

GROUNDED IN NATURE

NATURE TRANSITION PLAN

JANUARY 2026

JDE Peet's



Common
Grounds



EXECUTIVE SUMMARY

PURPOSE AND ALIGNMENT

The Nature Transition Plan sets out JDE Peet's strategy for advancing regenerative agriculture and deforestation-free commodities, with a focus on its coffee supply chains. It aligns with global frameworks such as the Global Biodiversity Framework (GBF), Science Based Targets for Nature (SBTN), and the Taskforce on Nature-related Financial Disclosures (TNFD), and is integrated into our broader sustainability strategy. It is based on [TNFD's discussion paper](#) on nature transition plans released in October 2024, and JDE Peet's was part of the pilot group to test its guidance. JDE Peet's is proud to be the first food company to launch a nature transition plan following the TNFD guidance.

STRATEGIC APPROACH

The plan follows our **Assess, Address, Progress** framework, combining rigorous supply chain assessments, targeted interventions, and ongoing measurement of key performance indicators. It emphasises inclusivity, aiming to maintain sourcing flexibility across all coffee-growing countries and to build resilience for smallholder farmers.

RISK ASSESSMENT

Nature-related risks are categorised as systemic, chronic and acute risks, and are grouped into transition risks and physical risks. The plan uses farming archetypes (Brazil & Vietnam, East Africa & Indonesia, Latin America) to tailor risk mitigation strategies. Transformative action is required to drive systemic change beyond the JDE Peet's value chain.



KEY PRIORITIES AND STRATEGIES

1

DEFORESTATION-FREE SUPPLY CHAINS

STOPPING DEFORESTATION BEYOND EUDR COMPLIANCE

Commitment to 100% deforestation-free sourcing for green coffee and other material commodities by 2025.

2

REGENERATIVE AGRICULTURE

FOCUS ON IMPROVING SOIL, BIODIVERSITY AND WATER OUTCOMES, TAILORED TO LOCAL CONTEXTS AND FARMING ARCHETYPES

Through our investment in farmer projects, we aim to support the expansion of regenerative coffee farming practices, adding approximately 200,000 hectares by 2030.

3

COMPLIANCE AND TRANSPARENCY

PROACTIVE ADAPTATION TO EVOLVING REGULATIONS WITH INVESTMENTS IN SUPPLIER MAPPING, TRANSPARENCY AND LOCAL CAPACITY BUILDING

Towards 100% responsibly sourced green coffee by 2028

4

STAKEHOLDER ENGAGEMENT

COLLABORATION WITH FARMERS, NGOS, GOVERNMENTS AND INDUSTRY PLATFORMS TO CO-DEVELOP SOLUTIONS AND DRIVE SECTOR-WIDE CHANGE

Reached close to 1 million farmers since 2015 through our Common Grounds programme

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PREFACE

As Vice President Engagement, it is my privilege to introduce JDE Peet's Nature Transition Plan. This plan represents a pivotal step in our journey to safeguard the future of coffee, our communities, and the ecosystems upon which we all depend.

At JDE Peet's, sustainability is not just a commitment, it is a core value that shapes every decision we make. Our Nature Transition Plan is the result of deep collaboration across teams, partners and stakeholders, and is grounded in the belief that without nature there is no coffee, and without coffee JDE Peet's does not exist. We are proud to be the first food & beverage company to launch a nature transition plan following the TNFD guidance, setting a new benchmark for our industry.

Our approach, **Assess, Address, Progress**, reflects our commitment to rigorous risk assessment, targeted interventions, and ongoing measurement of impact. We recognise that nature-related risks are complex and interconnected, affecting not only our supply chains but also the livelihoods of millions of farmers worldwide. Through regenerative agriculture, deforestation-free sourcing and proactive stakeholder engagement, we aim to drive systemic change that extends beyond our own value chain.

I am inspired by the dedication of our teams and partners, who have worked tirelessly to co-develop solutions and drive sector-wide transformation. Together, we have reached close to one million farmers since 2015 through our Common Grounds – Responsible Sourcing programme, and we continue to invest in building resilience for smallholder farmers and communities.

As we move forward, our ambition is clear:

To create a future where coffee farming is synonymous with thriving ecosystems, prosperous communities and resilient supply chains

This Nature Transition Plan is both a roadmap and a call to action for our company, our partners, and all those who share our vision for a sustainable future.

Thank you for joining us on this journey.

Laurent Sagarra
Vice President Engagement



Our Nature Transition Plan is the result of deep collaboration across teams, partners and stakeholders, and is grounded in the belief that without nature there is no coffee, and without coffee JDE Peet's does not exist

INTRODUCTION

Our nature and biodiversity strategy focuses on regenerative agriculture and deforestation-free commodities. This is aligned with the Global Biodiversity Framework (GBF), especially the targets 1, 7, 8 and 10. As a Science Based Targets for Nature (SBTN) Corporate Engagement member¹ and a TNFD Early Adopter², we contribute to shaping a science-based nature strategy. Our nature transition plan aligns with the mitigation hierarchy principles, such as the SBTN AR3T framework, which outlines four types of actions to be followed in sequence.

The plan is integrated with the broader sustainability strategy of JDE Peet's. Using the LEAP framework³, we have identified key geographies, ecosystem dependencies and impact drivers ('pressures'). While nature-related risks and opportunities are central to the TNFD, these are closely linked to climate and people. Inclusivity remains essential, as we aim to continue sourcing from all coffee-growing countries maintaining sourcing diversity and flexibility.

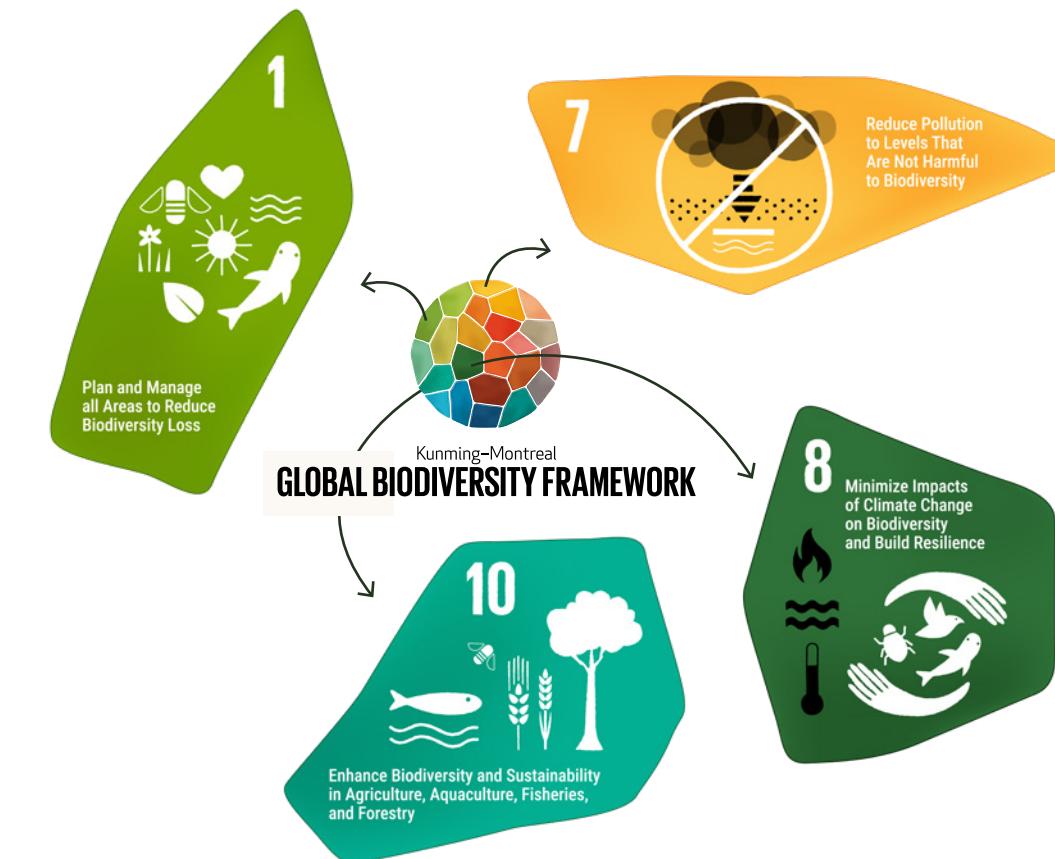
Nature-related risks in our value chain can be grouped into three types:

- **systemic risks**, which threaten entire ecosystems or supply chains (such as climate change and widespread biodiversity loss);
- **chronic risks**, which build up over time (such as soil degradation or water scarcity);
- **acute risks**, which are sudden shocks (such as floods or pest outbreaks).

These risks are further grouped into transition risks (policy and regulation) and physical risks (ecosystem service degradation). As these challenges vary between regions, we use three farming archetypes to classify coffee-producing countries:

- **Brazil & Vietnam** – high input, high yield
- **East Africa & Indonesia** – low input, low yield
- **Latin America** – medium input, medium yield

We aim to reinforce our sustainability commitments by clearly linking our Impacts, Risks and Opportunities (IROs) to our environmental priorities. Through our human rights and environmental due diligence, we ensure interventions reflect local needs and can be adapted where necessary.



Taskforce on Nature-related
Financial Disclosures

¹ Companies, consultants, industry coalitions and financial institutions are invited to work with SBTN during the development of SBTN's methods, tools, and guidance as part of the Corporate Engagement Program.

² TNFD Adopters are organisations that commit to making public disclosures aligned with the TNFD recommendations in their corporate reporting for financial years 2024 (or earlier), 2025 or 2026.

³ The TNFD has introduced a framework known as the LEAP approach to guide organisations in reporting and acting on nature-related risks and opportunities. LEAP stands for the four key phases of the approach: Locate, Evaluate, Assess, and Prepare.

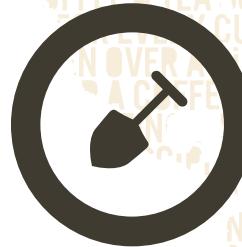
FOUNDATION



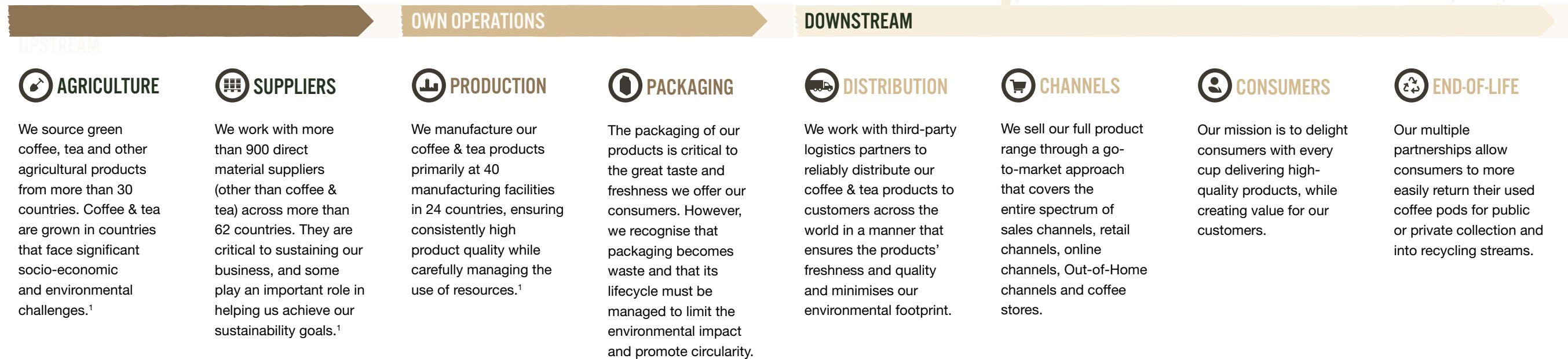
FRAMING & SCOPING

We source approximately 8% of the world's green coffee. We operate local manufacturing facilities that respond rapidly to local consumer preferences and tastes, while having to manage green coffee supply volatility.

