

# 2021

## HUB REPORT

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*Sustainable Coffee Challenge*



In August 2021, when the IPCC released their report sharing a dire message about the future trajectory of planet Earth, the CEO of Conservation International responded. We are running out of time. The time is now. “The time is now” was the theme of the Sustainable Coffee Challenge’s 2019 annual all-partner conference. And in 2021, this urgent message has not changed. Every year, our impact, whether positive or negative, becomes compounded.

This 3rd annual Hub Report presents an overview of sector commitments as we work together to define coffee’s destiny. This year, COVID-19 continued to disrupt the world and the coffee sector was not spared, yet we strive forward. In 2021, 8 new partners joined the Challenge, bringing our partner base to 164. Many new and existing stakeholders utilized the Hub in 2021. Stakeholders publicly stated 43 new public commitments to coffee sustainability this year, an 87% increase in new commitments compared with 2020’s report. Commitments targeting improved well-being & prosperity grew by 26% alone.

The coffee sector is shaping the fate of the planet with every cent that we invest in the resiliency of nature, resiliency of people and the resiliency of coffee itself. The Challenge’s ambitious 2050 goals and 2025 targets are steering us towards our collective vision of a sustainable future; if the sector can double production on the existing 10 million hectares of coffee lands over the next 25 years, we can improve the livelihoods and economic viability of farmers and workers,

conserve 10M hectares of forest, and avoid at least 1.5GT of carbon emissions. To realize this potential by 2050, in 2020, we established goals & incremental targets, and this year, we are finalizing the metrics to measure our individual and collective progress. Subsequent Hub reports will track our joint progress as we advance, scale, and improve.

If coffee as an industry is going to ensure prosperity into 2050, it must commit, now. Now is the time to state a new commitment that contributes to one of our ambitious goals. We look forward to seeing you again soon in the Hub, and to creating our vision to make coffee the world’s first sustainable agricultural product.

*Yours in sustainable coffee,*



**Raina Lang**  
Senior Director, Sustainable Coffee  
Conservation International



## KEY FINDINGS

As of July 2021, 99 stakeholders have stated 147 sustainability commitments in the Hub, 29% of commitments are new to this year's analysis.

Most Hub commitments are made by roasters (29% of commitments) or retailers (20%), followed closely by non-profits or institutions (19%).

Commitments targeting improved well-being and prosperity increased 26% compared to the 2020 Hub Report.

67 stakeholders have pledged \$794M towards achieving 91 commitments between 2019-2030.

The year 2020 was the target for 37 commitments in the Hub, and 41% of those commitments were reported on. Only a quarter (10 commitments) were met, signaling that COVID halted sustainability progress for some. The Challenge will continue to track progress against these commitments in 2022 with hopes that all have been achieved.

33 stakeholders made 43 new commitments in 2021. 88% of those stakeholders are partners in the Challenge, yet 64% of total stakeholders were brand new Hub users.

Commitments expanded to 8 additional countries in 2021, impacting 42 countries worldwide, with the majority of commitments in Latin America, a trend that continues from previous years.

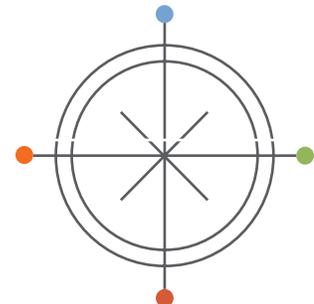
Most of the 147 commitments are focused on forest conservation and restoration (51 commitments), climate change (42), education and health (41) and sourcing policies (38).

29 unique stakeholders reported on their commitments in 2021 for progress made during 2020. More than a quarter of commitments (27%) target 2025 for their completion.

Like in the 2020 report, less than half of commitments (47%) were made in partnership with others, but a 'matchmaking' forum launched by the Challenge in 2021 may facilitate new collaborations that address the 2025 targets.

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# 01

## INTRODUCTION

**The Sustainable Coffee Challenge** is a collaborative movement of the private sector, governments, NGOs, research institutions and others, committed to make coffee the world's first sustainable agricultural product. Challenge partners are urgently working together to drive transparency, align around a common vision for sustainability and collaborate to address some of the most critical challenges facing the sector. Conceived by Conservation International and Starbucks and launched during the 2015 Paris climate meetings with 18 founding partners, the Challenge aims to stimulate greater demand for coffee sustainability. The movement has since grown to 164 international partners.

When did the Commitments Hub form? In response to the sector's need for a platform to house sustainability commitments and to track overall progress of our industry, in 2016 the Sustainable Coffee Challenge launched the Commitments Hub. The goal is to enable the sector to better track commitments, its progress in achieving them and to better identify opportunities for enhanced collaboration on key issues.

In 2017, reporting opened on the Hub, and in 2019 the first Hub Report was published.

Whereas the 2019 and 2020 Hub Reports covered major trends in sustainability commitments and changes observed year-over-year, this report moves beyond that standard analysis. The 2021 report showcases a novel section on the future metrics plan for the Hub, and a series of case studies, "Commitments to Inspire," which shed light on how commitments underpin our new metrics. As we continue to capture individual commitments in the Hub, but also seek to capture our sector-wide progress against our 2050 goals and interim 2025 targets, the Hub will stretch to meet coffee's data needs.

