more than 380,000 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. We also continue our support towards World Coffee Research in the development of new, more resistant crop varieties.

Comment

Identifier

Risk 2

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Emerging regulation

Carbon pricing mechanisms

Primary potential financial impact

Increased indirect (operating) costs

Company-specific description

Our business faces increasing scrutiny related to environmental, social and governance issues, including, amongst other, renewable resources, environmental stewardship, supply chain management and climate change. If the company fails to change or adjust operations to become more environmentally friendly by, for instance, decreasing waste and carbon emissions, it could increase costs as we may not be able to participate in incentives from regulators for sustainable environmental business practices. Regulatory changes, tightening standards and increasing environmental taxes (such as carbon prices) could increase costs if we are unable to change or adjust operations in time.

Time horizon

Medium-term

Likelihood

Likely

Magnitude of impact

Medium-high

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)

23,000,000

Potential financial impact figure – maximum (currency)

46,000,000

Explanation of financial impact figure

Assuming a uniform carbon price across all the markets we operate in between USD 50–100 per ton of CO₂e, which is the 2030 level the High-Level Commission on Carbon Prices considers consistent with achieving the Paris temperature target (Source: Report of the High-Level Commission on Carbon Prices, Carbon Pricing Leadership Coalition, May 2017, carbonpricingleadership.org), and applying this price to our Scope 1 & Scope 2 emissions in 2020, the financial impact is estimated between EUR 23-46 million per

year. The actual impact will vary depending on the evolution of our Scope 1 & 2 GHG emissions and the scope and level of carbon pricing implemented in the each of the markets we operate in.

Cost of response to risk

Description of response and explanation of cost calculation

Our primary focus is to operate our manufacturing facilities efficiently and to reduce fossil fuel use. 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 by 2019 through a focus on instant coffee in particular, which makes up a large share of our manufacturing energy consumption.

Specific initiatives include, for example, the use the spent coffee grounds from our instant coffee manufacturing processes as fuel for on-site energy generation. Some of our manufacturing facilities with their own wastewater treatment facilities, such as those in Banbury, UK and Joure, the Netherlands, capture the methane that is generated in the process and use it as biogas. This reduces our need for natural gas and avoids the associated GHG emissions. At the same time, we are investing in more efficient technologies and equipment. The Joure facility, for example, has invested in improvements to reduce steam consumption in the extraction process and to increase the quantity of spent grounds that are burned to generate steam for use in the process. The result was a 19% increase in the use of spent grounds in 2020 versus 2019. In addition, we are increasing the share of electricity that we purchase from renewable sources such as hydro, wind and solar.

We are currently bringing together these initiatives into a refined GHG reduction strategy and associated science-based target, which we aim to submit to SBTi for validation later in 2021.

Comment

Identifier

Risk 3

Where in the value chain does the risk driver occur?

Downstream

Risk type & Primary climate-related risk driver

Reputation

Increased stakeholder concern or negative stakeholder feedback

Primary potential financial impact

Decreased revenues due to reduced demand for products and services

Company-specific description

For some years, consumers have grown more and more conscious of the impact their choices have on the environment and the well-being of others. As a consequence, they have been choosing more sustainable options such as responsibly and fairly sourced coffees & teas, environmentally friendly packaging, and products with a limited or zero carbon footprint. Our 2020 materiality assessment process also identified climate change as a key concern for our stakeholders. Our failure to meet customers and consumers expectations and our own targets relating to sustainability could impact our future sales as well as damage our reputation and brand image.

Time horizon

Medium-term

Likelihood

More likely than not

Magnitude of impact

Medium-high

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 figure

A negative local or global impact on the reputation and credibility of JDE Peet's and/ or our brands could lead to lasting negative impact on relationships with key stakeholders and reduced demand for our products. The financial impacts of reputation loss and reduced demand specifically as a result of inaction on climate change is extremely difficult to quantify. We therefore do not provide a financial figure at this point in time.

Cost of response to risk

Description of response and explanation of cost calculation

Through our corporate responsibility strategy, we directly respond to the growing focus on sustainability. Our key sustainability targets over the next few years include increasing the use of reusable, recyclable or compostable packaging and the

percentage of responsibly sourced coffee & tea, as well as reducing our GHG emissions.

We continue to develop impactful, sustainable innovations and successful launches into the market. We have defined processes to guide early innovations to successful launches, such as the Innovate for Growth (I4G) and the Adapt for Excellence (A4E) processes. Our research and development teams, which include a dedicated consumer science team, are focused on addressing consumer tastes and preferences, including on sustainability and climate change.

A recent example includes our Senseo® brand which now offers a more sustainable choice to consumers with a full relaunch in 2020 into compostable coffee pads, certified coffee, energy-efficient brewers and increased usage of recycled plastic material by our partner Philips® - all in all, a coffee system with a low environmental impact from bean to cup.

Comment

C2.4

(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.4a

(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Opp1

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Resource efficiency

Primary climate-related opportunity driver

Use of more efficient production and distribution processes

Primary potential financial impact

Reduced indirect (operating) costs

Company-specific description

As an organisation we are committed to reducing our environmental footprint while providing quality products that meet the needs and preferences of our consumers and customers. To this end, our Global Environmental Management System pursues continuous sustainability improvements by optimising our use of energy, water and other resources while reducing waste across our manufacturing activities. Increasing the resource efficiency of our operations delivers direct financial benefits while helping to minimise our environmental footprint and reduce GHG emissions.

Time horizon

Medium-term

Likelihood

Very likely

Magnitude of impact

Medium

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 figure

Cost to realize opportunity

Strategy to realize opportunity and explanation of cost calculation

Operating our manufacturing facilities efficiently has always been a key focus of JDE Peet's. As we are transitioning from an energy intensity to an absolute GHG emission reduction target, energy efficiency will remain a key focus area. We continue to set annual energy intensity reduction targets by product category for each of our manufacturing facilities. In addition to deliver direct savings, resource efficiency gains will also help to reduce our reliance on renewable electricity as a GHG reduction strategy and reduce the potential impacts of increasing carbon prices.

Comment

Identifier

Opp2

Where in the value chain does the opportunity occur?

Upstream

Opportunity type

Resilience

Primary climate-related opportunity driver

Resource substitutes/diversification

Primary potential financial impact

Reduced direct costs

Company-specific description

Coffee & tea are our two primary raw materials. We source approximately 8% of the world's green coffee and less than 1% of the world's tea. However, both products are grown in countries that face significant socio-economic and environmental challenges. Common Grounds, our supplier engagement programme, aims to address these challenges. Developed with the Rainforest Alliance in 2018, Common Grounds is designed to provide transparency on the priority sustainability challenges in the coffee supply chain and to continuously improve the social, economic and environmental conditions in the origin countries. The primary focus is on coffee & tea, but our engagement also extends to ingredients such as palm oil.

Acknowledging that every cup of coffee & tea has an associated climate footprint, we must engage with our supply chain to address both climate change mitigation and adaptation of our supply chain to the impacts of climate change. Common Grounds delivers direct climate benefits through engagement with value chain partners and direct support of smallholders farmers.

Time horizon

Long-term

Likelihood

Likely

Magnitude of impact

Medium

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 figure

Cost to realize opportunity

Strategy to realize opportunity and explanation of cost calculation

At JDE Peet's we are working towards 100% responsibly sourced coffee, tea and palm oil by 2025. We recognise the investments farmers are making in committing to sustainable production via third-party certification or verification programmes. That's why coffee, tea and palm oil that carry a third-party certification or verification form an important pillar of our responsible sourcing strategy. On coffee, we have set the goal of 40% third-party certified or verified coffee purchases by 2025 as part of our responsible sourcing commitment. To further support sustainable production of our raw materials, we are also committed to directly reaching 500,000 smallholder farmers by 2025.

In 2020, we supported more than 40 coffee & tea projects across 18 countries. We have now reached 380,000 smallholder farmers since 2015 and are well on track to reach our goal of 500,000 smallholder farmers by 2025, primarily through technical assistance. The Sustainability of Land forms a key pillar of these Common Grounds activities through sustainable agricultural methods that contribute to protecting the natural environment and biodiversity and to addressing climate change. The work directly contributes to increasing the resilience of coffee communities.

Comment

C3. Business Strategy

C3.1

(C3.1) Have climate-related risks and opportunities influenced your organization's strategy and/or financial planning?

Yes, and we have developed a low-carbon transition plan

C3.1a

(C3.1a) Is your organization's low-carbon transition plan a scheduled resolution item at Annual General Meetings (AGMs)?