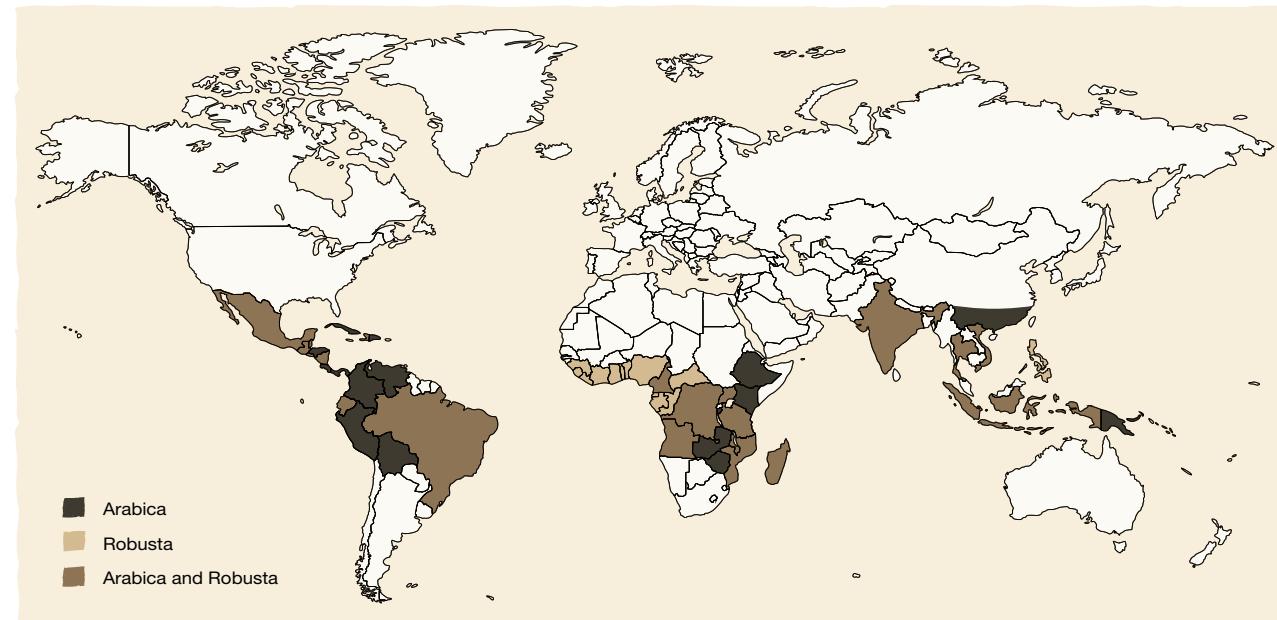
As a global business, we rely on an extensive supply chain. The majority of our direct material supplier base, beyond green coffee, are concentrated in packaging materials. Marketing and media make up the majority of our total spend on indirect materials and services.



FROM BEAN TO CUP



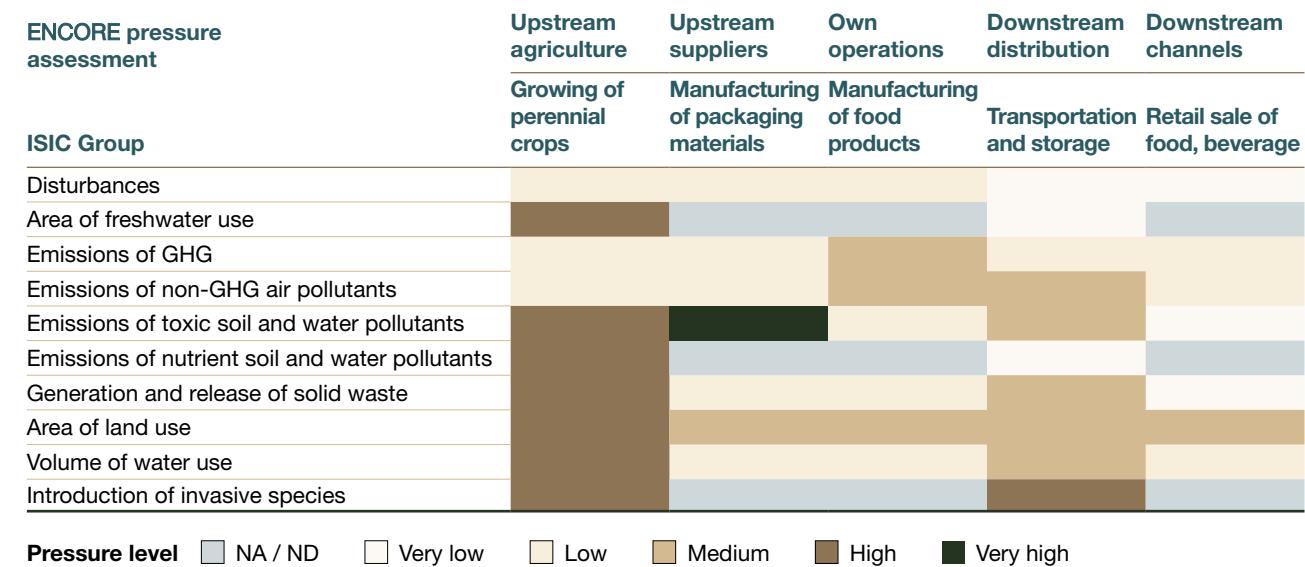
Coffee growing regions



JDE Peet's sources most of its raw materials from within the coffee belt, the tropical region between the Tropics of Cancer and Capricorn, where the majority of coffee is grown. This belt spans **Latin America, Africa and Asia-Pacific**. Given this dependence, nature-related risks are most acute upstream, at farm and landscape levels. Issues such as water stress, soil degradation, biodiversity loss and shifting climatic zones directly affect coffee yields and quality.

At the same time, upstream agriculture is also where the greatest opportunities exist for regenerative practices and nature-positive outcomes. By focusing TNFD scoping on upstream activities, our strategy captures the points of highest dependency and impact, strengthening both business resilience and contribution to global nature goals.

We've performed an initial pressure assessment using the ENCORE tooling¹, highlighting where in our value chain highest pressures on nature arise.



Other areas of attention in our value chain are the emissions of toxics to water in plastic production, which we reduce by reducing our packaging intensity and improving circularity². As for the introduction of non-native invasive species through the use of cargo, we solely rely on food grade containers with extensive quality controls in place, these include pest inspection protocols such as the use of fumigation.

By focusing our TNFD scoping on upstream activities in the coffee belt, we ensure that our strategy captures the points of highest dependency and potential impact, both in terms of business resilience and contribution to global nature goals.

¹ UN Environment Programme (UNEP), ENCORE tool.

² For more information on our sustainable packaging program – read our [Annual Report](#).

EVALUATE

The table on the right outlines the key environmental pressures and ecosystem-service dependencies associated with coffee production, based on IPBES pressure categories¹ and ecosystem services identified via using the ENCORE tool.

Coffee production depends heavily on tropical and subtropical ecosystems that provide essential services such as biomass provisioning and soil-quality regulation. Nutrient-rich soils support plant growth, while reliable rainfall patterns and stable temperatures underpin coffee cultivation. Biodiversity is also critical, helping regulate pests and maintain healthy ecosystems.

Because coffee is predominantly rain-fed, disruptions to precipitation patterns pose significant risk. As coffee landscapes host diverse flora and fauna, unmanaged nature-related risks threaten both ecosystem integrity and business continuity.

To strengthen farmer resilience, we collaborate with partners, civil society and governments to reduce fertiliser needs, increase yields and improve coffee-plant resilience. Projects also enhance soil health and, where suitable, integrate agroforestry to support ecosystem services and mitigate temperature stress.

IPBES Pressure category	SBTN Pressure category	Pressure materiality assessment
Ecosystem use and use change	Terrestrial ecosystem use and use change	Deforestation due to farmers encroaching on forested land to expand their farms.
	Freshwater ecosystem use and use change	Extraction of ground and surface water, increasing water stress to water basins for irrigation.
	Marine ecosystem use and use change	n/a
Resource exploitation	Water use	Water use for processing washed arabica and irrigation.
	Other resource use	n/a
Climate change	GHG emissions	Mainly (in)organic fertiliser application either through emissions on farms (ammonia, NOx, phosphorus), fertiliser production and mismanaged farm residues
Pollution	Water pollutants	Inadequate water treatment after processing washed arabicas.
	Soil pollutants	Soil degradation due to inappropriate use of fertilisers and application of pesticides.
Invasive alien species	Invasive alien species	n/a

Ecosystem service type	Ecosystem service	Dependency materiality assessment
Provisioning services	Biomass provisioning services; genetic material services	Very high materiality rating
	Water supply	High materiality rating
	Other provisioning services - animal-based energy	Medium materiality rating
Regulating and maintenance services	Global climate regulation services; rainfall pattern regulation services; local (micro and meso) climate regulation services; soil quality regulation services; soil and sediment retention services; water purification services; pollination services.	Very high materiality rating
	Water flow regulation services; flood mitigation services; storm mitigation services; biological control services.	High materiality rating
	Air filtration services; solid waste remediation; other regulating and maintenance service - dilution by atmosphere and ecosystems.	Medium materiality rating

¹ The Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES) identifies five direct pressure categories on biodiversity: changes in land and sea use, direct exploitation of organisms, climate change, pollution, and invasive alien species. These are the immediate causes of biodiversity loss, driven by indirect factors such as the way societies value nature and the disconnect between people and the environment.

POLICY ALIGNMENT

To enable the implementation of our nature-related transition plan, we build on JDE Peet's policies that provide direction, set expectations and inform action across our operations and supply chain. These policies are not designed in isolation, but collectively contribute to our plan's priorities by embedding nature, climate and human rights considerations into decision-making and sourcing practices. While specific strategies and mitigation actions are referenced throughout the transition plan, the following policies provide the overarching framework that underpins our approach. Each one is available in full for further review on our [website](#):

 These policies are not designed in isolation, but collectively contribute to our plan's priorities by embedding nature, climate and human rights considerations into decision-making and sourcing practices



Environmental Policy

This Environmental Policy sets out JDE Peet's commitment to reducing its environmental footprint, reducing pollution, optimising resource use, moving towards a circular economy, and promoting sustainability.



Forest Policy

The Forest Policy describes our aim to protect forests by implementing a no-deforestation policy and sets out our expectations of our suppliers. We expect all suppliers, including direct and indirect suppliers, to deploy processes and procedures designed to comply with this policy.



Responsible Sourcing Principles: Coffee and Palm Oil

Sustainable production of our raw materials, we commit to sourcing all our coffee in accordance with our Common Grounds green coffee responsible sourcing principles. These principles are built around three thematic areas, 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. Themes focus on the Sustainability of Land, Equality of People and Prosperity of Farmers. With regard to palm oil, our policy also describes our approach to responsible sourcing.