**Please explore this year's report website by visiting [www.sustaincoffee.org/hub-report](http://www.sustaincoffee.org/hub-report).**

# 02

## COMMITMENTS, STAKEHOLDERS AND OUR COLLECTIVE INVESTMENT

**2021 marked new Hub engagement, with an 87% increase in novel commitments stated.**

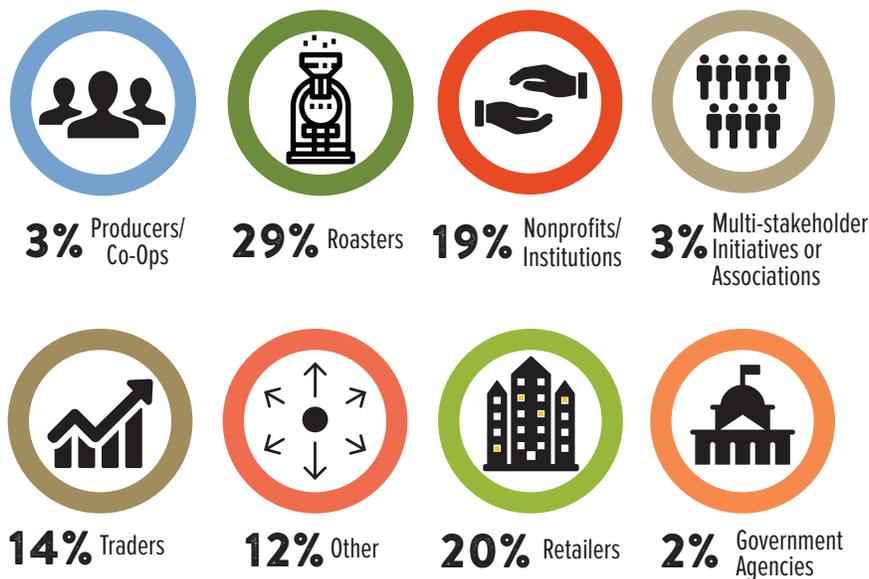


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were retired, and removed from our analysis. Of the 99 stakeholders, 87 are partners in the Challenge. Compared to the 2020 Hub Report, the share of Sustainable Coffee Challenge partners stating commitments grew from 72 to 87, a 21% increase. There are 43 commitments that are new to this year’s Hub Report analysis, representing 29% of commitments overall, and an 87% increase compared to 2020’s report. More than half of these novel commitments (63%) were made in 2021, 28% of commitments were made in 2020 but added to the Hub in 2021, and the remaining 9% of commitments were made during previous years but had not yet been added to the Hub. New commitments shifted the shares of many of the main target areas that commitments focused on when compared to last year’s report.

The 2021 Hub Report provides insights into commitments and reports captured by the platform as of August 2021. This year’s analysis reviewed 147 commitments stated by 99 different stakeholders. Commitments set to mature prior to the year 2019, from an organization that is no longer in business, or with no year identified,

Those making commitments via the Hub encompass the entire coffee value chain. Retailers and roasters represented most actors and most commitments in the Hub, with their commitments representing 50% of all commitments. Identical to last year’s report, five of the top 10 roasters identified in the 2018 Coffee Barometer have



*Private sector stakeholders were most likely to enter commitments in the Hub.  
Note: Stakeholders may multi-select the actor type that they affiliate with.*

Stakeholder Type	Commitments in the 2020 Hub Report	Commitments in the 2021 Hub Report	Percent Change
Multi-Stakeholder Initiatives or Associations	1	5	400%
Traders	6	20	233%
Other	10	18	80%
Nonprofits or Institutions	17	28	65%
Roasters	28	43	54%
Retailers	21	30	43%
Government Agencies	3	3	0%
Producers/Co-Ops	5	5	0%

publicly stated commitments in the Hub. Civil society was responsible for 22% of commitments and producer country governments and producer organizations made up another 5%.

It is notable that the number of commitments made by multi-stakeholders or associations grew by 400% year over year. The number of commitments made by traders increased 233% compared to the 2020 report. As with the 2020 report, the Challenge will continue to strive for greater outreach and engagement with governments and producers to state their commitments in the Hub.

*The sector is investing \$794M towards 91 sustainability commitments between 2019-2030.*

To-date, 67 unique stakeholders have committed to invest \$794M towards achieving 91 commitments. \$794M spans all the commitments in the Hub, with newly stated commitments contributing \$30M to the total. \$139M is directed towards specific countries, while the remaining \$655M is earmarked for broad geographies (e.g., South America) without mentioning a specified country. \$794M represents the total amount that stakeholders have allocated to fund the life of their commitments. As stated in the 2020 Hub Report, this figure does not represent an increase in total annual investment since the publication of the Sustainability Catalogue, which estimated a total annual investment of \$350M in sustainability programs in 2016. Investment figures are aggregated, and individual figures are not shared in Hub Reports or on the Challenge website.