	Is your low-carbon transition plan a scheduled resolution item at AGMs?	Comment
Row 1	No, and we do not intend it to become a scheduled resolution item within the next two years	

C3.2

(C3.2) Does your organization use climate-related scenario analysis to inform its strategy?

No, but we anticipate using qualitative and/or quantitative analysis in the next two years

C3.2b

(C3.2b) Why does your organization not use climate-related scenario analysis to inform its strategy?

As of 2020, JDE Peet's has not yet used consistent climate-related scenario analysis across our business to inform our strategy. However, we are applying qualitative discussion of how our existing strategy is likely to be affected by climate-related risks and opportunities under different scenarios and/or time horizons across a number of business areas. For example, our Common Grounds programme assesses climate-related risks to the supply of our raw materials through a regular supplier self-assessment process and independent country Origin Issues Assessments. Similarly, the assessment of emerging regulatory risk includes, for example, an analysis of the likelihood and severity of potential impacts on our packaging formats and materials, including Extended Producer Responsibility (EPR) or on energy pathways for our manufacturing facilities.

C3.3

(C3.3) Describe where and how climate-related risks and opportunities have influenced your strategy.

	Have climate-related risks and opportunities influenced your strategy in this area?	Description of influence
Products and services	Yes	<p>Consumers have increasing expectations regarding the sustainability performance of the products they buy and the transparency into a company's supply chain. Demonstrating continued improvement to minimise the environmental impact and to reduce emissions associated with our products and services offers an opportunity to enhance our reputation with our customers and consumers. In line with our materiality assessment, our priority sustainability commitments make a direct contribution to reduce the emissions of our products:</p> <ol style="list-style-type: none"> 1. Working towards 100% responsibly sourced coffee, tea and palm oil by 2025 2. Designing 100% of our packaging to be reusable, recyclable or compostable (by weight (see further details below)

		<p>3. Developing a science-based GHG reduction target</p> <p>A recent example includes our Senseo® brand now offering a more sustainable choice to consumers with a full relaunch in 2020 into compostable coffee pads, certified coffee, energy-efficient brewers and increased usage of recycled plastic material by our partner Philips® - all in all, a coffee system with a low environmental impact from bean to cup.</p>
Supply chain and/or value chain	Yes	<p>Coffee & tea are our two primary raw materials. We source approximately 8% of the world's green coffee and less than 1% of the world's tea.</p> <p>However, both products are grown in countries that face significant socio-economic and environmental challenges. Common Grounds, our supplier engagement programme, aims to address these challenges. Developed with the Rainforest Alliance in 2018, Common Grounds is designed to provide transparency on the priority sustainability challenges in the coffee supply chain and to continuously improve the social, economic and environmental conditions in the origin countries.</p> <p>Through the programme, we are working towards 100% responsibly sourced coffee, tea and palm oil by 2025, as well as 40% third-party certified or verified coffee purchases. We are also committed to directly reaching 500,000 smallholder farmers by 2025.</p> <p>Both the 3rd-party certification and verification programs and our own collaboration with suppliers and other partners in the industry to directly support smallholders include climate-smart agricultural practices that aim to strengthen farmers' resilience in the face of a changing climate while also working to reduce their GHG emissions.</p>
Investment in R&D	Yes	<p>The packaging of our coffee & tea products is critical to ensure great taste, freshness, safety and an attractive consumer experience. But we recognise that all packaging becomes waste and that its lifecycle must be managed to limit the environmental impact.</p> <p>That's why we are working hard to reduce the amount of packaging material without compromising on the product quality. Where packaging is absolutely required, we aim to provide consumers with responsibly packaged products and optimised end-of-life solutions.</p>

		<p>To focus our efforts, we have defined a new vision for our packaging sustainability: 'A Planet Free of Packaging Waste'. We have also reviewed our commitments and set ourselves some even more ambitious targets. Thus, by 2025 JDE Peet's will:</p> <ul style="list-style-type: none"> • Save 15,000 tonnes of packaging materials used (vs. a 2019 baseline) • Design 100% of our packaging to be reusable, recyclable or compostable (by weight; countries with immature recycling/composting infrastructure are excluded; for these countries, our primary focus is on material reduction) • Use 35% recycled content in our packaging (where regulation allows) <p>In 2020, we successfully rolled out an industrial compostable material across our full portfolio of single-serve coffee soft pads. This amounted to ~5 billion pads for brands such as Senseo, Jacobs and Douwe Egberts.</p>
Operations	Yes	<p>As an organisation we are committed to reducing our environmental footprint while providing quality products that meet the needs and preferences of our consumers and customers. To this end, our Global Environmental Management System pursues continuous sustainability improvements by optimising our use of energy, water and other resources while reducing waste across our manufacturing activities.</p> <p>In our own operations, direct Scope 1 & 2 emissions arise in our manufacturing processes, our warehouses, offices and restaurants, and from the fuel use of our fleet. More than 90% of those Scope 1 & 2 emissions occur within our manufacturing facilities.</p> <p>Our primary focus is therefore to operate our manufacturing facilities efficiently and reduce fossil fuel use. Wherever possible we are utilising the spent coffee grounds from our instant coffee manufacturing processes, for example as fuel for on-site energy generation. Some of our manufacturing facilities with their own wastewater treatment facilities, such as those in Banbury, UK and Joure, the Netherlands, capture the methane that is generated in the process and use it as</p>

		<p>biogas. This reduces our need for natural gas and avoids the associated GHG emissions.</p> <p>At the same time, we are investing in more efficient technologies and equipment. The Joure facility, for example, has invested in improvements to reduce steam consumption in the extraction process and to increase the quantity of spent grounds that are burned to generate steam for use in the process. The result was a 19% increase in the use of spent grounds in 2020 versus 2019.</p> <p>Our manufacturing facility in Hemelingen, Germany, aims to invest in a more energy efficient evaporation process in 2021, with expected savings in specific energy consumption of more than 5%. In Johor, Malaysia, planned upgrades of the extraction technology will increase product capability and green bean yield, while maintaining energy and water consumption efficiency levels.</p> <p>Overall, we made good progress in 2020 and were able to reduce our manufacturing energy intensity to 9.2 GJ per tonne of production.</p>
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C3.4

(C3.4) Describe where and how climate-related risks and opportunities have influenced your financial planning.

	Financial planning elements that have been influenced	Description of influence
Row 1	Revenues Direct costs Capital expenditures Capital allocation	<p>As part of our corporate responsibility programme, our research and development teams work closely with our marketing, supply chain and procurement teams to develop new products and modify existing products for all our product lines in response to consumer trends. A recent example includes our Senseo® brand now offering a more sustainable choice to consumers with a full relaunch in 2020 into compostable coffee pads, certified coffee, energy-efficient brewers and increased usage of recycled plastic material by our partner Philips®.</p> <p>At the product level, our packaging reduction target creates immediate environmental benefits and allows to make an impact in places where collection and recycling facilities do not exist. It also challenges our packaging engineers and marketeers to find the most efficient ways of delivering our products to our customers and consumers.</p>

		<p>Similarly, operating our manufacturing facilities efficiently and reducing fossil fuel use is a key focus of our manufacturing facilities. Resource efficiency will reduce costs of operations and reduce exposure to current and emerging climate-related taxes and regulation (incl. carbon pricing). For example, we are utilising the spent coffee grounds from our instant coffee manufacturing processes where possible as fuel for on-site energy generation, reducing the need for fossil fuel use and reducing associated energy costs. The GHG emission impact is also considered in the business case of our capital investment programme.</p>
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C3.4a

(C3.4a) Provide any additional information on how climate-related risks and opportunities have influenced your strategy and financial planning (optional).

C4. Targets and performance

C4.1

(C4.1) Did you have an emissions target that was active in the reporting year?

No target

C4.1c

(C4.1c) Explain why you did not have an emissions target, and forecast how your emissions will change over the next five years.

	Primary reason	Five-year forecast	Please explain
Row 1	We are planning to introduce a target in the next two years	<p>We made good progress in 2020 and were able to reduce our manufacturing energy intensity to 9.2 GJ per tonne of production. Even so, our GHG emissions increased slightly.</p> <p>We have put in place a strategic framework for the coming years designed to generate sustainable and inclusive, profitable growth in the global coffee & tea categories. Based on today's energy and carbon intensity of our own operations and our value chain, our anticipated growth would lead to an increase in our emissions. As we are committed to the sustainable growth of our business, we are</p>	We have committed to set a science-based GHG reduction target through SBTi in March 2021. We are in the process of developing our refined climate strategy and intend to submit our reduction target to SBTi for validation later in 2021.