Supplier Code of Conduct

Responsible and ethical business practices in our supply chains improve our products, allow us to enjoy long-term sustainable and mutually beneficial relationships with our suppliers, and minimise adverse environmental and social impacts associated with the goods and services sourced by JDE Peet's. We expect our suppliers to adhere to the policies, principles, standards and requirements set out in this JDE Peet's Supplier Code of Conduct ("Code"). This Code is informed by the International Bill of Human Rights, the principles set forth in the International Labour Organization's 1998 Declaration on Fundamental Principles and Rights at Work, the United Nations Guiding Principles on Business and Human Rights and JDE Peet's Human Rights Policy.



Human Rights Policy

This Policy is informed by the International Bill of Human Rights (consisting of the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights and the International Covenant on Economic, Social and Cultural Rights) and other internationally recognised conventions, including but not limited to the International Labour Organization's Declaration on Fundamental Principles and Rights at Work. As a signatory to the UN Global Compact, we are committed to the UN Global Compact Principles and the UN Guiding Principles on Business and Human Rights (UNGPs), and we also follow the OECD Guidelines for Multinational Enterprises.



Water Stewardship Policy

The aim of this Water Stewardship Policy is to demonstrate JDE Peet's commitment to ensuring water security now and in the future. Recognising water as a fundamental human right and its critical importance for food and agricultural businesses, we strive to minimise our impact and effectively manage water resources amidst increasing water stress and the effects of climate change.



Stakeholder engagement policy

The purpose of stakeholder engagement is to generate input for the development or adjustment of the overall business strategy, as well as to identify and address operational issues, so that both elements (strategy and operations) can be aligned with the interests of the different stakeholder groups. Stakeholder engagement therefore represents a crucial part of JDE Peet's identification process of relevant focus areas and topics, including sustainability aspects.

OUR STRATEGIC APPROACH



The collage consists of five vertical panels. The top-left panel shows a presentation with a woman pointing at a whiteboard with a target icon. The top-right panel shows a group of people in a meeting. The middle-left panel shows a bar with people at tables. The middle-right panel shows a construction site with workers in safety vests. The bottom panel shows a cafe with people at tables, including one person in a wheelchair.



ASSESS, ADDRESS, PROGRESS

At JDE Peet's, our Human Rights and Environmental Due Diligence (HREDD) approach is aligned with internationally recognised frameworks, including the OECD Due Diligence Guidance for Responsible Business Conduct. We apply a data-driven, risk-based methodology, taking ownership of what we consider to be our most critical challenge – securing the future of coffee. Our goal is to deliver meaningful change and build long-term resilience across our business.

The outcomes of our double materiality assessment are used to determine the most material sustainability impacts, risks and opportunities for our business. These are identified through a financial materiality lens, stemming from our impacts on, or dependencies on, natural, human or social resources. This insight guides our strategic sustainability priorities for the short, medium and long term and supports the integration of sustainability practices across the organisation and its operations. The results also feed directly into our risk management processes, strengthening the resilience of our business model against emerging risks and opportunities and supporting alignment with reporting requirements.

Our human rights and environmental due diligence framework enables us to take action to prevent or mitigate negative impacts on people and the environment in our supply chain. This approach builds on our long-standing expertise in coffee and incorporates new tools, data and technologies that support our goals.





ASSESS

We focus on the key challenges in securing the future of coffee, particularly within origin countries facing significant socio-economic and environmental pressures. Through our HREDD approach, we identify and assess critical supply chain issues and collaborate with partners to develop solutions that create value for both our business and our stakeholders.

Third-party assessments help us understand and map our supply chains and determine priority areas. This includes a representative sample of on-the-ground farmer assessments using the Global Coffee Platform Coffee Sustainability Reference Code, covering issues such as child labour, working conditions and climate impact. These findings are grounded in publicly available datasets, including WRI Aqueduct, GLAD Forest Loss, WorldCover and CropGrids.

We also engage suppliers through self-assessments to evaluate responsible business practices and the risks and opportunities within farming communities. Understanding socio-economic dynamics is essential, as these directly shape how farmers interact with their environment. Persistently low coffee yields in some regions severely undermine incomes, leaving farmers financially exposed and often driving deforestation as smallholders expand cultivation to offset revenue losses. This not only worsens environmental degradation but also accelerates climate change, further intensifying the challenges faced by these communities.

ADDRESS

We proactively address issues in our value chain by promoting regenerative agricultural practices and investing in long-term climate resilience initiatives, such as new coffee varieties and biochar. These multi-year projects, delivered in partnership with farmers, cooperatives, suppliers, NGOs and governments, are concentrated in regions where we have identified high to medium risks. The projects aim to strengthen the resilience of smallholder farmers by providing technical assistance and on-farm demonstration sites to increase adoption of regenerative practices.

Recognising the intrinsic link between coffee supply chains and biodiversity-rich habitats, we pursue a holistic approach that integrates sustainable agriculture, biodiversity conservation, soil health and water stewardship. Regenerative practices – including shade management, cover cropping, soil conservation and integrated pest, disease and nutrient management – are central to our climate resilience and net zero goals. We do not use biodiversity offsets, as we believe issues must be addressed directly within our supply chain. Instead, we invest in reversing nature loss through farmer training and long-term partnerships.

PROGRESS

We measure progress through key performance indicators within our farmer programmes and supplier assessments, sharing insights and scaling what works. If suppliers do not align with our sourcing principles, we work with them on a time-bound improvement plan. If they do not implement these plans in good faith or within the agreed timeframe, we take further action.

We report our progress through our Annual Report, which includes detailed updates on regenerative agriculture adoption, deforestation-free sourcing and farmer engagement initiatives. Our Responsible Sourcing [webpage](#) is updated continuously and outlines our principles, implementation steps and case studies from origin countries.



Our human rights and environmental due diligence framework enables us to take action to prevent or mitigate negative impacts on people and the environment in our supply chain

FARMING ARCHETYPES

Given the scale of global coffee production, which is estimated at 12.5 million farms, and our sourcing footprint (approximately 8% of global supply), we are likely directly connected to at least 1 million farmers each year. However, as we do not purchase the full production from most farmers and instead source specific quality grades, we may be indirectly connected to around 4 million farmers annually. Because we are not vertically integrated, the pool of farmers we source from varies year by year, complicating efforts to address highly localised nature-related risks. To manage this complexity, we apply a farmer archetype model that groups producers based on shared production systems, constraints and opportunities.

Coffee-producing countries across our supply chain face common pressures, including a net loss of coffee-growing area, low yields, increasing pest and disease prevalence, and rising water demand driven by irregular precipitation. To ensure our strategies address these realities effectively, we cross-referenced TechnoServe's¹ farmer segmentation with our own observations, identifying shared nature-related dependencies, impacts, risks and opportunities. This analysis revealed three main coffee-farming archetypes, each facing a distinct combination and intensity of challenges for transitioning to regenerative agriculture. These archetypes form the basis for targeted engagement, capacity building and risk mitigation strategies that can be applied across diverse origins.

BRAZIL & VIETNAM

CHARACTERISED BY HIGH YIELDS, HIGH MECHANISATION INCLUDING IRRIGATION AND HIGH INPUT



EAST AFRICA & INDONESIA

CHARACTERISED BY LOW YIELDS, SHADE-GROWN AND RAIN-FED COFFEE, LOW MECHANISATION AND LOW INPUT



LATIN AMERICA

CHARACTERISED BY MEDIUM YIELDS, SHADE-GROWN AND RAIN-FED COFFEE, WET MILLING, AND LOW TO MEDIUM INPUT



¹ <https://www.technoserve.org/regenerative-coffee-investment-case/>

PRIORITIES & MITIGATION STRATEGIES

Our assessment identified several key transition and physical risks across all archetypes, signalling potential challenges to delivering our nature transition plan. These risks were analysed in relation to their potential impacts on ecosystems and supply chain stability. We reviewed data on labour trends and environmental performance and participated in industry working groups such as the Global Coffee Platform, International Coffee Organization, European Coffee Federation and Sustainable Coffee Challenge. Dominant risks were allocated based on materiality to both financial impact and nature.

Following the TNFD guidance on scenario analysis and sector-specific recommendations, a comprehensive list of nature-related risks was compiled. This list included acute, chronic and systemic risks. After a pressure assessment and alignment with our business model, this list was aggregated into key risks and opportunities. These were further evaluated based on:

- **likelihood**, measuring the probability of a risk occurring; and
- **severity**, measuring the potential impact or consequences if it does occur;

finally resulting in five priority risks listed in the table below.

These key transition and physical risks amplify the systemic threat to coffee agriculture. Once climate change and nature degradation cross critical tipping points, the cultivation of coffee in a whole landscape will be at risk.

Each risk was assessed regionally across two scenarios influenced by critical uncertainties: ecosystem service degradation (linked to physical risks, such as climate change) and the evolution of policy and regulation (linked to transition risks, particularly in relation to policy responses to nature- and climate-related risks).

This process produced four scenarios, with the two most extreme cases prioritised for in-depth analysis.

Risk type	Risk	Scenario 1: Business-as-usual		Scenario 2: Bending the curve	
		2030	2050	2030	2050
Transition Risk (policy & legal)	1 Increase in compliance costs	Similar to current	Worse	Better	Better
	2 Lack of clear regenerative agriculture thresholds	Similar to current	Similar to current	Better	Better
	3 Barriers for regenerative agriculture adoption	Worse	Much worse	Better	Much better
Physical Risk (acute)	4 Climate change-related weather events	Worse	Much worse	Similar to current	Better
Physical Risk (chronic)	5 Ecosystem degradation	Worse	Much worse	Worse	Better



SCENARIO 1: BUSINESS-AS-USUAL

This scenario projects a continued deterioration of global ecosystem health, compounded by the increasingly visible impacts of climate change. While isolated local successes occur, the overall policy and regulatory framework remains largely ineffective in addressing these challenges.