\$794M is calculated from stakeholders who included mention of investment value. 68% of stakeholders provided information on the amount invested to meet their goals (67 stakeholders), and 32% of stakeholders (32) did not answer. Roasters (27% of stakeholders investing capital), followed by retailers (21%), and then nonprofits or institutions (19%), made the most investments. Investments targeted improving well-being and prosperity (51% of commitments), resilient supply (34% of commitments), conserving nature (30% of commitments), and strengthening market demand (18% of commitments), which mirrors the order of foci of the Hub's total commitments.

*The commitments support 42 producing countries, most in Latin America. Commitments increasingly focus on Europe.*

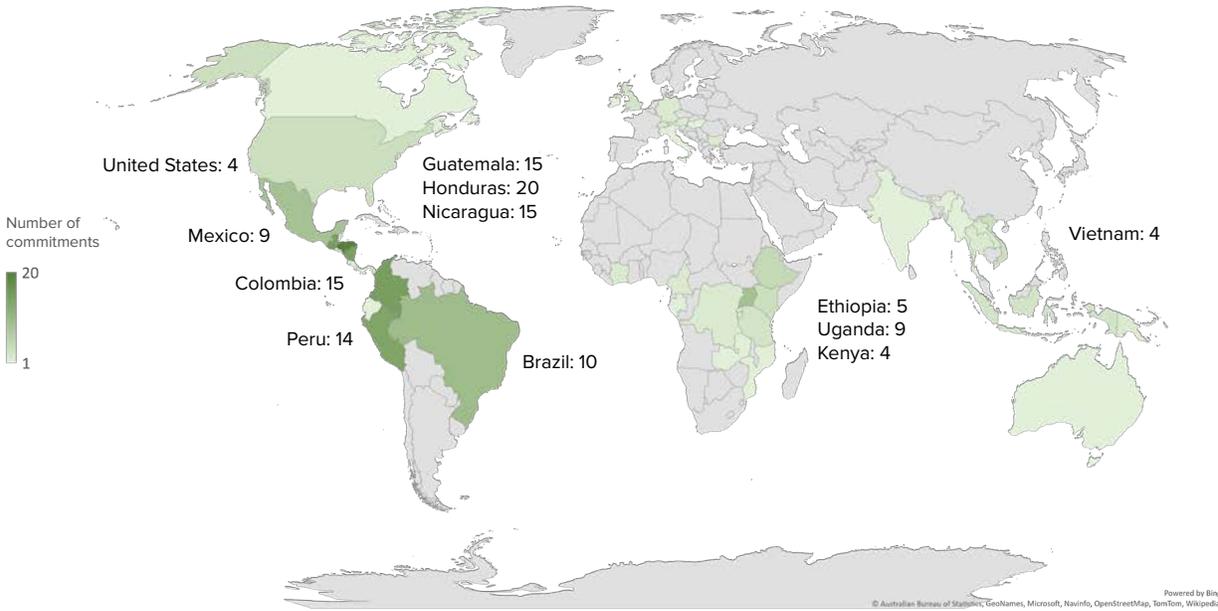


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### **Commitments with a specific country & regional scope**

Altogether, the commitments are supporting sustainable coffee programs in 42 different countries, up from 34 countries in 2020's report (24% increase). 63 of the 147 commitments, or

Commitments by Geography



The top 12 countries in terms of number of commitments (countries with 4 or more) include: Honduras (20), Colombia (15), Guatemala (15), Nicaragua (15), Peru (14), Brazil (10), Mexico (9), Uganda (9), Ethiopia (5), Vietnam (4), Kenya (4), United States (4).

almost 43%, targeted a specific country, and in some cases more than one. 56 commitments were tagged as focusing on global efforts. 36 commitments did not select a geography but perhaps selected a focal country. When answering by region, actors stating commitments were most likely to target their sustainability programs in Latin America, followed by Africa.

As with the 2020 report, stakeholders were least likely to note programs in the Europe region. However, commitments were also analyzed manually by countries listed (and not just the disclosed regions). Analysis revealed that this year’s report included more commitments targeting European countries. The 2020 analysis featured 2 commitments listing countries in the continent, but this year, countries in Europe were tagged by 6 commitments. This means there was a 200% increase in commitments focused on Europe between the 2020 and 2021 reports. These commitments in Europe tended to target climate change, with project efforts including renewable energy, sustainable packaging, and consumer education

and awareness. Also notable is a 60% increase year over year in commitments focusing on South America.

**Commitments with a global scope**

More than a third of the commitments in the Hub (38%) noted a global scope. Global commitments mostly targeted actions related to resilient supply (46% of commitments), followed by improved livelihoods and wellbeing (38%), strengthened market demand (32%) and conserving nature (20%). In terms of intervention pathways, 43% of global commitments committed to sustainable sourcing, with 34% specifically to standards/certifications. Another 34% of global commitments tagged forest conservation and restoration, and 29% focused on climate change, and another 29% on education and health. The remainder of the intervention pathways were targeted by 25% or less of the 56 global commitments.