		<p>also committed to invest in further reductions of the GHG emissions in our own operations and our value chain and are working towards absolute emission reductions in line with the science-based target we intend to submit to SBTi for validation later in 2021</p>	
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C4.2

(C4.2) Did you have any other climate-related targets that were active in the reporting year?

Other climate-related target(s)

C4.2b

(C4.2b) Provide details of any other climate-related targets, including methane reduction targets.

Target reference number

Oth 1

Year target was set

2018

Target coverage

Company-wide

Target type: absolute or intensity

Intensity

Target type: category & Metric (target numerator if reporting an intensity target)

Energy consumption or efficiency

GJ

Target denominator (intensity targets only)

metric ton of product

Base year

2013

Figure or percentage in base year

10

Target year

2025

Figure or percentage in target year

9

Figure or percentage in reporting year

9.2

% of target achieved [auto-calculated]

80

Target status in reporting year

Replaced

Is this target part of an emissions target?

In 2018, we set the target 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. As a result, the target is being replaced as part of our envisaged broader science-based GHG emission reduction target.

Is this target part of an overarching initiative?

No, it's not part of an overarching initiative

Please explain (including target coverage)

Target reference number

Oth 2

Year target was set

2018

Target coverage

Company-wide

Target type: absolute or intensity

Absolute

Target type: category & Metric (target numerator if reporting an intensity target)

Resource consumption or efficiency

Other, please specify

Percentage of coffee from certified / verified sustainable sources

Target denominator (intensity targets only)

Base year

2018

Figure or percentage in base year

22

Target year

2025

Figure or percentage in target year

40

Figure or percentage in reporting year

29

% of target achieved [auto-calculated]

38.888888889

Target status in reporting year

Underway

Is this target part of an emissions target?

The target is part of our overall commitment of working towards 100% responsibly sourced coffee, tea and palm oil by 2025. Responsible sourcing contributes to reducing the emissions associated with the cultivation of coffee & tea and strengthens the resilience of farmers (e.g, through improved agricultural practices, climate-smart agriculture and shade trees.)

Is this target part of an overarching initiative?

No, it's not part of an overarching initiative

Please explain (including target coverage)

Target reference number

Oth 3

Year target was set

2020

Target coverage

Company-wide

Target type: absolute or intensity

Absolute

Target type: category & Metric (target numerator if reporting an intensity target)

Resource consumption or efficiency

Percentage of packaging from recycled or certified sustainable sources

Target denominator (intensity targets only)

Base year

2020

Figure or percentage in base year

32

Target year

2025

Figure or percentage in target year

35

Figure or percentage in reporting year

32

% of target achieved [auto-calculated]

0

Target status in reporting year

Underway

Is this target part of an emissions target?

The target forms part of our new vision for our packaging sustainability: 'A Planet Free of Packaging Waste' and evolved packaging sustainability commitments. By 2025 JDE Peet's will:

1. Save 15,000 tonnes of packaging materials used (vs. our 2019 baseline)
2. Design 100% of our packaging to be reusable, recyclable or compostable (by weight; countries with immature recycling/composting infrastructure are excluded; for these countries, our primary focus is on material reduction)
3. Use 35% recycled content in our packaging

Is this target part of an overarching initiative?

No, it's not part of an overarching initiative

Please explain (including target coverage)

The packaging commitments exclude some entities which form part of JDE Peet's. (See JDE Peet's Annual Report 2020 for details.) The use of recycled materials is currently restricted by current regulation which limit the use of recycled content within packaging which is in direct food contact.

C4.3

(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.

Yes

C4.3a

(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation		
To be implemented*		
Implementation commenced*		
Implemented*		
Not to be implemented		

C4.3b

(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.

C4.3c

(C4.3c) What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Lower return on investment (ROI) specification	Energy efficiency and other GHG abatement projects are assessed separately, with lower ROI specifications for projects that deliver significant reductions in GHG emissions
Marginal abatement cost curve	We use marginal abatement cost curves to assess and compare abatement projects across our business against their marginal cost of GHG reduction. The tool helps us to prioritise projects.
Dedicated budget for other emissions reduction activities	We budget annually for the purchase of electricity from renewable sources. (E.g., Guarantees of Origin)
Employee engagement	We encourage employee engagement across the organisation to identify and drive GHG emission reductions. Our manufacturing facilities have annual energy efficiency / emissions intensity targets that depend on the engagement of the respective teams and employees. In addition, some markets have dedicated sustainability teams with voluntary participation from across functions to drive climate-related as well as broader sustainability initiatives in the local market.

Internal incentives/recognition programs	See section C1.3a
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C4.5

(C4.5) Do you classify any of your existing goods and/or services as low-carbon products or do they enable a third party to avoid GHG emissions?

Yes

C4.5a

(C4.5a) Provide details of your products and/or services that you classify as low-carbon products or that enable a third party to avoid GHG emissions.

Level of aggregation

Group of products

Description of product/Group of products

Our Senseo® brand which now offers a more sustainable choice to consumers with a full relaunch in 2020 into compostable coffee pads, certified coffee, energy-efficient brewers and increased usage of recycled plastic material by our partner Philips® - all in all, a coffee system with a low environmental impact from bean to cup.

Are these low-carbon product(s) or do they enable avoided emissions?

Low-carbon product

Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions

Other, please specify

Life-cycle assessment

% revenue from low carbon product(s) in the reporting year

Comment

Level of aggregation

Group of products

Description of product/Group of products

Sustainable packaging programme. By 2025 JDE Peet's we are working towards:

- Saving 15,000 tonnes of packaging materials used (vs. a 2019 baseline)
- Designing 100% of our packaging to be reusable, recyclable or compostable (by

weight; countries with immature recycling/ composting infrastructure are excluded; for these countries, our primary focus is on material reduction)

- Using 35% recycled content in our packaging (where regulation allows)

Our programme helps us to deliver both lower carbon products (e.g., through using recycled materials with a lower carbon footprint) and avoid emissions by optimising the volume/weight of our packaging and reducing the end-of-life impact through packaging designed to be reusable, recyclable or compostable.

Are these low-carbon product(s) or do they enable avoided emissions?

Low-carbon product and avoided emissions

Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions

Other, please specify

% revenue from low carbon product(s) in the reporting year

Comment

C5. Emissions methodology

C5.1

(C5.1) Provide your base year and base year emissions (Scopes 1 and 2).

Scope 1

Base year start

January 1, 2020

Base year end

December 31, 2020

Base year emissions (metric tons CO₂e)

378,987

Comment

Scope 2 (location-based)

Base year start

January 1, 2020

Base year end

December 31, 2020

Base year emissions (metric tons CO2e)

181,354

Comment

Scope 2 (market-based)

Base year start

January 1, 2020

Base year end

December 31, 2020

Base year emissions (metric tons CO2e)

161,402

Comment

C5.2

(C5.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.

The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

The Greenhouse Gas Protocol: Scope 2 Guidance

C6. Emissions data

C6.1

(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO2e?

Reporting year

Gross global Scope 1 emissions (metric tons CO2e)

378,987

Start date

January 1, 2020

End date

December 31, 2020

Comment

Past year 1

Gross global Scope 1 emissions (metric tons CO₂e)

377,974

Start date

January 1, 2019

End date

December 31, 2019

Comment

C6.2

(C6.2) Describe your organization's approach to reporting Scope 2 emissions.

Row 1

Scope 2, location-based

We are reporting a Scope 2, location-based figure

Scope 2, market-based

We are reporting a Scope 2, market-based figure

Comment

C6.3

(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO₂e?

Reporting year

Scope 2, location-based

181,354

Scope 2, market-based (if applicable)

161,402

Start date

January 1, 2020

End date

December 31, 2020

Comment

Past year 1

Scope 2, location-based

179,972

Scope 2, market-based (if applicable)

159,730

Start date

January 1, 2019

End date

December 31, 2019

Comment

C6.4

(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?

Yes

C6.4a

(C6.4a) Provide details of the sources of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure.

Source

Fugitive emissions from refrigerants / HVAC

Relevance of Scope 1 emissions from this source

Emissions are not relevant

Relevance of location-based Scope 2 emissions from this source

No emissions from this source

Relevance of market-based Scope 2 emissions from this source (if applicable)

No emissions from this source

Explain why this source is excluded

Emissions from refrigerant were assessed and considered immaterial / minimal only.