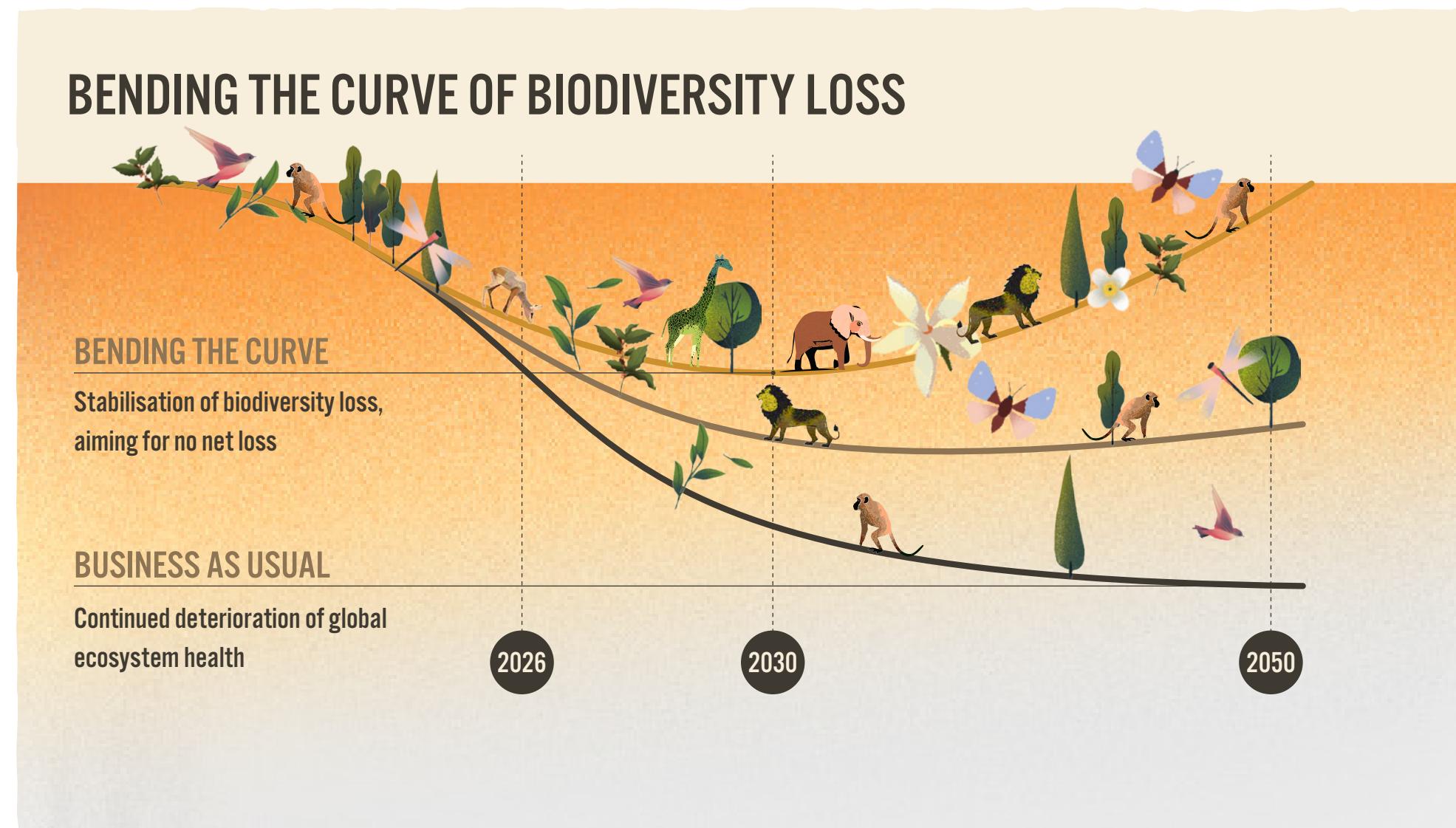
SCENARIO 2: BENDING THE CURVE

This scenario envisions the stabilisation of biodiversity loss, aiming for no net loss, while acknowledging the continued, but less severe, impacts of climate change. A globally coherent policy and regulatory framework emerges, offering a unified and effective response.

Two timeframes are considered in this scenario:

- The TNFD recommends a 2030 timeframe, aligned with the Global Biodiversity Framework (GBF) target for halting and reversing nature loss.
- A longer-term horizon of 2050, in line with the GBF's vision of 'living in harmony with nature', serves as a second reference point for transition planning.

We implemented a scoring process: risks were assessed on a scale ranging from 'much worse' to 'much better', while opportunities were evaluated from 'not relevant' to 'very relevant'. This process resulted in a final list of five key risks, summarised in the table on the previous page.



SYNERGIES AND TRADE-OFFS

With our clear focus and expertise in coffee, JDE Peet's sustainability strategy recognises both synergies and trade-offs between different dimensions of corporate sustainability – particularly where they intersect with nature. Understanding and managing these interdependencies is essential, as some actions can create beneficial connections while others may generate tensions between competing objectives.

DEFORESTATION

Preventing further coffee-related deforestation lies at the heart of both our climate and nature transition strategies. We are committed to achieving deforestation-free supply chains for green coffee, palm oil, cocoa, and paper and pulp. This ambition aligns with the Global Biodiversity Framework, the EU Biodiversity Strategy and our SBTi-validated net zero target.

Forest conservation is critical to achieving these goals, as historical deforestation influences our total carbon footprint. Avoiding new forest loss is therefore essential, and over time will eliminate this source of impact entirely. Our ability to source from a diverse set of origins is also a strategic consideration. Environmental degradation in one region may shift sourcing pressure to other landscapes, highlighting the importance of maintaining healthy, resilient ecosystems across our full supply chain.

REGENERATIVE AGRICULTURE

Our mitigation strategy largely focuses on regenerative agriculture. Its benefits support both our biodiversity conservation targets and the well-being of farming communities. This approach also respects and strengthens farmers' land use rights, recognising their central role in sustainable land stewardship.

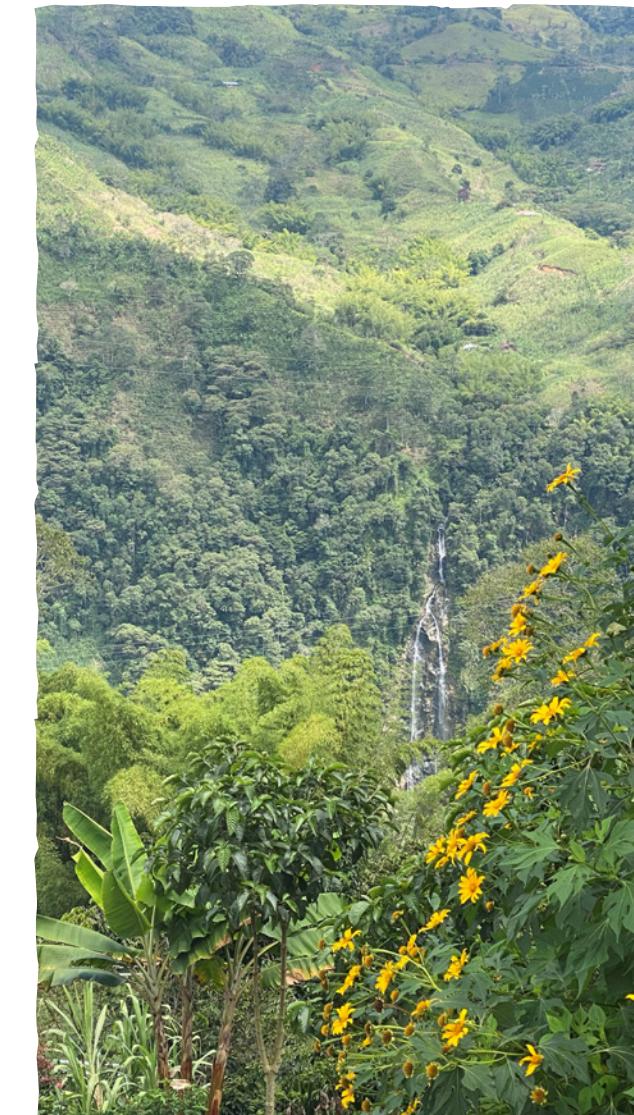
We follow the Global Coffee Platform Definition of Regenerative Agriculture for coffee:

a holistic, outcome-focussed approach to sustainable coffee farming that emphasizes improving and restoring resources and services by nature (primarily soil, biodiversity and water) to achieve improved profitability and resilience of coffee farming systems with benefits for farmers and ecosystems, thus ensuring long-term coffee supply.

Enhancing farmer prosperity is central to our responsible sourcing approach and to securing the future of coffee. A key component is increasing yields, yet achieving this without placing additional pressure on nature and climate presents challenges. Regenerative agriculture offers a powerful opportunity to reduce pressure on nature while strengthening climate resilience and reducing carbon footprint.

Sustainable practices enable coffee farms to optimise productivity without encroaching into native ecosystems, supporting both yield improvement and ecosystem protection. However, regenerative agriculture is not a one-size-fits-all solution. Each coffee-producing region and farming archetype faces distinct constraints and opportunities. A TechnoServe study co-funded by JDE Peet's revealed that effective investment strategies must be tailored to local conditions, and in some contexts may require balancing nature enhancement with decarbonisation goals.

We support the conservation and restoration of degraded landscapes through direct interventions, multi-stakeholder collaboration and participation in landscape-level programmes. All efforts respect the free, prior and informed consent (FPIC) of Indigenous Peoples and local communities, as outlined in our Human Rights Policy and due diligence processes. To strengthen resilience, we invest in farming communities at origin, including regions we may not source from every year, ensuring scalable and lasting impact across global coffee landscapes.



TRANSITION RISKS (POLICY & LEGAL)

INCREASE IN COMPLIANCE COSTS

Growing global regulatory demands, including the EU Deforestation Regulation (EUDR), the Corporate Sustainability Due Diligence Directive (CSDDD) and national policies aligned with the Kunming-Montreal Global Biodiversity Framework (GBF), are raising expectations for traceability, transparency and sustainability across agricultural value chains.

These regulations place significant pressure on producers and companies to deliver verified, deforestation- and conversion-free supply chains, often within short timeframes. This results in higher compliance costs and increased administrative burdens, particularly in high-risk landscapes with weak governance or limited data availability. These costs affect all farming archetypes and have implications both upstream and within our own operations.

Regional impacts vary. Brazil and Vietnam generally achieve higher earnings due to greater yields and larger farm sizes, while East Africa & Indonesia face lower returns and therefore higher vulnerability to rising compliance costs. Increased due diligence, data collection and reporting requirements introduce short-term operational costs and raise the risk of non-compliance affecting access to favourable markets, which are of particular concern for East Africa and Indonesia.

While enhanced traceability and sustainable land use practices can significantly strengthen environmental outcomes, they also carry the risk of excluding farmers and supply chains in vulnerable regions with limited technical capacity or financial resilience. Such exclusion can create unintended consequences, including supply chain fragmentation and environmental leakage (for example, shifting deforestation to unregulated markets). In some jurisdictions, farmers may choose to leave formal value chains altogether rather than adapt, posing risks to both livelihoods and long-term sustainability outcomes.

1 Transition Risk: increase in compliance costs

Mitigation strategy	Engagement activity
Build and deploy compliance frameworks	<ul style="list-style-type: none"> Invest in inclusive, scalable supplier mapping tools. Embedded compliance processes into procurement policies and supplier onboarding workflows.
Strengthen local compliance capacity	<ul style="list-style-type: none"> Support land tenure documentation (where applicable) and geolocation data collection, including traceability systems, plot-level mapping and digital farmer records. Deploy Human Rights and Environmental Due Diligence processes Expansion of jurisdictional/landscape-level pilot projects with deforestation and degradation early warning systems. Awareness-building on environmental compliance expectations. Support access to blended finance for compliance upgrades (e.g., digital traceability systems, agroforestry practices).
Influence and adapt to regulation development	<ul style="list-style-type: none"> Advocate for sector-wide alignment on inclusive landscape-level farmer support. Pre-competitive investment in global coffee deforestation mapping.



Expected outcomes

- Improved supply chain transparency;
- Stronger links between due diligence and positive environmental outcomes;
- Reduced regulatory and reputational risk, especially through our deforestation-free commitment;
- Increased supplier resilience and long-term economic viability, particularly for smallholders;
- Prevention of environmental leakage and producer exit from regulated markets;
- Contribution to broader corporate goals on sustainability, ethical sourcing, and livelihood support.



LACK OF CLEAR REGENERATIVE AGRICULTURE THRESHOLDS

Across all farming archetypes, two key upstream risks are emerging with regard to the implementation of regenerative agriculture: namely **the lack of clear thresholds** and **the uncertainty around the pace and scale of biodiversity improvements** that result from these practices. These risks make it difficult for companies to set measurable targets, verify claims and demonstrate progress, and can pose reputational and operational risks.