Geography	Commitments in the 2020 Hub Report	Commitments in the 2021 Hub Report	Percent Change
Europe	2	6	200%
South America	15	24	60%
Global	38	56	47%
Africa	13	19	46%
Central America	24	31	29%
Asia	7	8	14%
North America	12	13	8%

In terms of the top countries in terms of number of commitments versus the top countries in terms of amount of funding invested<sup>1</sup>, just as in the 2020 Hub Report, Colombia had the highest dollar value of investments (\$30M), followed by Peru (\$26M), and Mozambique (\$25M). The remaining two countries in the top five countries with the highest dollar investments via their commitments included Mexico (\$11M) and Guatemala (\$9M). As aforementioned, more than a third of commitments noted a global scope and therefore did not identify countries for investment, meaning that this analysis does not provide an accurate representation of the sector's total commitment to coffee sustainability in any given origin. Additional countries receiving between \$3 and \$5M investment include, Honduras (\$5M), El Salvador (\$5M), Uganda (\$5M), Indonesia (\$4M), Papua New Guinea (\$3M), Vietnam (\$3M), Ethiopia (\$3M), and Kenya (\$3M). Though commitments in Europe increased by 200% year over year, the level of investment declared through commitments targeting European countries amounted to less than \$2,000 USD.

*One quarter of the commitments set to mature in 2020 were reported as completed, perhaps due to disruption from COVID-19. The year 2025 is the next most popular year that commitments target (27% of commitments in the Hub).*

#### Commitments by Target Date



Commitments reach maturity in different years. Six commitments in the Hub are on-going commitments. 37 commitments (25%) were scheduled to mature in 2020, of which 10 of those commitments (27%) were met. Given the COVID-19 pandemic, we expect that many of these commitments will continue. The Challenge will encourage those stakeholders with commitments involving the 2020 deadline to report progress made against these commitments in 2022, with the hopes that all will have been achieved.

2025 signifies the deadline for 27% of commitments. As with the 2020 Hub Report, we expect the number of commitments targeting 2025 to increase over time as the sector sets new targets post-2020 and uses the Hub as the central space to document the 2050 goals and 2025 targets and their associated metrics that were agreed upon this past year.

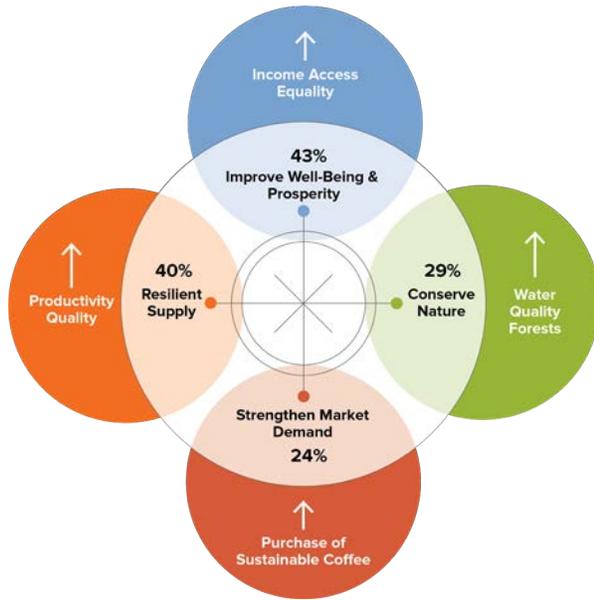
<sup>1</sup> To assess country funding, the total funding per commitment was divided equally by the number of countries selected by each actor.

# 03

## WHAT ARE STAKEHOLDERS COMMITTING TO?

**43% of commitments focus on well-being and prosperity.**

*Commitments by Focus Area/Compass Point*



The Challenge’s Sustainability Framework has at its core a guiding compass that drives action in four impact areas: people, planet, coffee, and markets. Most commitments in the 2021 Hub Report (71%) contributed to one impact area, with 24% of commitments contributing to two, and 2% contributing to three and four impact areas, respectively. Close to half of commitments (43%) focus on improve wellbeing and prosperity, which is a 26% increase compared to the 2020 Hub Report. Perhaps this is due to an increased focus on social metrics amid COVID-19. Resilient supply represented 40% of commitments, which is a change from last year’s report, where more than half of commitments (59%) focused on that impact area. Commitments were more evenly focused across the remaining two compass points, although the lowest focus

targeted strengthen market demand, at 24%<sup>2</sup>. Negative percent change can be attributed to the retirement of 2019 and earlier commitments that reduced the total pool of commitments in the various focal areas.

Sustainable Coffee Challenge Compass Point	Commitments in the 2020 Hub Report	Commitments in the 2021 Hub Report	Percent Change
Improve Well-Being & Prosperity	50	63	26%
Resilient Supply	63	59	-6%
Conserve Nature	47	43	-9%
Strengthen Market Demand	42	35	-17%

*Commitments tagging improve wellbeing and prosperity increased by 26% between 2020 and 2021 Hub Reports*

New commitments: 84% of the commitments new to this year’s analysis selected one compass point, and 16% selected two. The most tagged compass points for the 43 new commitments were improve well-being and prosperity (44% of commitments new to this year’s report), conserve nature (35%), resilient supply (23%) and strengthen market demand (14%).