Source

The following subsidiaries of JDE Peet's are not included in the GHG inventory (Scopes 1, 2 & 3): 12oz, Alter Ego, Coffee Company, d'Accueil, Maison Lyovel, Revive Kombucha, Repa Switzerland, Fruchthof Switzerland and Tea Forté

Relevance of Scope 1 emissions from this source

Emissions are not evaluated

Relevance of location-based Scope 2 emissions from this source

Emissions are not evaluated

Relevance of market-based Scope 2 emissions from this source (if applicable)

Emissions are not evaluated

Explain why this source is excluded

The share of emissions from these entities is immaterial for the JDE Peet's overall GHG emissions footprint. As a consequence, they have not been included in the analysis.

C6.5

(C6.5) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services

Evaluation status

Relevant, calculated

Metric tonnes CO₂e

5,912,361

Emissions calculation methodology

Purchased volume linked to industry standard emission factors from Ecoinvent or GaBi databases. This applies to green coffee and tea purchases, packaging material purchases, and ingredients for creamers and dairy products. DEFRA spend-base emission factors are applied to other areas, for example media and marketing spend.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

5

Please explain

Only a limited set of GHG emissions data is collected directly from suppliers or value chain partners in this category. Spend based factors are applied for some indirect spends. For some locations not covered by our ERP, prorate factors are applied.

Capital goods

Evaluation status

Relevant, calculated

Metric tonnes CO2e

131,881

Emissions calculation methodology

For capital goods, we applied DEFRA spend-based emission factors to our capital goods expenditure.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

No GHG emissions data is collected directly from suppliers or value chain partners for this category.

Fuel-and-energy-related activities (not included in Scope 1 or 2)

Evaluation status

Relevant, calculated

Metric tonnes CO2e

84,514

Emissions calculation methodology

Emission factors from DEFRA and IEA were applied to fuel consumption based on fuel type and to electricity consumed in 2020.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

97

Please explain

Some locations with minor energy usage (e.g., some offices / warehousing) are not on automated systems and prorate values are applied.

Upstream transportation and distribution

Evaluation status

Relevant, calculated

Metric tonnes CO2e

201,706

Emissions calculation methodology

Calculated from ERP movements (inbound) and associated distances moved by mode. Relevant GLEC emission factors applied to total tonne-km or vehicle-km as appropriate.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

Where logistic chain is not included in automated ERP reporting, a combination spend and manually adjusted on a prorata basis.

Waste generated in operations

Evaluation status

Relevant, calculated

Metric tonnes CO2e

3,343

Emissions calculation methodology

Emissions based on reported operations waste total tonnages for various waste streams were multiplied by relevant DEFRA emission factors.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

Business travel

Evaluation status

Relevant, calculated

Metric tonnes CO2e

3,780

Emissions calculation methodology

Emissions from air travel are accounted for in this category where available. Data on distance travelled were obtained and categorised into long, medium and short haul. Using then relevant DEFRA emission factors . Where specific journey details were not available - DEFRA spend based emission factors were applied.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

DEFRA spend based emissions factors applied where specific journey details were not available

Employee commuting

Evaluation status

Relevant, calculated

Metric tonnes CO2e

7,939

Emissions calculation methodology

Total number of employees was multiplied with industry reported typical commuting behaviour (NL Environment Assessment Agency (PBL) travel distances / UK DEFRA travel type split) with UK DEFRA emission factors by transport type and distance. A reduction factor was applied for office-based associates due to Covid (35% of normal commuting), but not applied to manufacturing associates who remained commuting during Covid.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

Upstream leased assets

Evaluation status

Not relevant, explanation provided

Please explain

We typically operate our own assets so that upstream leased assets do not play a material role in our GHG emissions. Accordingly, this category has not been evaluated.

Downstream transportation and distribution

Evaluation status

Relevant, calculated

Metric tonnes CO2e

60,250

Emissions calculation methodology

Calculated from ERP movements (outbound) and associated distances moved by mode. Relevant GLEC emission factors applied to total tonne-km or vehicle-km as appropriate.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

Processing of sold products

Evaluation status

Not relevant, explanation provided

Please explain

The further processing of products sold products is immaterial to our overall emissions. Accordingly, this category has not been evaluated.

Use of sold products

Evaluation status

Relevant, calculated

Metric tonnes CO2e

1,671,347

Emissions calculation methodology

Based on sales data, split by predominant sub category drink preparation and pack types. Utilisation of GaBi LCA tools to calculate the consumer use for a typical preparation within a sub categories. EU average location based energy use applied. Preparation equipment included based on proposed EU PEF draft coffee category rules drink quantities per life of machine.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

Based on typical drink types by sub category.

End of life treatment of sold products

Evaluation status

Relevant, calculated

Metric tonnes CO2e

27,498

Emissions calculation methodology

Based on sales data, split by predominant sub category. Each subcategory use LCA basis - considering end of life for consumer packaging, using predominant pack type by sub category. Standard PEF recommendations for transport for all end of life options. Landfill impact only included. Landfill rates was based on EU average data from PEF default data (eurostat 2013) and www.compostnetwork.info

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

Based on typical drink types by sub category.

Downstream leased assets

Evaluation status

Not relevant, explanation provided

Please explain

We typically operate our own assets so that downstream leased assets do not play a material role in our GHG emissions. Accordingly, this category has not been evaluated.

Franchises

Evaluation status

Relevant, calculated

Metric tonnes CO₂e

9,183

Emissions calculation methodology

The energy use and mix from JDE Peet's owned and operated coffee retail stores has been applied to franchise / licenses operations by floor area, where known, or by the average floor area, where not known.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

Investments

Evaluation status

Not relevant, explanation provided

Please explain

Investments are immaterial to our GHG emissions.

Other (upstream)

Evaluation status

Not evaluated

Please explain

Other (downstream)

Evaluation status

Not evaluated

Please explain

C-AC6.6/C-FB6.6/C-PF6.6

(C-AC6.6/C-FB6.6/C-PF6.6) Can you break down your Scope 3 emissions by relevant business activity area?

Yes

C-AC6.6a/C-FB6.6a/C-PF6.6a

(C-AC6.6a/C-FB6.6a/C-PF6.6a) Disclose your Scope 3 emissions for each of your relevant business activity areas.

Activity

Agriculture/Forestry

Scope 3 category

Purchased goods and services

Emissions (metric tons CO₂e)

5,047,997

Please explain

Total weight of raw coffee and tea purchased is multiplied by EcolInvent 3.7.1 emission factors for coffee growing to give total agriculture emissions for coffee & tea used. For other raw ingredients, sugar / coconut oil / palm oil / glucose / dairy products, sales figures are linked to representative recipes to estimate the usage, and GaBi LCA data is used to calculate the emissions.

Land use change factors are included when available in EcolInvent 3.7.1 and GaBi LCA data. Coffee, tea and palm oil with a third-party sustainability certification or verification is considered as land-use change free when this forms part of the basis of the certification process.

Activity

Processing/Manufacturing

Scope 3 category

Purchased goods and services

Emissions (metric tons CO₂e)

47,429

Please explain

Some agricultural products are received pre processed. Where this forms part of the externally provided emission factors it is included in the Agriculture / forestry data.

Otherwise it is estimate from similar processes. This includes purchase of decaffeinated coffee and instant coffee products. Products are also packed by others for JDE Peet's and then JDE Peet's sells the products.

A spend based approach is applied to external contracts - while taking out the emissions associated with the raw material components which are included.

Activity

Distribution

Scope 3 category

Upstream transportation and distribution

Emissions (metric tons CO2e)

201,706

Please explain

Inbound Logistics and outbound logistics are reported in the same way and use actual contracted travel distances and modality - linked to weights and GLEC emission factors. Inbound logistics account for 77% of all transport emissions

Activity

Consumption

Scope 3 category

Use of sold products

Emissions (metric tons CO2e)

1,671,347

Please explain

Based on sales data, split by predominant sub category drink preparation and pack types. Utilisation of GaBi LCA tools to calculate the consumer use for a typical preparation within a sub categories. EU average location based energy use applied. Preparation equipment included based on proposed EU PEF draft coffee category rules drink quantities per life of machine.