Further ambiguity complicates investment decisions, weakens reporting confidence and challenges stakeholder engagement. These risks are intensified by the absence of universally accepted indicators, limited availability of granular ecological data and evolving expectations from policymakers and consumers. Ultimately, this slows the adoption of regenerative agriculture practices, leaving farmers reliant on conventional methods and delaying nature-positive outcomes.

2

Transition risk: Lack of clear regenerative agriculture thresholds

Mitigation strategy

Develop sector alignment on regenerative agriculture thresholds

Engagement activity

- Apply a tiered, adaptive approach to regenerative agriculture implementation across all archetypes.
- Co-develop thresholds with project implementers to ensure local fit, build trust, and support long-term resilience.
- Align efforts with global targets (e.g., GBF, SBTN), regulatory frameworks (e.g., CSRD, ISSB) and voluntary frameworks (e.g., TNFD, GCP).
- Collaborate with external stakeholders to advance credible, science-based metrics.



Expected outcomes

- Improved clarity, credibility, and comparability of regenerative agriculture efforts across supply chains;
- Enhanced supplier resilience and stronger relationships through co-developed thresholds and support;
- Early alignment with science-based targets and EU policy expectations, reducing future compliance risks;

- Stronger positioning in response to biodiversity-related disclosure requirements and reputational expectations;
- Contribution to global goals, including SDG 15, CBD GBF Targets 2 & 3, and the EU Green Deal.

BARRIERS FOR REGENERATIVE AGRICULTURE ADOPTION

Labour shortages in Brazil and Vietnam create indirect environmental impacts and affect the feasibility of regenerative agriculture. In Vietnam, alternative agricultural commodities (e.g., durian, avocado) have become increasingly attractive owing to shorter yield cycles and higher profit margins. This trend heightens the risk of labour shortages and disrupts supply chain continuity. Practices such as replacing mature coffee plants with short-cycle annual crops to capture market opportunities can also degrade soil health over time.

In Brazil, coffee is a high-value commodity, and workers often negotiate wages in line with elevated coffee prices. As prices are expected to rise under climate pressure, higher wage demands will continue to increase production costs. Reduced workforce availability and rising labour expenses in both countries may leave farmers with fewer resources to invest in sustainable practices. Higher labour costs can also drive increased mechanisation and, in some cases, the sale of agricultural land to non-agricultural users.

These dynamics create significant operational challenges, as farmers must balance labour scarcity, rising input costs and long-term investment needs. Focusing on labour return helps uncover hidden unemployment, income variability and broader factors influencing household livelihoods, including time spent on farm activities, farm size and off-farm income. This approach supports more targeted interventions to address living income and wage gaps and to improve the resilience of farming households.

3 Transition risk: Barriers for regenerative agriculture adoption (Brazil and Vietnam)

Mitigation strategy	Engagement activity
Farmer labour rights training	<ul style="list-style-type: none"> Training on environmental legislation and forced labour to improve working conditions, promote fair wages, and engage local stakeholders. Education campaigns and field-based monitoring of social practices. Community labour groups for farm services; entrepreneurship training (e.g., vocational biochar, biodigesters). Targeted inclusion of youth and women in leadership roles. Balance deployment of mechanisation to reduce negative impacts on biodiversity.
External collaboration	<ul style="list-style-type: none"> Partnerships with NGOs and local governments to align on worker well-being objectives. Collaborate via the ICO Public-Private Taskforce – Living-Prosperous Income Workstream to address systemic income gaps and support sector-wide resilience. Fund research on the labour return of coffee, allowing for the prioritization of most impactful interventions.


Expected outcomes

- Contributes to a just transition aligned with international frameworks (e.g., Paris Agreement, GBF Targets 14 & 23, SDGs 1, 8, 13, 15);
- Enhances social sustainability and improves labour retention in coffee farming;
- Supports nature-positive outcomes by balancing economic viability with biodiversity goals;
- Reinforces resilience within Planetary Boundaries, especially land-system change and biosphere integrity.

In East Africa, Indonesia and Latin America, regenerative agriculture offers a pathway to improving farmer incomes, boosting productivity and strengthening rural economies. However, this transition is hindered by a range of barriers, creating risks to the wider adoption of regenerative practices.

These challenges include aligning farming guidelines with current best practices and supporting government institutions as they transition towards regenerative agriculture. In some cases, farmers receive conflicting advice – for example, public extension services may recommend established practices, while private organisations promote newer regenerative approaches. This inconsistency can create uncertainty and slow progress, highlighting the need for stronger alignment and shared learning across sectors to accelerate adoption. A further transition risk is the limited alignment between national agricultural guidance and private-sector regenerative agriculture initiatives. In some countries, there is an opportunity to further align policies with emerging best practices, helping farmers make informed decisions and accelerating the adoption of nature-positive methods.

Transitioning to regenerative agriculture typically requires both upfront investment (for equipment and infrastructure) and ongoing operational support. A lack of consistent financial resources remains a key constraint, particularly where affordable smallholder finance or insurance mechanisms are scarce. While pricing incentives and shorter supply chains offer partial solutions, broader collaboration and new investment models are essential to enable inclusive, scalable adoption.

3

Transition risk: Barriers for regenerative agriculture adoption (East Africa, Indonesia and Latin America)

Mitigation strategy	Engagement activity
Harmonise local positions	<ul style="list-style-type: none"> Collaborate with national institutions and local stakeholders to understand positions, identify misalignments, and build trust. Review extension services through showcasing successful regenerative transitions and align institutional messaging to avoid confusion among farmers. Set up collaborative public-private platforms (e.g., demonstration sites, working groups).
Participatory and inclusive design	<ul style="list-style-type: none"> Include farmers and civil society actors in co-design processes to avoid top-down decision-making and marginalisation of local knowledge. Monitor and report on stakeholder engagement to mitigate risks of policy capture or exclusion. Support financial literacy and showcase opportunity for additional income streams (e.g., cover crops, honey, own composting).
Long-term system reform	<ul style="list-style-type: none"> Engage in strategic advocacy to embed regenerative agriculture in national policies, research agendas, and extension curricula. Partner with coalitions and governments to push for systemic incentives supporting smallholder-friendly regenerative practices. Ensure alignment with broader institutional and international frameworks. Promote forest conservation by encouraging cultivation in already cleared land. Landscape-level restoration planning by restoring degraded areas by planting native trees, building native species nurseries and improving soil structure. Government training on deforestation mapping and land use planning.



Expected outcomes

- Strengthens trust in regenerative agriculture through consistent, science-based, and locally adapted guidance;
- Increased adoption of regenerative agriculture through better access to technical support, finance, and markets;
- Reinforces alignment with national priorities and avoids duplication/conflict with public institutions;
- Facilitates measurable contributions to SDG 1 (No Poverty) & SDG 15 (Life on Land) and Global Biodiversity Framework Targets 10 & 14;
- Mitigates regulatory and reputational risks by demonstrating proactive collaboration and transparency.

PHYSICAL RISKS (ACUTE)

CLIMATE CHANGE-RELATED WEATHER EVENTS

All farming archetypes are increasingly exposed to acute physical risks driven by climate change, particularly heightened water stress and the growing prevalence of pests and diseases. These risks compromise the stability of agroecosystems, increase production and sourcing costs, and weaken both farmer and business resilience.

Water scarcity, especially in regions already experiencing high or extreme baseline stress, reduces watershed health, limits soil moisture retention and alters local biodiversity patterns. This places greater strain on shared water resources, accelerates ecological degradation and compounds production risks. For large producers, the impacts are primarily operational and cost-related. In contrast, East Africa and Indonesia and Latin America, which rely predominantly on rain-fed systems, face heightened vulnerability due to limited adaptive capacity and dependence on ecosystem-regulated water cycles.

The spread of pests and crop diseases, often a symptom of ecological imbalance, represents another acute physical threat. Changing temperature and precipitation patterns intensify outbreaks, reducing yields, increasing input requirements and disrupting ecological regulation mechanisms such as predator-prey balance and soil microbiome health. Agroforestry systems may buffer these effects through higher biodiversity, whereas monoculture-dominated systems face significantly greater systemic risk.

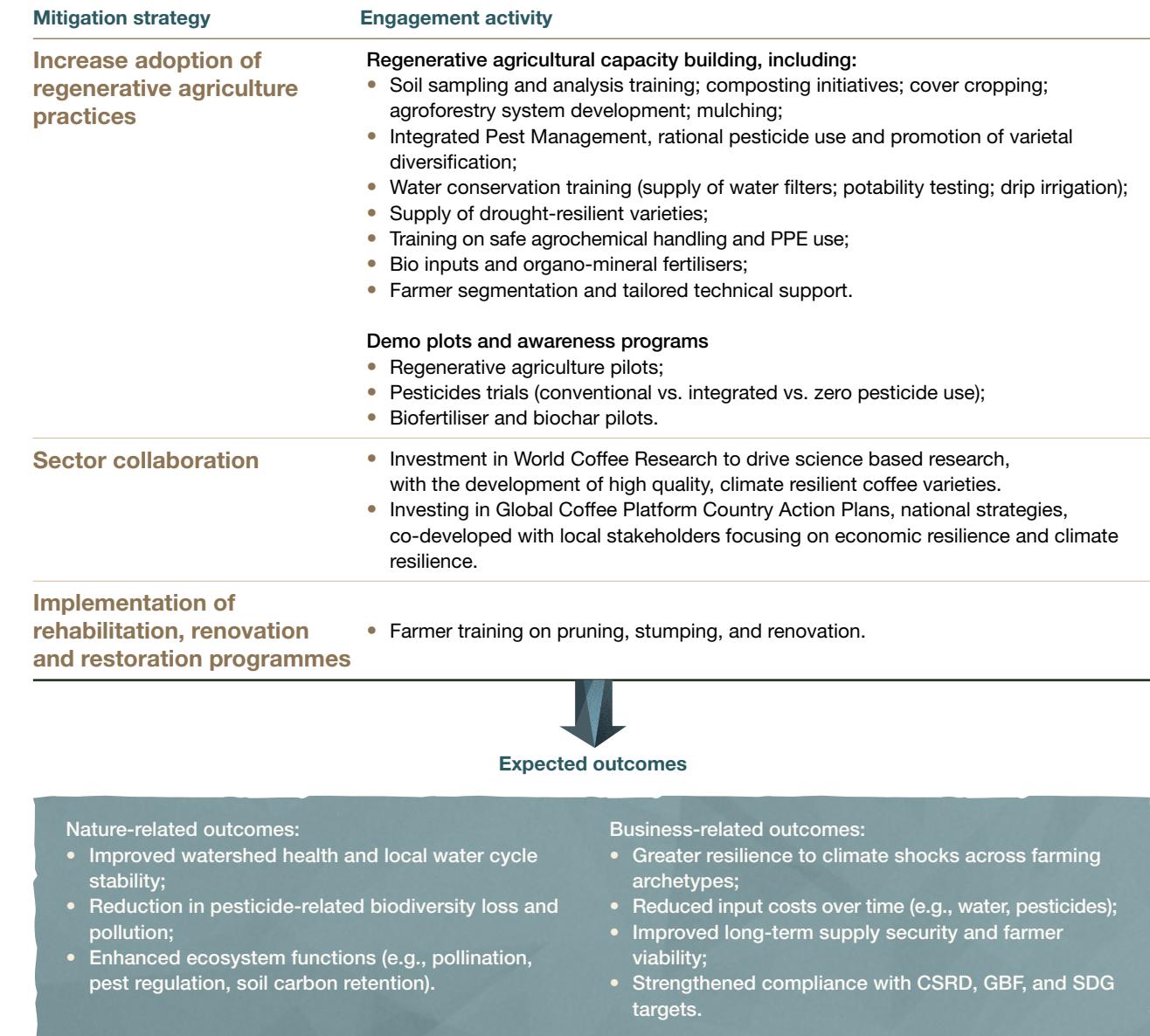
These environmental stressors indicate a weakening in an ecosystem's ability to buffer climatic shocks and maintain essential functions such as pollination, natural pest control and nutrient cycling. The result is cascading impacts on supply continuity, rural livelihoods and cost structures across the value chain.