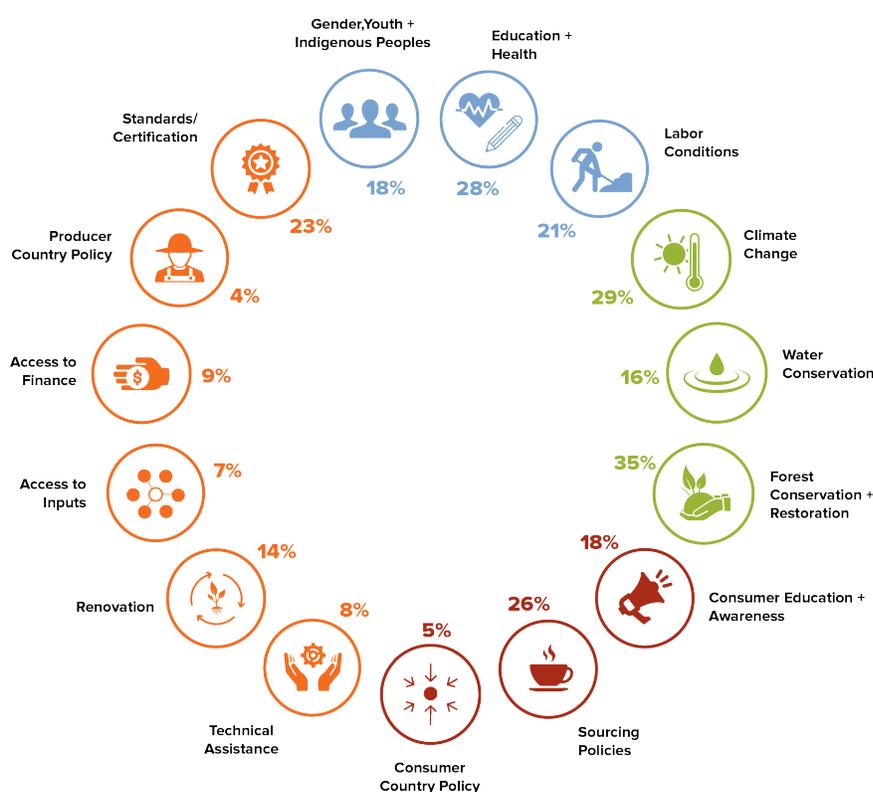
**Most commitments focus on forest conservation and restoration, climate change, education and health, and sourcing policies.**

Fortifying the four compass areas of the Sustainability Framework are 15 different intervention pathways that stakeholders invest in to tackle threats to the coffee value chain. In most cases, commitments encompassed multiple

<sup>2</sup> Note that the four percentages within the Sustainability Framework do not add up to 100 because the commitments ladder up to multiple impact areas.

interventions. Analysis for this report revealed that most of the commitments in the Hub focused on four: forest conservation and restoration (35% of commitments), climate change (29% of commitments), education and health (28% of commitments), and sourcing policies (26% of commitments). As identical to last year's report, interestingly, results show that few stakeholders stated commitments that focused on helping farmers access inputs and finance.

### Commitments by Intervention Pathway



Most commitments focused on forest conservation and restoration, climate change, education and health, and sourcing policies. Government policies for consuming and producing countries had the least, the same as in the 2019 and 2020 Commitments Hub Reports. Note that the percentages here do not total 100; many commitments selected more than one intervention.

Sustainable Coffee Challenge Intervention Pathways	Commitments in the 2020 Hub Report	Commitments in the 2021 Hub Report	Percent Change
Producer Country Policy	3	6	100%
Forest Conservation and Restoration	32	51	59%
Access to Finance	9	13	44%
Access to Inputs	7	10	43%
Consumer Country Policy	5	7	40%
Gender, Youth & Indigenous Peoples	19	26	37%

Education & Health	30	41	37%
Water Conservation	18	24	33%
Renovation	16	21	31%
Sourcing Policies	29	38	31%
Climate Change	33	42	27%
Standards/Certification	27	34	26%
Consumer Education & Awareness	22	27	23%
Labor Conditions	26	31	19%
Technical Assistance	33	12	-64%

*The biggest percent changes between last year’s report and 2021 include a doubling in commitments focusing on producer country policy, a 59% increase in commitments focused on forest conservation and restoration, and a 64% decrease in commitments tagging technical assistance.*

New commitments: Almost a quarter (21% of commitments) selected one intervention pathway associated with their commitment, 21% selected two pathways, 16% selected four pathways, 14% selected three pathways, and the remainder of commitments tagged either zero or up to nine. The most tagged pathways for commitments new to the analysis were forest conservation and restoration (49% of commitments), climate change (37%), education and health (30%), labor conditions (30%) and gender, youth and indigenous peoples (26%). The Challenge will watch this climate and livelihoods trend closely in future reports.