Activity

Consumption

Scope 3 category

End of life treatment of sold products

Emissions (metric tons CO2e)

27,498

Please explain

Based on sales data, split by predominant sub category. Each subcategory use LCA basis - considering end of life for consumer packaging, using predominant pack type by sub category. Standard PEF recommendations for transport for all end of life options. Landfill impact only included. Landfill rates was based on EU average data from PEF default data (eurostat 2013) and www.compostnetwork.info

Activity

Distribution

Scope 3 category

Downstream transportation and distribution

Emissions (metric tons CO2e)

60,250

Please explain

Inbound Logistics and outbound logistics are reported in the same way and use actual contracted travel distances and modality - linked to weights and GLEC emission factors. Outbound logistics account for 23% of all transport emissions.

C-AC6.8/C-FB6.8/C-PF6.8

(C-AC6.8/C-FB6.8/C-PF6.8) Is biogenic carbon pertaining to your direct operations relevant to your current CDP climate change disclosure?

Yes

C-AC6.8a/C-FB6.8a/C-PF6.8a

(C-AC6.8a/C-FB6.8a/C-PF6.8a) Account for biogenic carbon data pertaining to your direct operations and identify any exclusions.

CO2 emissions from biofuel combustion (processing/manufacturing machinery)

Emissions (metric tons CO2)

0

Methodology

Default emissions factors

Please explain

Processing of instant coffee generates waste spent coffee grounds that are utilised as renewable fuel to provide energy for manufacturing. In manufacturing processes in

some locations, the biogas generated in our wastewater treatment is also used as fuel by JDE Peet's, reducing our usage of natural gas.

All coffee has absorbed carbon prior to annual harvest, and is then typically processed within the following year once dried at origin. So resultant coffee post processing is considered carbon neutral.

Agricultural pruning of coffee and linked agroforestry systems and processing of biological materials, reduces the need for artificial fertiliser usage, and this impact is included in Ecoinvent 3.7.1 emission factor data, as are the NO₂ emissions from the use of this organic matter.

While coffee trees form an important part of overall carbon stock management - regular pruning and replacement is considered to keep this in balance, though JDE Peet's recognises the potential of improvements in the measurement of stock changes, and improvement in practices to improve carbon stock balance. Until then stock changes are not accounted for.

CO₂ emissions from biofuel combustion (other)

Emissions (metric tons CO₂)

Methodology

Please explain

C-AC6.9/C-FB6.9/C-PF6.9

(C-AC6.9/C-FB6.9/C-PF6.9) Do you collect or calculate greenhouse gas emissions for each commodity reported as significant to your business in C-AC0.7/FB0.7/PF0.7?

Agricultural commodities

Other

Coffee

Do you collect or calculate GHG emissions for this commodity?

Yes

Please explain

Total purchased dried green coffee by country is linked to Ecoinvent 3.7.1 emission factors and land use change factors for each country / type (Arabica / Robusta) where known - or a proxy of a similar country with similar agricultural practices is used. We recognise the potential for improvements in the availability of up-to-date emission factors that provide sufficient granularity to adequately reflect the conditions in each

origin country. We are actively working with partners in the value chain to improve available datasets and expect to be able to refine our reporting in future years.

Agricultural commodities

Other
Tea

Do you collect or calculate GHG emissions for this commodity?

Yes

Please explain

Total used dried tea is linked to Econinvent 3.7.1 emissions data for the associated sourcing countries. For those locations where JDE Peet's processes green leaf tea to convert to dried tea, the processing emissions are accounted for under Scopes 1 & 2 . Accordingly, these are subtracted from the Econinvent 3.7.1 dried tea data to account for the agricultural impacts only for fresh green tea leaves.

C-AC6.9a/C-FB6.9a/C-PF6.9a

(C-AC6.9a/C-FB6.9a/C-PF6.9a) Report your greenhouse gas emissions figure(s) for your disclosing commodity(ies), explain your methodology, and include any exclusions.

Other

Reporting emissions by

Total

Emissions (metric tons CO2e)

4,676,148

Change from last reporting year

Higher

Please explain

Sourcing country mix changes and volume uplift in raw material needs to support the business growth

C6.10

(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Intensity figure

81.25

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)

540,389

Metric denominator

unit total revenue

Metric denominator: Unit total

6,651

Scope 2 figure used

Market-based

% change from previous year

5

Direction of change

Increased

Reason for change

We saw a significant reduction in Away-from-Home consumption as a result of the Covid-19 pandemic, with only a limited corresponding reduction in energy use in our Out-of-home business and coffee stores. In addition, shifts in our volume mix and lower use of spent coffee grounds as renewable fuel due to spent ground boiler maintenance and optimisation contributed to a slight growth in Scope 1 & 2 emissions.

C7. Emissions breakdowns

C7.1

(C7.1) Does your organization break down its Scope 1 emissions by greenhouse gas type?

No

C7.2

(C7.2) Break down your total gross global Scope 1 emissions by country/region.

Country/Region	Scope 1 emissions (metric tons CO2e)

C7.3

(C7.3) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.

By activity

C7.3c

(C7.3c) Break down your total gross global Scope 1 emissions by business activity.

Activity	Scope 1 emissions (metric tons CO2e)
Manufacturing operations	354,395
Fleet	20,044
Other (other energy use, e.g. for offices, warehousing, retail coffee stores etc.)	4,548

C-AC7.4/C-FB7.4/C-PF7.4

(C-AC7.4/C-FB7.4/C-PF7.4) Do you include emissions pertaining to your business activity(ies) in your direct operations as part of your global gross Scope 1 figure?

Yes

C-AC7.4b/C-FB7.4b/C-PF7.4b

(C-AC7.4b/C-FB7.4b/C-PF7.4b) Report the Scope 1 emissions pertaining to your business activity(ies) and explain any exclusions. If applicable, disaggregate your agricultural/forestry by GHG emissions category.

Activity

Processing/Manufacturing

Emissions (metric tons CO2e)

354,395

Methodology

Default emissions factor

Please explain

This number includes fuel-and-energy-related activities (direct energy consumption) in our factories.

Activity

Distribution

Emissions (metric tons CO2e)

5,190

Methodology

Default emissions factor

Please explain

This number includes emissions from JDE Peet's owned / operated trucks in our distribution network.

C7.5

(C7.5) Break down your total gross global Scope 2 emissions by country/region.

Country/Region	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)	Purchased and consumed electricity, heat, steam or cooling (MWh)	Purchased and consumed low-carbon electricity, heat, steam or cooling accounted for in Scope 2 market-based approach (MWh)

C7.6

(C7.6) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.

By activity

C7.6c

(C7.6c) Break down your total gross global Scope 2 emissions by business activity.

Activity	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Manufacturing operations	158,770	139,694
Fleet	0	0
Other (other energy use, e.g. for offices, warehousing, retail coffee stores etc.)	22,584	21,708

C7.9

(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?

Increased

C7.9a

(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.

	Change in emissions	Direction of change	Emissions value (percentage)	Please explain calculation

	(metric tons CO2e)			
Change in renewable energy consumption				
Other emissions reduction activities				
Divestment				
Acquisitions				
Mergers				
Change in output				
Change in methodology				
Change in boundary				
Change in physical operating conditions				
Unidentified				
Other	2,685	Increased	0.5	As a result of changes in our volume mix and because of a lower use of spent coffee grounds as renewable fuel due to spent ground boiler maintenance and optimisation, our overall Scope 1 & 2 emissions increased by 0.5% between 2019-2020.

C7.9b

(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Market-based

C8. Energy

C8.1

(C8.1) What percentage of your total operational spend in the reporting year was on energy?

More than 0% but less than or equal to 5%

C8.2

(C8.2) Select which energy-related activities your organization has undertaken.

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	Yes
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	Yes
Consumption of purchased or acquired steam	Yes
Consumption of purchased or acquired cooling	No
Generation of electricity, heat, steam, or cooling	Yes

C8.2a

(C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total (renewable and non-renewable) MWh
Consumption of fuel (excluding feedstock)	HHV (higher heating value)	274,699	1,771,969	2,046,668
Consumption of purchased or acquired electricity		9,145	347,187	356,332

Consumption of purchased or acquired heat			2,089	2,089
Consumption of purchased or acquired steam		1,737	104,171	105,908
Consumption of self-generated non-fuel renewable energy				
Total energy consumption		277,915	2,233,082	2,510,997

C8.2b

(C8.2b) Select the applications of your organization's consumption of fuel.

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	Yes
Consumption of fuel for the generation of heat	Yes
Consumption of fuel for the generation of steam	Yes
Consumption of fuel for the generation of cooling	Yes
Consumption of fuel for co-generation or tri-generation	Yes

C8.2c

(C8.2c) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.