Farmers with higher base yields are better equipped to absorb acute losses caused by extreme weather. Their relatively higher incomes and ability to renovate, rehabilitate and restore farmland allow for stronger climate adaptation. While regenerative agriculture and improved land stewardship offer meaningful mitigation potential, practical trade-offs may arise. Reduced pesticide use, for example, requires additional investment in knowledge and alternative pest management strategies, while adaptive water practices may challenge existing infrastructure or economic priorities. Nonetheless, a nature-positive, systems-based response remains critical to mitigating these risks over the long term.

This approach aligns with evolving regulatory and voluntary frameworks, including the Corporate Sustainability Reporting Directive (CSRD), the Global Biodiversity Framework (Targets 7, 10 and 11), the Paris Agreement, the Sustainable Development Goals (1: No Poverty; 6: Clean Water and Sanitation; 13: Climate Action; 15: Life on Land) and the Planetary Boundaries framework, all of which call for urgent action to reduce climate-related risks and safeguard ecosystem resilience.

4

Physical Risks (Acute): Climate change-related weather events



PHYSICAL RISKS (CHRONIC)

ECOSYSTEM DEGRADATION

Ecosystem degradation, through deforestation, overuse of inorganic inputs, overexploitation of land and poor agricultural practices, poses a significant threat to long-term land productivity, farmer livelihoods and sourcing resilience. Across all farming archetypes, declining biodiversity, soil health and water availability and quality undermine agricultural output, contributing to yield volatility and greater economic vulnerability.

This degradation weakens local biodiversity and essential ecosystem services, such as nutrient cycling, soil structure and pollinator habitats, and increases JDE Peet's exposure to raw material risks and potential price volatility. As ecosystem functions deteriorate, farmers may be forced to relocate cultivation to more fertile or stable areas. Such shifts can lead to higher production costs, increased competition for land and the loss of place-based farming knowledge, with cascading effects on supply continuity, farmer well-being and nature.

These dynamics are most acute in East Africa and Indonesia and Latin America, where high biodiversity value intersects with poverty. In these contexts, the significant upfront costs associated with soil recovery, training and agroecological transition, including investment in infrastructure, inputs and monitoring, may delay the adoption of regenerative practices and widen inequalities between farmers with differing access to finance and technical support.

In the short term, shifts towards nature-positive farming may require reduced land-use intensity or input changes that challenge current productivity models. However, long-term resilience depends on embedding soil and ecosystem health into business strategy. This approach aligns with the CSRD, the Global Biodiversity Framework (Targets 8, 10 and 11) and the Sustainable Development Goals (particularly SDGs 1, 12, 13 and 15), which collectively call for integrated responses to land degradation, climate adaptation and nature restoration.

5 Physical Risks (Chronic): Ecosystem degradation

Mitigation strategy	Engagement activity
Sector collaboration	<ul style="list-style-type: none"> Participate in collaborative action initiatives, such as: <ul style="list-style-type: none"> - GCP Collective Action Plans; - E-Coffee Pesticides Research; - CIRAD BOLERO programme; - Sustainable Coffee Challenge.
Increase adoption of regenerative agriculture practices	<ul style="list-style-type: none"> Provide targeted farmer training in regenerative practices, including: <ul style="list-style-type: none"> - Water- and energy-efficient systems for irrigation and processing; - Agroforestry system development; - Cover cropping, mulching, erosion control, nutrient analysis. Co-finance the upfront transition costs for regenerative infrastructure, tools, and training
Forest conservation and restoration	<ul style="list-style-type: none"> Forest protection partnerships to monitor and remediate deforestation and environmental impact. Promote forest conservation by encouraging cultivation in already cleared land. Landscape-level restoration planning by restoring degraded areas by planting native trees, building native species nurseries and improving soil structure. Government training on deforestation mapping and land use planning.



Expected outcomes

Improved ecosystem health

- Improved soil health and fertility, leading to increased yield stability;
- Reduction in hazardous agrochemical use;
- Reduced deforestation and active forest conservation;
- Rehabilitated ecosystems with restored biodiversity and ecological functions.

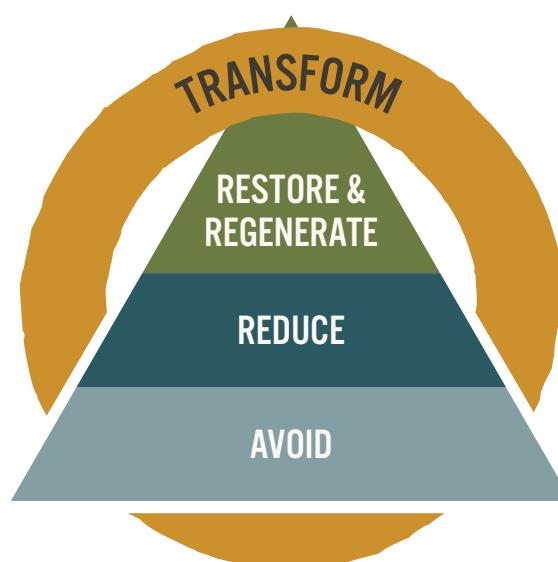
Reduced risk exposure from land degradation and climate shocks

- Enhanced farmer resilience and income security;
- Protection of high-biodiversity landscapes via sustainable intensification;
- Lower long-term production costs via improved input efficiency targets.

METRICS & TARGETS

When addressing risks and opportunities, businesses should prioritise actions that prevent or reduce negative impacts on nature over efforts to restore or mitigate existing damage through reconstructive or compensatory measures.

This approach aligns with the mitigation hierarchy principles, such as the Science Based Targets for Nature (SBTN) AR3T framework, which outlines four types of actions to be followed in sequence. AR3T is aligned with JDE Peet's due diligence framework, emphasising proactive solutions and engagement rather than using traceability as a tool for exclusion.



The AR3T framework includes:

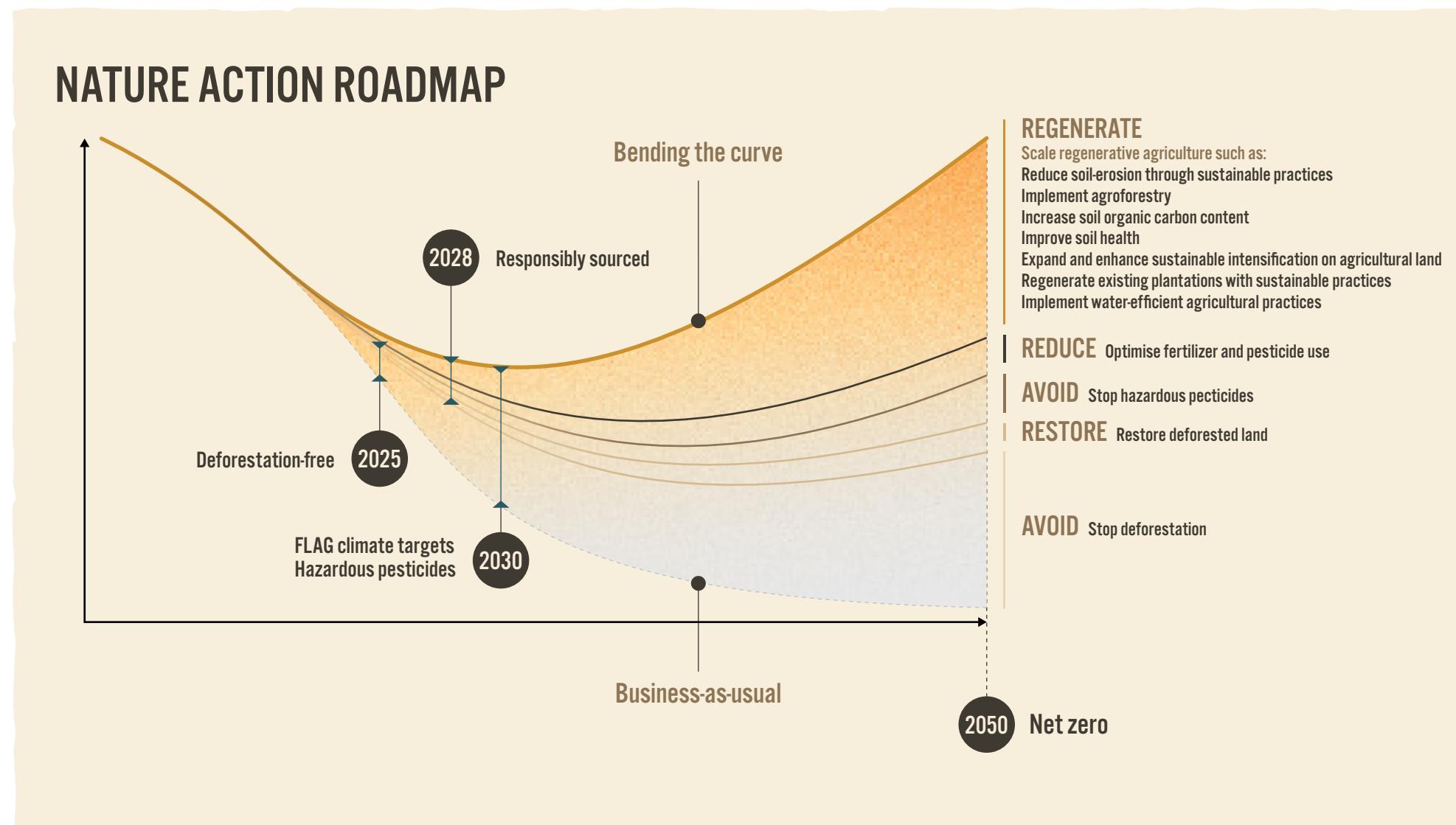
- **Avoid:** Prevent negative impacts from occurring in the first place; eliminate negative impacts entirely
- **Reduce:** Minimise negative impacts that cannot be fully eliminated
- **Regenerate:** Enhance biophysical functions and ecological productivity within existing land, ocean, or freshwater use, prioritising key ecosystem services
- **Restore:** Initiate or accelerate the recovery of ecosystems in terms of health, integrity and sustainability, with a focus on achieving permanent positive changes.

Additionally, the framework incorporates transformative action, which focuses on how organisations can drive systemic change both within and beyond their value chains. JDE Peet's nature transition plan aligns with the mitigation hierarchy, focusing on mitigating deforestation and advancing sustainable agriculture. This approach aims to shift from business-as-usual toward a more nature-positive future.