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# 04

## FUTURE OF HUB METRICS

The 2019 and 2020 Commitments Hub Reports took a deep dive into metrics by compass point and pathway to identify natural commonalities. Taking a bottom-up approach, we looked at each compass point, determining the frequency of overlap of metrics that were self-selected by partners who had stated commitments. The metrics analysis process from those two reports helped to inform the Challenge's larger journey towards 'our collective commitment'. One observation was that there was little natural alignment across reporting metrics, and as part of the process to set common goals and targets, Challenge partners also encouraged the Sustainable Coffee Challenge leadership to think about common ways to report progress.

As you likely read in our 2020 report, after an almost year-long iterative process, in December 2020, partners in the Sustainable Coffee Challenge rallied around sector wide 2050 goals and interim 2025 targets to unlock unprecedented commitments and actions – individual and collective – towards a joint vision.

Once we had collectively established clear goals and targets, the Challenge turned its focus on how to track individual efforts in a manner that could be communicated against collective targets. In the latter half of 2020 and the first half of 2021, members of the Challenge's Collective Action Networks agreed upon core and proxy metrics to measure progress made against the 2025 targets. This process included consultation and feedback via the Networks, plus 1-1 calls with stakeholders. The Challenge also held two all-partner webinars to share the draft metrics in June.

The Challenge's 2025 targets are as follows :



**PEOPLE/IMPROVE WELL-BEING AND PROSPERITY:** Fully protect the rights and well-being of coffee workers and establish living income/wage benchmarks in at least 80% of ICO member producing countries and initiate public-private interventions to close and surpass living income/wage gaps.<sup>3</sup>



**PLANET/CONSERVE NATURE:** Restore 1.5M hectares of tree cover + conserve 500,000 hectares of forest and secure 100 million tonnes of carbon.



**COFFEE/RESILIENT SUPPLY:** Increase smallholder production by 11.9 million bags, through renovation, rehabilitation, and technical investments on existing areas, to adequately meet long-term demand from a diversity of origins.



**MARKETS/STRENGTHEN MARKET DEMAND:** Ensure at least 50% of global coffee purchased by roasters and retailers is sourced according to sustainable practices.

<sup>3</sup> In support of alignment with the ambitious goals of the ICO's Coffee Public Private Task Force

The Challenge distinguishes three types of metrics to track progress – core, proxy and additional:

- Core metrics: Key metrics that help us quantify and aggregate progress against 2025 targets
- Proxy metrics<sup>4</sup> : Alternative options in case partners don't have access to data for core metrics
- Additional metrics: Options that provide broader narrative and help to indicate trends and innovation.

*Metrics to Track Progress Towards the 2050 Goals*

**CORE**



- Names of countries and/or regions in which SCC members participate in the development of new living income/living wage studies
- # SCC commitments that support new and verifiable steps to close the gap on living income and living wage
- \$ funding facilitated toward programs, projects, or facilities— beyond certifications— at the farm level



- # of hectares restored
- # of hectares of forest area conserved
- tCO2 removed (i.e., sequestration)
- tCO2 emissions avoided
- tCO2e emissions reduced on farm



- Total additional production in metric tons Green Bean Equivalent (MT GBE)
- Names of countries where technical and/or financial support was provided



- # of metric tons (MT) of Green Bean Equivalent (GBE) coffee sourced via recognized voluntary sustainability standards (VSS)

**PROXY**



- # of trees (i.e., non-coffee) distributed to increase tree cover on farms (proxy for hectares restored)
- # Voluntary Carbon Units (VCUs) purchased from certified carbon credit programs



- # of hectares with improved management
- # of trees distributed or sold
- # of people trained
- \$ funding facilitated

**ADDITIONAL**



- # of coffee farm workers impacted from investments at the farm level
- # of coffee farm workers who are provided training on topics related to worker right and wellbeing
- # of farmers or farm workers who benefit directly from efforts to close the gap on living wage / income
- Participation in PPPs to close income gaps



- # of new commitments focusing on biodiversity
- # of new commitments focusing on freshwater (quality + quantity)



- # of new commitments made to sustainable sourcing
- # of new commitments focused on increasing % of total value across the supply chain returned to origin
- # of new commitments focused on the increase of volume of coffee or % of a company's supply chains fully traceable to farm

<sup>4</sup> Proxy metrics only apply to the resilient supply and conserve nature categories

As stated in the 2020 Hub Report, the home for reporting against these new metrics will be the Commitments Hub. The Challenge team is working to add these new metrics to the platform in the coming months, with the goal to have the metrics capture fully operational before the 2022 Hub reporting deadlines. This will ensure that all partners with relevant commitments will be able to report on these metrics next year, which will be aggregated into target trackers on the Challenge's online dashboards, and on an annual basis, progress will be presented in these Hub reports.