Fuels (excluding feedstocks)

Natural Gas

Heating value

HHV (higher heating value)

Total fuel MWh consumed by the organization

1,586,687

MWh fuel consumed for self-generation of electricity

MWh fuel consumed for self-generation of heat

MWh fuel consumed for self-generation of steam

MWh fuel consumed for self-generation of cooling

MWh fuel consumed for self-cogeneration or self-trigeneration

Emission factor

0.05625

Unit

metric tons CO₂e per GJ

Emissions factor source

GHG Protocol/IEA v13 (06/2020) - eGRID2018

Comment

Fuels (excluding feedstocks)

Coal

Heating value

HHV (higher heating value)

Total fuel MWh consumed by the organization

93,560

MWh fuel consumed for self-generation of electricity

MWh fuel consumed for self-generation of heat

MWh fuel consumed for self-generation of steam

MWh fuel consumed for self-generation of cooling

MWh fuel consumed for self-cogeneration or self-trigeneration

Emission factor

0.10076

Unit

metric tons CO2e per GJ

Emissions factor source

Defra v.9.0 (09/2020)

Comment

Fuels (excluding feedstocks)

Propane Gas

Heating value

HHV (higher heating value)

Total fuel MWh consumed by the organization

10,164

MWh fuel consumed for self-generation of electricity

MWh fuel consumed for self-generation of heat

MWh fuel consumed for self-generation of steam

MWh fuel consumed for self-generation of cooling

MWh fuel consumed for self-cogeneration or self-trigeneration

Emission factor

0.06325

Unit

metric tons CO2e per GJ

Emissions factor source

GHG Protocol/IEA v13 (06/2020) - eGRID2018

Comment

Fuels (excluding feedstocks)

Solid Biomass Waste

Heating value

HHV (higher heating value)

Total fuel MWh consumed by the organization

272,036

MWh fuel consumed for self-generation of electricity

MWh fuel consumed for self-generation of heat

MWh fuel consumed for self-generation of steam

MWh fuel consumed for self-generation of cooling

MWh fuel consumed for self-cogeneration or self-trigeneration

Emission factor

0

Unit

metric tons CO₂e per GJ

Emissions factor source

See C-AC6.8a/C-FB6.8a/C-PF6.8a

Comment

Includes the combustion of spent coffee grounds as well as wood waste.

Fuels (excluding feedstocks)

Biogas

Heating value

HHV (higher heating value)

Total fuel MWh consumed by the organization

2,663

MWh fuel consumed for self-generation of electricity

MWh fuel consumed for self-generation of heat

MWh fuel consumed for self-generation of steam

MWh fuel consumed for self-generation of cooling

MWh fuel consumed for self-cogeneration or self-trigeneration

Emission factor

0.00006

Unit

metric tons CO2e per GJ

Emissions factor source

Defra v.9.0 (09/2020)

Comment

Use of methane that's captured in the wastewater treatment process as feedstock

Fuels (excluding feedstocks)

Diesel

Heating value

HHV (higher heating value)

Total fuel MWh consumed by the organization

60,552

MWh fuel consumed for self-generation of electricity

MWh fuel consumed for self-generation of heat

MWh fuel consumed for self-generation of steam

MWh fuel consumed for self-generation of cooling

MWh fuel consumed for self-cogeneration or self-trigeneration

Emission factor

0.07452

Unit

metric tons CO2e per GJ

Emissions factor source

GHG Protocol/IEA v13 (06/2020) - eGRID2018

Comment

Fuels (excluding feedstocks)

Petrol

Heating value

HHV (higher heating value)

Total fuel MWh consumed by the organization

20,999

MWh fuel consumed for self-generation of electricity

MWh fuel consumed for self-generation of heat

MWh fuel consumed for self-generation of steam

MWh fuel consumed for self-generation of cooling

MWh fuel consumed for self-cogeneration or self-trigeneration

Emission factor

0.06972

Unit

metric tons CO2e per GJ

Emissions factor source

GHG Protocol/IEA v13 (06/2020) - eGRID2018

Comment

Fuels (excluding feedstocks)

Other, please specify
Heavy fuel oil

Heating value

HHV (higher heating value)

Total fuel MWh consumed by the organization

7

MWh fuel consumed for self-generation of electricity

MWh fuel consumed for self-generation of heat

MWh fuel consumed for self-generation of steam

MWh fuel consumed for self-generation of cooling

MWh fuel consumed for self-cogeneration or self-trigeneration

Emission factor

0.07677

Unit

metric tons CO2e per GJ

Emissions factor source

GaBi (service pack 39)

Comment

C8.2d

(C8.2d) Provide details on the electricity, heat, steam, and cooling your organization has generated and consumed in the reporting year.

	Total Gross generation (MWh)	Generation that is consumed by the organization (MWh)	Gross generation from renewable sources (MWh)	Generation from renewable sources that is consumed by the organization (MWh)
Electricity				
Heat				
Steam				
Cooling				

C8.2e

(C8.2e) Provide details on the electricity, heat, steam, and/or cooling amounts that were accounted for at a zero emission factor in the market-based Scope 2 figure reported in C6.3.

Sourcing method

Standard product offering by an energy supplier supported by energy attribute certificates

Low-carbon technology type

Low-carbon energy mix

Country/area of consumption of low-carbon electricity, heat, steam or cooling

MWh consumed accounted for at a zero emission factor

12,260

Comment

Sourcing method

Unbundled energy attribute certificates, Guarantees of Origin

Low-carbon technology type

Wind

Country/area of consumption of low-carbon electricity, heat, steam or cooling

MWh consumed accounted for at a zero emission factor

800

Comment

Sourcing method

Green electricity products (e.g. green tariffs) from an energy supplier, supported by energy attribute certificates

Low-carbon technology type

Hydropower

Country/area of consumption of low-carbon electricity, heat, steam or cooling

MWh consumed accounted for at a zero emission factor

7,665

Comment

C9. Additional metrics

C9.1

(C9.1) Provide any additional climate-related metrics relevant to your business.

C10. Verification

C10.1

(C10.1) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	No third-party verification or assurance
Scope 2 (location-based or market-based)	No third-party verification or assurance
Scope 3	No third-party verification or assurance

C10.2

(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?

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

C11. Carbon pricing

C11.1

(C11.1) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?

Yes

C11.1a

(C11.1a) Select the carbon pricing regulation(s) which impacts your operations.

EU ETS

C11.1b

(C11.1b) Complete the following table for each of the emissions trading schemes you are regulated by.

EU ETS

% of Scope 1 emissions covered by the ETS

31.5

% of Scope 2 emissions covered by the ETS

0

Period start date

January 1, 2020

Period end date

December 31, 2020

Allowances allocated

45,672

Allowances purchased

73,733

Verified Scope 1 emissions in metric tons CO₂e

119,405

Verified Scope 2 emissions in metric tons CO₂e

0

Details of ownership

Facilities we own and operate

Comment

C11.1d

(C11.1d) What is your strategy for complying with the systems you are regulated by or anticipate being regulated by?

Facilities have roadmaps in place for energy reduction, and investment decisions take into account future carbon pricing and changing allowance levels.

C11.2

(C11.2) Has your organization originated or purchased any project-based carbon credits within the reporting period?

No

C11.3

(C11.3) Does your organization use an internal price on carbon?

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

C12. Engagement

C12.1

(C12.1) Do you engage with your value chain on climate-related issues?

Yes, our suppliers

Yes, our customers

Yes, other partners in the value chain

C12.1a

(C12.1a) Provide details of your climate-related supplier engagement strategy.

Type of engagement

Engagement & incentivization (changing supplier behavior)

Details of engagement

Run an engagement campaign to educate suppliers about climate change

% of suppliers by number

95

% total procurement spend (direct and indirect)

% of supplier-related Scope 3 emissions as reported in C6.5

Rationale for the coverage of your engagement

The JDE Peet's Supplier Code of Conduct and Responsible Coffee Sourcing Principles lay out the very high standards of corporate behaviour that we require from our suppliers. Our coffee sourcing principles, which include climate-related topics such as soil fertility management, climate smart agriculture, or on-farm biodiversity, amongst others, were developed with the commitment and expertise of a diverse set of partners to strengthen the sustainability of our coffee supply chain and improve the livelihoods of smallholder farmers. Through our Common Grounds responsible sourcing programme, we openly engage our suppliers with the aim of continuous improvements along the supply chain in coffee producing countries.