Mitigation strategy	Metric	Baseline	Target
Increase adoption of regenerative agriculture practices	Hectares of coffee-growing farmland under at least three regenerative practices	5.5m ha in 2025	Through our investment in the farmer projects, we aim to support the expansion of regenerative coffee farming practices, adding approximately 200,000 hectares by 2030.
Implementation of rehabilitation, renovation and restoration programs	Hectares of coffee area rehabilitated, restored, or renovated	n/a	Project specific (hectares)
Forest conservation and restoration	Deforestation-free green coffee	99.9% in 2024	100% by 2025
Build and deploy compliance frameworks	Responsibly sourced green coffee	83.2% in 2024	100% by 2028
Strengthen local compliance capacity			
Farmer & worker human and land rights training	Farmers and workers trained on relevant human and land rights topics	n/a	Project specific (farmers)

While biodiversity, soil and water are critical components of nature, we have chosen not to set global outcome targets or track these dimensions in detail across all operations. This decision reflects the highly complex and context-specific nature of these environmental factors, which do not lend themselves to meaningful aggregation at a global scale. Relevant measures for biodiversity, soil health and water outcomes vary significantly by geography, ecosystem type and project scope, limiting their comparability and overall relevance across diverse settings.

Moreover, the cost and resource intensity required to collect high-quality, site-specific data at scale would outweigh its potential decision-making value, particularly as these metrics are unlikely to materially shift our investment priorities or strategic direction. Instead, we will continue to support localised, fit-for-purpose monitoring where it directly informs project design and stakeholder engagement, while focusing our global efforts on areas where consistent, scalable measurement is both feasible and impactful.





ENGAGEMENT & COLLABORATION

ENGAGEMENT STRATEGY

Nature-related risks pose significant threats to business continuity and farmer livelihoods. To build resilience and drive systemic change, we engage with stakeholders across the coffee sector – from smallholder farmers to governments and multi-stakeholder platforms. Stakeholder engagement is guided by our Human Rights and Environmental Due Diligence (HREDD) process, which incorporates the identification and mitigation of potential adverse impacts on people and nature.

At sector level, for example, we partnered with the Global Coffee Platform and industry peers to set regenerative agriculture standards and co-invest in building the business case for regenerative coffee. At landscape level, we collaborate with farming communities, NGOs, suppliers and local governments to co-develop solutions tailored to local ecological and cultural contexts.

As nature is hyper-local, it is essential that action is prioritised based on local conditions. Our risk assessment framework allows us to evaluate not only biophysical hazards (e.g., declining soil health, drought, biodiversity loss), but also the degree of exposure (e.g., geographic concentration of sourcing regions, reliance on climate-sensitive crops), and the vulnerability of stakeholders, particularly smallholder farmers and local communities, who may have limited adaptive capacity.

We use this framework to determine where engagement and collaboration are most urgently needed. In high-risk areas, we co-develop programmes with suppliers, NGOs and governments to build farmer resilience through regenerative practices, climate-smart training and improved access to inputs and finance. The HREDD approach ensures that the most vulnerable groups are actively involved in shaping solutions and that their rights and needs are recognised. We have identified multiple landscape-level challenges across our sourcing regions and collaborate with local, private and public stakeholders to address them.

Our strategy respects the rights of Indigenous Peoples and Local Communities (IPLCs), in line with ILO conventions and UN declarations. We embed these principles into our project design, supplier assessments and collaboration frameworks. Engagement with IPLCs is participatory and respectful of traditional knowledge, ensuring that initiatives are developed with communities rather than imposed upon them.



As nature is hyper-local, it is essential that action is prioritised based on local conditions



PROJECT DESIGN PROCESS

To support effective partnerships with suppliers and NGOs, we follow a structured engagement process that ensures relevance, transparency and shared accountability. When a potential partner expresses interest, they are provided with a Proposal Toolkit, which includes templates and guidance to develop a comprehensive project proposal.

These templates capture demographic and economic data from the project area, such as the number of targeted farmers (including breakdowns by gender and age), access to training and finance, land size, crop yield and income. Partners are also asked to assess internal and external risks, rating their likelihood and impact and proposing mitigation actions.

Once submitted, proposals are reviewed by local agronomists and subject matter experts, who assess each proposal against JDE Peet's HREDD process, including the Hazard, Exposure, Vulnerability (HEV) risk analysis, project feasibility, alignment with local needs, budget suitability, sourcing strategy and potential collaboration opportunities.

If viable, the proposal is submitted for approval to the Responsible Sourcing Director, supported by field scouting insights and the identification of priority locations, particularly those near ecologically sensitive areas.

The success of any project relies on strong farmer engagement and ownership; therefore, community engagement is carried out through collaboration with grassroots organisations and village meetings to raise awareness and manage expectations, emphasising that benefits may include capacity-building rather than direct financial gain. Implementation is managed by the partner and, where necessary, a local entity, who are responsible for establishing baselines, reporting on KPIs and meeting agreed targets.

Throughout the project, oversight is ensured through audits, farmer-list verification and in-field surveys led by third parties, with governance supported by a steering committee that includes the regional JDE Peet's Sustainability Manager.

“
The success of any project
relies on strong farmer
engagement and ownership

PARTNER / ETC. INTEREST

PROPOSAL TOOLKIT

- Background & Justification
- Farmer demographics (farm size, yield, income, infrastructure)
- Project goals and proposed outcomes
- Reporting, Monitoring & Evaluation
- Activities and Budget

PROPOSAL SUBMISSION

LOCAL AGRONOMIST REVIEW

- Relevance
- Feasibility
- Budget & donor needs
- Collaboration opportunities

RESPONSIBLE SOURCING DIRECTOR

PROPOSAL INSIGHTS

- Connect to Commercial Team
- On-the-ground information
- Risk area identification
- Baseline plan (via registration)

LOCAL RECRUITMENT & ENGAGEMENT

CHANNELS

- Civil society organisations, grassroots organisations, farmer groups
- Village town halls (non-financial benefits, Q&A)

PARTNER IMPLEMENTATION

REPORTING

- Contract signed
- Targets agreed
- Farmers registered
- Baseline reporting
- Qualitative & quantitative annual reporting
- Annual narrative
- Biannual KPI meetings

OVERSIGHT & ACCOUNTABILITY

AUDITS & VERIFICATIONS

- Farmer list & field check
- Steering Committee (incl. JDE Peet's manager)
- Continuous feedback loop
- Third party project verification

ACTIVE PROJECTS

BRAZIL AND VIETNAM

For large-scale producers, JDE Peet's collaborates with both public sector stakeholders (e.g., local governments, agricultural authorities) and private sector partners (e.g., suppliers, cooperatives, ag-tech providers). Long-standing collaborations are focused on promoting regenerative agriculture, ensuring compliance with environmental and social regulations, and supporting climate-smart practices. Engagement activities include policy advocacy, capacity building, and co-development of tools to support sustainable production and worker well-being.

Mitigation strategy	Country	Project name	Partner	Start year	End year	Farmers targeted
Sector collaboration	Brazil	ECoffee R&D Initiative	CIRAD (French Agricultural Research Centre for International Development)	2020	2030	n/a
		GCP Brazil Collective Action Plan For Farmer Prosperity	Global Coffee Platform	2025	2027	10,000
		On Good Grounds: Promoting Climate-Smart Coffee Farming	COFCO	2023	2027	1,200
		Growing Together	Comexim	2022	2026	600
		Planeta Agua	Exportadora Guaxupé	2023	2025	350
		Partnership for Promotion and Development of Regenerative Agriculture for Coffee in Brazil	Syngenta	2024	2026	30
		Producer Engagement on a Regenerative Agriculture Journey	Louis Dreyfus Company	2025	2028	1,000
		Planeta Agua – Phase II	Exportadora Guaxupé	2025	2028	1,000
		Conexão Sustentável	Yara Brasil, OFI	2025	2027	21
		Re-Col-Ha: Regenerative and Collaborative Harvest in Brazil	Sucafina	2025	2029	128
Total Brazil						15,029



EAST AFRICA & INDONESIA

Coffee production in East Africa and Indonesia is dominated by smallholder systems, where farmers typically manage less than two hectares of land and depend heavily on coffee for their livelihoods. These regions are highly biodiverse and home to many endemic species, but they also face increasing pressure from land degradation, forest encroachment and climate change.

Within this context, smallholder farmers often operate in fragile socio-ecological systems, where low productivity, limited access to inputs and a lack of market transparency can drive practices that contribute to environmental decline. Our engagement strategy in these areas focuses on integrated, landscape-level interventions and long-term partnerships that align improved farmer livelihoods with positive environmental outcomes.

These projects are implemented in collaboration with local NGOs, farmer cooperatives, government agencies and other supply chain actors. Each initiative is selected and tailored to the local context through participatory assessments, with the aim of delivering enhanced livelihoods and measurable nature-related outcomes, including reduced deforestation, improved soil and water health and strengthened biodiversity indicators.

Mitigation strategy	Country	Project name	Partner	Start year	End year	Farmers targeted
Forest conservation and restoration	Indonesia	The Bukit Barisan Selatan Sustainable Commodities Partnership (BBS KEKAL)	Wildlife Conservation Society	2018	2027	2,000
	Côte d'Ivoire	Sustainable Forest Management Through Production, Protection and Inclusion in the Cavally Landscape	IDH, Ofi	2023	2026	8,000
Strengthen local compliance capacity	Indonesia	Addressing Deforestation and Livelihoods through Inclusive Coffee Supply Chains	ECOM, RVO (Netherlands Enterprise Agency), Rainforest Alliance	2024	2027	5,000
Increase adoption of regenerative agriculture practices	Indonesia	Agroforestry and Regenerative Agricultural Systems	ECOM	2022	2025	8,000
		Boosting Production of Low Carbon Coffee	LDC	2022	2025	6,000
		Cultivating Sustainable Coffee for Better Farmer Livelihoods, Gender Equity and Youth Participation (CULTIVAFE)	Rikolto	2024	2029	10,000
		Realignment for Bolstering Sustainability (ROBUSTA) Program	Sarimakmur, World Coffee Research	2025	2030	5,500
		SustainBrew - Empowering Indonesia's Coffee Communities and Promoting Social Sustainability	Sucafina, CARE Indonesia, CARE Netherlands, RVO (Netherlands Enterprise Agency)	2025	2027	3,000
Ethiopia	Ethiopia	ReGrow Yirga Phase II	TechnoServe, USDA	2025	2028	11,000
	Uganda	Enabling Farmers to Adopt Circular Organic Waste Management Technology	Marula Proteen, ETG, Touton	2024	2027	5,000
		Obumwe omumwani / Togertheness in Coffee	Touton	2023	2028	20,000
Kenya		Strategic Partnership for Green Coffee Sourcing in Western Kenya	Neumann Kaffee Gruppe	2022	2025	38,000
		Gusii Sustainable Landscape and Livelihoods Programme	Rainforest Alliance	2023	2025	10,000
		GCP Kenya Collective Action Plan For Farmer Prosperity	Global Coffee Platform	2025	2027	25,000



LATIN AMERICA

Across Latin America, smallholder coffee farmers face intersecting challenges, including low productivity, volatile market prices, environmental degradation and increasing climate stress. In countries such as Colombia, Peru and Honduras, productivity is often constrained by declining soil health, ageing coffee trees, heavy reliance on chemical inputs and recurrent pest and disease outbreaks. Water scarcity and pollution, particularly in mountainous areas, have also become more prominent due to climate change and unsustainable practices. These pressures have not only threatened farmer livelihoods, but also contributed to biodiversity loss, deforestation and rural outmigration.