# 05

## COMMITMENTS TO INSPIRE

### Case Studies

New to the Hub Report this year: Commitments to Inspire case studies. Here, and again starting on page 40 (Appendix C - Case Studies), you will find short case studies that tell the stories behind the data in this report. The aim of these case studies is three-pronged:

- I. To give space to highlight impactful commitments that have been reported against
- II. To give examples of commitments that have been stated following SMART principles. Meaning, they are specific, measurable, attainable, relevant, and time-bound, helping them to be more effectively carried out and accurately tracked
- III. To demonstrate how existing commitments may be mapped to the aforementioned 2025 sector targets and metrics to track our collective progress more effectively

It is important to note that the following case studies do not represent all the Challenge commitments that meet the above criteria. We will continue to highlight other Commitments to Inspire throughout the year in our newsletters and in the 2022 Hub Report. Please also keep in mind that while we have mapped the case study commitments to the new sector targets and metrics with the featured partners' permission, they were not originally stated with these targets and metrics in mind. In some cases, there may not be a perfect match in language, but we hope these case studies demonstrate how the coffee sector can continue to pursue a common language to generate comparable data, giving us a better understanding of progress, what still needs to be done, and where investment can drive the greatest impact.

Use these case studies as inspiration for your organization's contribution to collective action by reading about the "why" behind other organizations' commitments, the business cases for their commitments, and valuable lessons others have to share from their experiences implementing their commitments.

For future commitments, we offer the following guidance:

Commitments generally take the form of investments and actions taken to achieve specific targets or outcomes. Within the Sustainable Coffee Challenge, partners have agreed that the following principles should guide commitments:

- New or active commitment: Every commitment that is stated via the Sustainable Coffee Challenge Commitments Hub should be either a new commitment or an existing commitment that has yet to be achieved.
- Incorporates SMART objectives: Commitments should be specific in what they set out to achieve, incorporate measurable targets, be ambitious in nature, relevant for the industry, organization or supply chain being targeted, and time bound.
- Aims for impact: **Commitments should consider contribution to one or more of the new 2025 sector targets and make use of the common metrics.** However, if you have a commitment that lies outside of the collective targets, we still want to hear about it!
- Can be reported at set intervals: Organizations should enter commitments that can be reported on in the system on an annual or semi-annual basis with 1st, 2nd or 3rd party data.



## COMMITMENTS TO INSPIRE—MARKETS CASE STUDY

**2025 Challenge Target:** Ensure at least 50% of global coffee purchased by roasters and retailers is sourced according to sustainable practices.

**2025 Challenge Metrics:** # of metric tons (MT) of green coffee sourced via recognized voluntary sustainability standards (VSS)



*Keurig Dr Pepper*

Commitment: Responsibly source 100% of our coffee.

### What challenge is Keurig Dr Pepper attempting to address through this commitment?

At Keurig Dr Pepper (KDP), responsibly sourced means that we work with our supply chain to address some of the coffee industry's most pressing challenges. Not only are we ensuring that fundamental human rights and environmental protections are in place across the entirety of KDP's coffee purchases, but we are also providing assurance to KDP's customers and consumers for traceability and transparency.

By the end of 2020, we achieved 100% responsible sourcing by purchasing inputs that were certified or verified by third-party sustainable sourcing programs, aligned with KDP's Supplier Code of Conduct. We continue to maintain this commitment with an expanded group of partner programs, including Fairtrade International, Fair Trade USA, Rainforest Alliance, 4C, OLAM AtSource Entry Verified and Great Lakes Coffee MaxTRACE, and continue to work with each program to improve impact measures and reporting.

KDP's 100% responsibly sourced commitment sits within a broader strategy to achieve positive impact in our supply chain. We advance this goal through additional and complementary tools such as impact investments and industry collaborations. Importantly, KDP continues to identify and to drive deeper progress on specific issues that we are uniquely suited to address, (e.g. farmer livelihoods, climate resiliency and regenerative agriculture).

### What does this commitment mean for Keurig Dr Pepper as a business?

This commitment means that we use our buying power for good – pursuing responsible sourcing across our global supply, whether those purchases are for our owned brands or for our partner or private label customer brands. Building internal and external partnerships is critical to successfully delivering the 100% commitment.

One key internal partnership is between our Coffee Procurement and Sustainable Supply Chain teams to ensure that our strategy balances the flexibility, availability, and quality required to keep

KDP's supply chain moving with the credibility, transparency and robustness needed within each responsible sourcing partner program.

KDP also partners directly with our approved certification and verification programs, like Fairtrade International, Fair Trade USA, Rainforest Alliance, 4C, OLAM AtSource Entry Verified and Great Lakes Coffee MaxTRACE, to ensure continuous program improvements that provide more value to the coffee farmers and coffee buyers. For example, we are currently working with each of our partner programs to improve the data they gather on the economic profitability for growers.

We also look beyond KDP and are working with the industry to align on and advance a unified definition of responsibly or sustainably sourced coffee. By partnering with the Sustainable Coffee Challenge and the Global Coffee Platform, we are supporting harmonization and alignment on the definition because competing definitions and metrics can result in duplication and loss of efficiency.

### **What insights does Keurig Dr. Pepper have for others who may want to state a similar commitment?**

Unsurprisingly, there is no silver bullet to solving the complex challenges facing the coffee industry. A variety of solutions will be required as well as participation from all value chain players.