We believe that the best way to improve coffee & tea sustainability is to drive continuous improvement through partnerships among farmers, cooperatives, exporters, traders, roasters, civil society, and governments. Common Grounds works with stakeholders to identify the most important social and environmental issues wherever we source our coffee & tea. For example, in the 2019/20 cycle we received 145 self-assessments from our green coffee suppliers representing a 95% response rate. Despite the limitations imposed by the COVID-19 pandemic on our country risk assessment process, we also worked with the Rainforest Alliance to successfully conduct or update independent Origin Issue Assessments in 5 priority sourcing countries. This means that two-thirds of our conventional coffee purchases in 2020 were covered by both a supplier self-assessment and Origin Issue Assessment. This process has equipped us and our suppliers with a much deeper understanding of the most pressing sustainability challenges in each origin country.

We 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. Today, we have projects in place across all the 15 Common Grounds coffee origin countries. They focus on the identified priorities and vary by country. Technical assistance for smallholder farmers is at the core of this approach, including a strong focus on climate-smart good agricultural practices.

Impact of engagement, including measures of success

In 2020, we supported more than 40 coffee & tea projects across 18 countries. We have now reached 380,000 smallholder farmers since 2015 and are well on track to reach our goal of 500,000 smallholder farmers by 2025, primarily through technical assistance.

Comment

This response focuses on our green coffee supply chain. For more details, see the JDE Peet's Annual Report 2020

(<https://www.jdepeets.com/contentassets/08dac84aae2e4d6298955e47d80f3cbb/jde-peets-annual-report-2020.pdf>) and our Responsible Coffee Sourcing principles (<https://www.jacobsdouweegberts.com/cr/>)

Type of engagement

Compliance & onboarding

Details of engagement

Included climate change in supplier selection / management mechanism

Code of conduct featuring climate change KPIs

Climate change is integrated into supplier evaluation processes

% of suppliers by number

% total procurement spend (direct and indirect)

% of supplier-related Scope 3 emissions as reported in C6.5

Rationale for the coverage of your engagement

At JDE Peet's we are working towards 100% responsibly sourced coffee, tea and palm oil by 2025. We recognise the investments farmers are making in committing to sustainable production via third-party certification or verification programmes. That's why coffee, tea and palm oil that carry a third-party certification or verification form an important pillar of our responsible sourcing strategy. On coffee, we have set the goal of 40% third-party certified or verified coffee purchases by 2025 as part of our responsible sourcing commitment.

Impact of engagement, including measures of success

In 2020, we were able to increase our third-party certified or verified coffee purchases to 29% globally, up from 21% in 2019.

Comment

C12.1b

(C12.1b) Give details of your climate-related engagement strategy with your customers.

Type of engagement

Collaboration & innovation

Details of engagement

Run a campaign to encourage innovation to reduce climate change impacts

% of customers by number

% of customer - related Scope 3 emissions as reported in C6.5

Please explain the rationale for selecting this group of customers and scope of engagement

JDE Peet's actively engages with customers on a number of sustainability initiatives, including a range of climate-related topics. For example, we're part of the Carrefour Food Transition Pact. In addition, we also engage with our customers through the CDP supplier platform.

Impact of engagement, including measures of success

The strategy for prioritising engagement is based customer interest and alignment with their priorities. For the CDP supply chain module, we prioritise based on requests received.

Type of engagement

Collaboration & innovation

Details of engagement

Run a campaign to encourage innovation to reduce climate change impacts

% of customers by number

% of customer - related Scope 3 emissions as reported in C6.5

Please explain the rationale for selecting this group of customers and scope of engagement

We have multiple partnerships in place with customers and other industry partner that allow consumers to more easily return their used coffee pods into recycling streams. 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 Capsule). Most recently, we partnered with Nestlé in the UK to launch Podback which is enabling consumers to easily return our Tassimo T-discs and L’OR coffee capsules through a take-back scheme.

Impact of engagement, including measures of success

C12.1d

(C12.1d) Give details of your climate-related engagement strategy with other partners in the value chain.

Collaborative partnerships are at the core of our corporate responsibility programme, including many climate-related initiatives. This is underpinned by our active participation in a broad set of multi-stakeholder platforms and initiatives. JDE and Peet's are active in many multi-stakeholder organisations designed to promote sustainability in the coffee & tea sectors. We are a founding member of the IDH Farm Fit Fund, the world's biggest public-private impact fund for smallholder farmers. We are a member of the International Coffee Organization (ICO) Coffee Public-Private Task Force and committed to its vision and roadmap towards achieving a prosperous, sustainable and inclusive coffee sector. We are also actively involved in the Global Coffee Platform and three of its Collective Action Initiatives: to foster responsible use of agrochemicals in Brazil; to deliver effective coffee-specific extension services to smallholder coffee farming households in Uganda; and to improve the responsible use of agro-inputs in Vietnam's coffee sector. In addition, we support the Sustainable Coffee Challenge and the European Coffee Federation.

Peet's currently chairs the Board of World Coffee Research (WCR). WCR uses research in coffee genetics and agronomy to develop better coffee varieties and establish better agronomic approaches. WCR also strives to create market opportunities that empower farmers to navigate the impacts associated with plant diseases and pests, poor soil health, and climate change. A core element of WCR's research strategy is identifying and developing coffee varieties that are more climate resilient and disease resistant, while maintaining high productivity and quality.

We are also member of One Planet Business for Biodiversity (OP2B) which is a unique international cross-sectoral, action-oriented business coalition on biodiversity with a specific focus on agriculture. The coalition is determined to drive transformational systemic change and catalyse action to protect and restore cultivated and natural biodiversity within the value chains, engage institutional and financial decision-makers, and develop and promote policy recommendations for the 2021 CBD COP15 framework.

Specific, climate-related partnerships in this context also include, for example, a Landscape Program in Vietnam together with JDE and supply chain partners, which an accompanying study by the USAID Green Invest Asia project in collaboration with Agri-Logic found to have helped decrease greenhouse gas (GHG) emissions from coffee farms.

C-AC12.2/C-FB12.2/C-PF12.2

(C-AC12.2/C-FB12.2/C-PF12.2) Do you encourage your suppliers to undertake any agricultural or forest management practices with climate change mitigation and/or adaptation benefits?

Yes

C-AC12.2a/C-FB12.2a/C-PF12.2a

(C-AC12.2a/C-FB12.2a/C-PF12.2a) Specify which agricultural or forest management practices with climate change mitigation and/or adaptation benefits you encourage your suppliers to undertake and describe your role in the implementation of each practice.

Management practice reference number

MP1

Management practice

Other, please specify

Our Common Grounds Responsible Coffee Sourcing Principles

Description of management practice

Our smallholder engagement programme is designed to address the priority sustainability challenges and improve the livelihoods of smallholder farmers. In 2020, we supported more than 40 coffee & tea projects across 18 countries. We have now

reached 380,000 smallholder farmers since 2015 and are well on track to reach our goal of 500,000 smallholder farmers by 2025, primarily through technical assistance and the application of Good Agricultural Practices.

This programme is build on the foundation of our Responsible Coffee Sourcing Principles. (https://www.jacobsdouweegberts.com/siteassets/cr/common-grounds---om/jde-responsible-sourcing-principles_november-2019_v1.pdf) The first pillar in particular focuses on the Sustainability of Land encouraging use agricultural methods that will help us protect our planet for future generations. Principles include soil fertility management, riparian buffer zones, wastewater treatment, climate smart agricultural practices, agroforestry and shade cover and forest protection, amongst others.

Your role in the implementation

Financial
Knowledge sharing
Operational

Explanation of how you encourage implementation

The multi-year projects to support smallholders aim to address the priority sustainability challenges through a cycle of continuous improvement. Projects are implemented in close partnership with our suppliers, as well as with farmers, cooperatives, exporters, traders, civil society and governments. These partnerships create the right economic incentives and policies to ensure that coffee farmers make changes based on informed long term choices: Choices that are good for them, good for the people who work with them to produce and harvest the coffee, good for the environment, and good for the long-term sustainability of coffee.