Our engagement model in Latin America focuses on building farmer and institutional capacity to increase productivity while reducing environmental impact. This is achieved through regenerative agricultural practices, renovation of ageing farms, diversification of income sources and improved access to finance and markets. Projects are typically co-developed and implemented through multi-stakeholder platforms involving government agencies, NGOs, research institutions and private-sector partners, enabling systemic solutions and broader reach. Special emphasis is placed on youth and women's inclusion, water stewardship and the testing of low-carbon approaches that can be scaled across the region.

By aligning environmental goals with improved farmer resilience and profitability, these projects help reduce key nature-related risks, including soil degradation, chemical runoff and GHG emissions from coffee production. They also contribute to more stable, transparent and sustainable supply chains, ensuring that producers, especially smallholders, are empowered to meet future regulatory and market requirements.

GOVERNANCE



SUSTAINABILITY GOVERNANCE

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

- Oversees the implementation of the sustainability agenda and policies including climate change
- Reviews progress on ESG-related matters, including climate and nature-related issues as well as responsible sourcing, packaging, water, waste, health and safety, and diversity, equity and inclusion
- Monitors the progress of our Common Grounds sustainability programme, goals and targets.
- Reviews the input and recommendations of the Audit Committee in relation to sustainability topics
- Discusses the setting of targets related to material impacts, risks and opportunities and the way to monitor these.

The Board has appointed Sustainability Board Contacts to provide an oversight of ESG-related matters and advise the Executive Committee and company's senior management. The Sustainability Board Contacts meet on a quarterly basis with the Vice President (VP) Engagement to review and address critical sustainability issues. These meetings focus on assessing the impact, risks and opportunities related to sustainability, with particular attention given to any significant business transactions that may require further consideration. The detailed roles and responsibilities of the Board Sustainability Contacts can be found in the Board Sustainability Contact's terms of reference, which are available on the company's [website](#).

Responsibility for the company's Common Grounds sustainability agenda and programme lies with the CEO and the individual members of the Executive Committee responsible for specific business areas. Specifically, each member of the Executive Committee owns respective ESG targets that build our Common Grounds programme and is accountable for achieving these targets.

Led by the VP Engagement, the sustainability team subsequently works with a cross-functional leadership group composed of subject-matter experts from across the company, including areas such as procurement, manufacturing, research and development, marketing, human resources, finance and compliance to execute and measure the company's sustainability and climate change programmes.

Throughout the year, the company held quarterly programme review sessions, during which ESG subject-matter experts reported on the performance of KPIs, related to the Common Grounds programme and its key pillars, to the VP Engagement. The company's CEO takes part in these sessions at least once a year.

SUSTAINABILITY GOVERNANCE FRAMEWORK			
PROGRESS REVIEW	REPRESENTATIVES	FREQUENCY	
BOARD Strategic review and approval of Value Creation Plan and long-term strategy for sustainability	The Board	Twice a year	
BOARD SUSTAINABILITY CONTACTS Quarterly meeting between VP Engagement and the Board Sustainability Contacts	Board Sustainability Contacts VP Engagement	Quarterly	
AUDIT COMMITTEE Preparation of sustainability review of the Board, including giving recommendations and/or providing feedback. Before each meeting a slide deck will be provided as a pre-read containing material sustainability topics	Audit Committee	Quarterly	
EXCO Builds VCP and sets long-term strategy for sustainability	ExCo Sustainability team	Quarterly	
SUSTAINABILITY PROGRAMME REVIEW <ul style="list-style-type: none"> • KPI progress review • Strategic review of KPIs • Programme roadmap sufficiency • Risk assessment and mitigation 	Sustainability team LT members Pillar owners	Quarterly	
PILLAR + FUNCTIONAL OWNERS <ul style="list-style-type: none"> • Pillar programme steerco • Project identification / Funnel fuelling • Project evaluation on financial & non-financial • Interdependencies assessment • Budget review 	LT members Pillar owners	Differ	

CULTURE

HOW OUR VALUES POWER THE NATURE TRANSITION PLAN

Our Nature Transition Plan is more than a sustainability roadmap – it is a commitment to protect ecosystems, secure biodiversity and ensure resilient supply chains for generations to come. This ambitious plan aligns with global frameworks like the Global Biodiversity Framework (GBF) and the TNFD, focusing on regenerative agriculture, deforestation-free commodities and inclusive sourcing practices. To make this vision real, we rely on the strength of our four core values:

“ Our Nature Transition Plan is more than a sustainability roadmap – it is a commitment to protect ecosystems, secure biodiversity and ensure resilient supply chains for generations to come



DARE TO AMAZE

We challenge the status quo and innovate boldly to bend the curve on biodiversity loss. By embracing science-based approaches such as the TNFD and SBTN frameworks, we lead with curiosity and creativity, finding new ways to regenerate soils, protect habitats and empower farming communities. This value drives us to go beyond compliance and set industry-leading standards for nature stewardship.



MAKE IT SIMPLE

Nature-related challenges are complex, but our approach is clear and actionable. We remove unnecessary complexity by focusing on what matters most – stopping deforestation, scaling regenerative agriculture and safeguarding farmer well-being. Simplicity ensures speed and impact.



OWN IT

Accountability is at the heart of our transition plan. We take responsibility for our impacts and commit to measurable targets, such as achieving deforestation-free coffee and other commodities by 2025. Owning it means making tough decisions, anticipating risks like soil degradation or water scarcity, and acting decisively to mitigate them. Every team member plays a role in delivering on these commitments.



WIN TOGETHER

The nature transition is a collective effort. We collaborate across teams and geographies and with external partners, from farmers to global coalitions like TNFD. By sharing knowledge transparently and leveraging diverse perspectives, we create solutions that benefit nature, people and our business. Winning together means celebrating progress and supporting each other as we build a resilient, sustainable future for coffee.

GOVERNANCE-RELATED METRICS & TARGETS

Governance performance is tracked through internal audits and performance management systems.

Nature- and climate-related KPIs are integrated into executive performance reviews where relevant.

Controls supporting the nature transition plan are embedded in company-wide systems, including strategic planning, risk management and reporting processes.

While the transition plan is not currently subject to a shareholder vote, it is transparently disclosed through our Annual Report and broader sustainability disclosures.

Reported progress against most targets, such as GHG emissions and deforestation-free sourcing, is externally verified. For farmer-focused projects, monitoring includes audits and progress reports, with frequency determined during the project proposal phase. Our Human Rights and Environmental Due Diligence approach is externally validated by a third party (Bureau Veritas), ensuring that our Standard Operating Procedure (SOP) is aligned to international standards.



FINANCIAL METRICS

JDE Peet's uses financial metrics to monitor progress and manage risks related to nature and its transition to a more resilient, deforestation-free supply chain. These metrics focus primarily on raw material cost impacts and investments in responsible sourcing practices.

Our current priority is understanding cost implications of key transition risks (e.g., policy and legal changes) and physical risks (e.g., soil degradation, water stress, pest pressure), which directly impact the productivity and resilience of our value chains.

JDE Peet's applies a range of tools and methodologies to estimate financial impacts and track progress towards nature-related transition goals. Cost estimates are informed by direct supplier engagements, deforestation mapping efforts and scenario planning grounded in industry standards and regulatory due diligence requirements.

These metrics are reviewed annually and integrated into our ESG dashboards and procurement reporting processes to enable real-time visibility and responsive decision-making.

Where possible, financial metrics are aggregated at the global level. In cases where localised data is unavailable, proxy data or industry averages are used to estimate impacts. Our cost projections assume current regulatory demands and supplier capabilities remain stable; however, we acknowledge that future policy shifts or enforcement mechanisms could alter our exposure. Some limitations persist in the data, including reliance on supplier self-reporting.

Looking ahead, JDE Peet's is working to strengthen its use of forward-looking indicators. Our scenario analysis tools are evolving to better anticipate risks such as yield volatility, land degradation and supply disruption due to biodiversity loss. As data quality improves, we plan to integrate more dynamic and location-sensitive forecasting into our Annual Reports.

Risk Type	Risk name	Metric / Estimate	Baseline & Source	Financial Impact / Target
Transition Risk (policy & legal)	Increase in compliance costs	Estimated increase in raw material costs	Based on 2023–2024 industry engagements and sourcing data. Implementation costs for regenerative practices TechnoServe study and project engagements.	1–1.5% increase in raw material cost by 2026. Reflected in cost of goods sold.
	Lack of clear regenerative agriculture thresholds			
Physical Risk (acute)	Barriers for regenerative agriculture adoption			
Physical Risk (chronic)	Climate change related weather events			
	Ecosystem degradation			

These cost projections are integrated into our company's strategic sourcing and cost planning processes and are updated annually.

TNFD REFERENCE TABLE

TNFD guidance reference table	Nature transition plan
Foundations	
Transition plan framing and scope	Introduction
Business model and value chains	Foundation
Transition financing strategies	Financial metrics
Plan priorities	Priorities & Mitigation Strategies
Implementation strategy	
Activities and decision-making	Priorities & Mitigation Strategies
Policies and conditions	Policy Alignment
Products and services	Priorities & Mitigation Strategies
Engagement strategy	
Landscape, river basin and seascape engagement	Engagement & Collaboration
Value chain engagement	Engagement & Collaboration
Industry engagement	Engagement & Collaboration
Government, public sector and civil society engagement	Engagement & Collaboration
Metrics and targets	
Dependency and impact metrics and targets	Metrics & Targets
Transition plan deliver metrics and targets	Metrics & Targets
Governance	
Roles, responsibilities and remuneration	Governance
Skills and culture	Governance



REGENERATIVE AGRICULTURE METRICS – BACKGROUND

As part of this Nature Transition Plan, we introduce a key performance metric: hectares of coffee-growing farmland under at least three regenerative practices.

This metric provides a tangible measure of adoption rates across our sourcing landscapes and enables us to track progress towards systemic transformation. Establishing meaningful baseline and target values requires a robust methodology, drawing on multiple data sources and carefully considered assumptions. This section outlines the rationale, data inputs and calculations used to define both the baseline and the target.

NUMBER OF PRACTICES

We assessed which level of adoption would be most impactful for nature and farmers. Literature and internal research show the synergies of regenerative practices to deliver better outcomes for nature and livelihoods. Additionally, the TechnoServe business case shows that the largest impacts typically can be reached by prioritizing three to four practices – adapted to local context. As a starting point, we will focus on transitioning farmers to adopt at least three practices – targeting farmers with minimal adoption thus far.

BASELINE

To estimate the current extent of regenerative agriculture adoption, we combined insights from our partner Enveritas with FAO statistics on harvested coffee area in our sourcing countries.

Weighted by purchase volumes, the adoption rate of at least three regenerative practices stands at approximately 50% across our supply regions.

Applying this rate to the total harvested coffee farmland of 12 million hectares, we calculate that around 5.5 million hectares are currently managed under regenerative practices within the countries from which we source.

TARGET

Looking ahead, we assessed the potential contribution of our farmer programmes to expanding regenerative agriculture. As described in the chapter Engagement & Collaboration, our active projects are expected to reach approximately 500,000 farmers over the coming years. Based on Enveritas data on median farm sizes in these regions, this equates to an estimated 400,000 hectares of coffee farmland targeted through our initiatives.

Recognising that not all participating farmers will adopt three practices, we apply a conservative assumption of a 50% adoption rate. Furthermore, as these projects are focused on areas with low current adoption, we assume that participating farmers are not yet implementing three or more practices. Taken together, this results in an additional 200,000 hectares of coffee farmland under regenerative agriculture by 2030 – a realistic and ambitious target that reflects both our scale of engagement and our commitment to driving meaningful change.





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