A recent example includes our commitment to source coffee from the first "SourceUp compact" in Vietnam. We source coffee from the beautiful Central Highlands of Vietnam. In recent years, we have addressed key sustainability challenges such as extreme climate events, recurring droughts, and the responsible use of agrochemicals to reduce GHG emissions through a landscape programme there. Partnering with IDH - the Sustainable Trade Initiative, our key suppliers, the public sector, farmers and development partners (the World Bank, USAID, UNDP), this EUR 11 million programme has achieved 20% savings in water consumption and reduced fertiliser input. Further, it has has recorded no use of banned pesticides, and no observed deforestation in the area. Building on this success, we recently applied IDH's innovative SourceUp model and entered into a PPI (Production -Protection - Inclusion) compact. This is an agreement between the programme's public, private and civil society stakeholders to improve livelihoods by making the land more productive, in exchange for the protection of the natural ecosystem. Coffee from the compact is fully compliant with EU limits on glyphosate residue and comes with a 60% lower carbon footprint in 2019/20 compared to the 2015/16 crop. A recent evaluation showed a 20% increase in the income of farmers in the PPI compact compared with farmers outside of the intervention area. We are proud to be the first company to use the SourceUp platform to inform our coffee sourcing decisions.

Climate change related benefit

- Emissions reductions (mitigation)
- Increasing resilience to climate change (adaptation)
- Increase carbon sink (mitigation)
- Reduced demand for fossil fuel (adaptation)
- Reduced demand for fertilizers (adaptation)
- Reduced demand for pesticides (adaptation)

Comment

C-AC12.2b/C-FB12.2b/C-PF12.2b

(C-AC12.2b/C-FB12.2b/C-PF12.2b) Do you collect information from your suppliers about the outcomes of any implemented agricultural/forest management practices you have encouraged?

Yes

C12.3

(C12.3) Do you engage in activities that could either directly or indirectly influence public policy on climate-related issues through any of the following?

- Trade associations
- Funding research organizations

C12.3b

(C12.3b) Are you on the board of any trade associations or do you provide funding beyond membership?

Yes

C12.3c

(C12.3c) Enter the details of those trade associations that are likely to take a position on climate change legislation.

Trade association

European Coffee Federation

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

The European Coffee Federation (ECF) describes itself as the single voice of the European coffee trade and industry, facilitating the development of an environment in which the industry can meet the needs of consumers and society, while competing

effectively to ensure the resilience and long-term sustainability of the coffee supply chain, from farm to cup.

It states "As ECF, we advocate for sustainable and resilient food systems that will develop and enhance the lives of coffee growing communities and encourage increasing consumers ethical, economic and environmental aspirations in order to embrace social responsibility and reduce their environmental footprint. ECF and its members offer all their knowledge and experience from existing private sustainability initiatives in view of contributing to the consolidation of a global level playing field for the coffee sector."

How have you influenced, or are you attempting to influence their position?

We are an active participant in a number of ECF working groups.

Trade association

One Planet Business for Biodiversity (OP2B)

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

One Planet Business for Biodiversity (OP2B) is a unique international cross-sectorial, action-oriented business coalition on biodiversity with a specific focus on agriculture, initiated within French President Macron's One Planet Lab framework, launched at the United Nations Climate Action Summit in New York on 23 September 2019. The coalition is determined to drive transformational systemic change and catalyze action to protect and restore cultivated and natural biodiversity within the value chains, engage institutional and financial decision-makers, and develop and promote policy recommendations for the 2021 CBD COP15 framework.

Actions are focused around three pillars: scaling up regenerative agricultural practices; boosting cultivated biodiversity and diets through product portfolios; and eliminating deforestation / enhancing the management, restoration and protection high-value natural ecosystems.

How have you influenced, or are you attempting to influence their position?

We are an active participant in the 1st and 3rd pillars of OP2B (regenerative agricultural practices & enhancing the management, restoration and protection high-value natural ecosystems).

C12.3d

(C12.3d) Do you publicly disclose a list of all research organizations that you fund?

No

C12.3f

(C12.3f) What processes do you have in place to ensure that all of your direct and indirect activities that influence policy are consistent with your overall climate change strategy?

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 Corporate Responsibility governance structure.

Our participation in these organisations, including membership on a 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.

C12.4

(C12.4) Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Publication

In mainstream reports

Status

Complete

Attach the document

 jde-peets-annual-report-2020.pdf

 jde-peets-annual-report-2020.pdf

Page/Section reference

Throughout the document, incl. in the Strategy, Risk Management, and Common Grounds sections. For GHG emissions specifically, see REDUCING ENERGY USE AND GREENHOUSE GAS EMISSIONS, p. 63-64

Content elements

Governance

Strategy

Risks & opportunities
Emissions figures
Emission targets
Other metrics

Comment

C13. Other land management impacts

C-AC13.2/C-FB13.2/C-PF13.2

(C-AC13.2/C-FB13.2/C-PF13.2) Do you know if any of the management practices mentioned in C-AC12.2a/C-FB12.2a/C-PF12.2a that were implemented by your suppliers have other impacts besides climate change mitigation/adaptation?

Yes

C-AC13.2a/C-FB13.2a/C-PF13.2a

(C-AC13.2a/C-FB13.2a/C-PF13.2a) Provide details of those management practices implemented by your suppliers that have other impacts besides climate change mitigation/adaptation.

Management practice reference number

MP1

Overall effect

Positive

Which of the following has been impacted?

Biodiversity
Soil
Water
Yield
Other, please specify
Livelihoods

Description of impacts

Our Common Grounds Responsible Sourcing programme is built on 3 pillars:

1. The Sustainability of Land, covering sustainable agricultural methods that contribute to protecting the natural environment and biodiversity and to addressing climate change
2. The Equality of People, responsible supplier labour practices that improve working conditions and promote equal opportunities as well as supplier diversity, in particular addressing the needs of women, children and youth.
3. The Prosperity of Farmers, building the capabilities that are needed to make farming

economically viable and that improve farmer livelihoods.

While programmes are designed to address the priority challenges in the local context, activities typically span across all 3 pillars and multiple topics within each. As a result, nearly all the management practices implemented by our suppliers have multiple intended outcomes such as improving yield, soil health, and preserving biodiversity, as well as social outcomes such as improved smallholder livelihoods.

Have any response to these impacts been implemented?

Yes

Description of the response(s)

As outlined above, management practices implemented by our suppliers do not tackle individual issues in isolation but are designed to achieve multiple intended outcomes across the environmental and spheres. Our monitoring & evaluation systems tracks these outcomes to inform us, our suppliers and other project partners about programme progress and results. Together with our suppliers, we continuously use these insights for further refine and improve the activities and management practices to best achieve the intended outcomes.

C15. Signoff

C-FI

(C-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.

C15.1

(C15.1) Provide details for the person that has signed off (approved) your CDP climate change response.

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

SC. Supply chain module

SC0.0

(SC0.0) If you would like to do so, please provide a separate introduction to this module.

SC0.1

(SC0.1) What is your company's annual revenue for the stated reporting period?

	Annual Revenue
Row 1	6,651,000,000

SC0.2

(SC0.2) Do you have an ISIN for your company that you would be willing to share with CDP?

Yes

SC0.2a

(SC0.2a) Please use the table below to share your ISIN.

	ISIN country code (2 letters)	ISIN numeric identifier and single check digit (10 numbers overall)
Row 1	NL	0014332678

SC1.1

(SC1.1) Allocate your emissions to your customers listed below according to the goods or services you have sold them in this reporting period.

SC1.2

(SC1.2) Where published information has been used in completing SC1.1, please provide a reference(s).

SC1.3

(SC1.3) What are the challenges in allocating emissions to different customers, and what would help you to overcome these challenges?

Allocation challenges	Please explain what would help you overcome these challenges
Diversity of product lines makes accurately accounting for each product/product line cost ineffective	Agreement on a consistent, practical methodology for calculating and allocating emissions at a product level. We welcome an exchange with our customers, suppliers and other stakeholders in this regard.

Customer base is too large and diverse to accurately track emissions to the customer level	Agreement on a consistent, practical methodology for calculating and allocating emissions at a product level. We welcome an exchange with our customers, suppliers and other stakeholders in this regard.
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SC1.4

(SC1.4) Do you plan to develop your capabilities to allocate emissions to your customers in the future?

Yes

SC1.4a

(SC1.4a) Describe how you plan to develop your capabilities.

SC2.1

(SC2.1) Please propose any mutually beneficial climate-related projects you could collaborate on with specific CDP Supply Chain members.

SC2.2

(SC2.2) Have requests or initiatives by CDP Supply Chain members prompted your organization to take organizational-level emissions reduction initiatives?

No

SC4.1

(SC4.1) Are you providing product level data for your organization's goods or services?

No, I am not providing data

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	I am submitting to	Public or Non-Public Submission	Are you ready to submit the additional Supply Chain questions?
I am submitting my response	Investors Customers	Public	Yes, I will submit the Supply Chain questions now

Please confirm below

I have read and accept the applicable Terms