KDP considers its responsible sourcing commitment as one tool in the toolbox. To be effective, it has required serious effort and resources, as well as an understanding across the business that responsible sourcing can provide shared value for everyone in the supply chain.

A few recommendations:

- View third-party sustainable sourcing programs as key partners on a journey, with a focus on continuous improvement for both impact and data;
- Enlist the company's brands to better connect the consumer to the farmer through storytelling;
- Drive for alignment of definitions and metrics across the industry to add efficiency and scale to the effort.

It is also important to seek out complementary tools that can result in different types of impact. For example, alongside maintaining our commitment to 100% responsibly sourced coffee, KDP recently achieved a 2020 target to significantly improve the lives of 1 million people in our supply chain through social impact investments made in partnership with implementers such as NGO's and suppliers. These investments, plus our purchasing practices, have had significant impact together. So much so, that we are now launching an innovative three-year pilot program designed to significantly improve smallholder coffee farmer income, testing variables such as volume commitments, preferred pricing and targeted social impact investments.

**Strengthen Market Demand**





## COMMITMENTS TO INSPIRE—PLANET CASE STUDY

**2025 Challenge Target:** Restore 1.5M hectares of tree cover + conserve 500,000 hectares of forest and secure 100 million tonnes of carbon.

**2025 Challenge Metrics:** # of hectares of forest area conserved



### *Mesoamerican Development Institute*

Commitment: Conserve and/or restore 170 hectares of forest habitat working with producer farms.

#### **What challenge is the Mesoamerican Development Institute attempting to address through this commitment?**

Expansion of coffee production is replacing high-elevation forest, which serves as the headwaters for watersheds that provide water for the coffee communities and the towns and cities downstream. The challenge for us is to create value in forest habitat for farmers sufficient to motivate them to set aside an area forest habitat (existing and/or regenerating). There is a growing market value for the carbon sequestered in this forest area. With sufficient training and support, local youth can measure and map coffee farms and estimate the amount of carbon sequestered in these forest buffers habitat. Another challenge is to create sufficient market demand for carbon offsets from coffee farms to warrant investment in the creation of local accredited companies to validate and verify carbon on farms.



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#### **What does this commitment mean for the Mesoamerican Development Institute?**

This commitment and the associated sale of carbon offsets validates the potential for long-term conservation of forest habitat on private lands (coffee farms). The commitment underscores the need to scale up our Integrated Open Canopy™ agroecosystem model linked to carbon-neutral coffee processing for high-quality carbon offsets. For our institute that means transitioning to verified carbon and introducing efficiencies for monitoring and measuring farms at a landscape scale. For our market partners, this means attracting more investment to scale carbon-neutral processing capacity.

#### **What insights does the Mesoamerican Development Institute have for others who may want to state a similar commitment?**

There are still many barriers to carbon-neutral production. While funds exist to support renewables, banks in the coffee growing regions do not have much experience funding innovation. Also, funds specifically for this purpose, such as the Green Climate Fund, available for private investment projects are sometimes blocked by the host country without explanation.



## COMMITMENTS TO INSPIRE—PEOPLE CASE STUDY

**2025 Challenge Target:** Establish living income /living wage benchmarks in 80% of ICO member producing countries; contribute to public and private and other partnerships to close living income and living wage gaps; and fully protect the rights and well-being of coffee farmer households and coffee farm workers.

**2025 Challenge Metrics:** # SCC commitments that support new and verifiable steps to close the gap on living income and living wage # of coffee farm workers impacted from investments at the farm level.

### *Mountain Harvest*



**Commitment:** We strive for the best sustainable practices and an ever-growing impact on the local producers and communities. We are endeavouring to be the showcase example in the development and future growth of Ugandan high-altitude coffee. Mountain Harvest commits to provide farmers it sources coffee from with superior terms of trade with respect to price, liquidity and transparency and to steadily build trusting and productive relationships with both farmers and roasters.

- a. Ensure that by 2021 100% of the farmers supplying Mountain Harvest are organic certified
- b. Ensure that by 2022 80% of the farmers working with Mountain Harvest practice good agricultural practices including application of organic fertilizers in their coffee farms
- c. Ensure that by 2023 80% of the farmers working with Mountain Harvest have diversified income to meet the cost of a decent standard of living.

### **What challenge is Mountain Harvest attempting to address through this commitment?**

Mountain Harvest conducted cost of a decent standard of living (CDSL) gap analysis in 2019<sup>1</sup> and established that coffee farm gate prices had to double for farmers to afford a CDSL. Although Ugandan farmers receive a high share of coffee export prices<sup>2</sup> (60%), it is a high share of low export prices because Uganda is overlooked by both consumers due to being a relatively under-appreciated origin in the specialty market<sup>3</sup>.

The key barrier to achieving a CDSL is poor quality coffee with most of the coffee being farm-processed, where quality control is weak and inconsistent.

Another critical issue is yield shocks resulting from adverse weather, poor crop management and the burdens of pests and disease which have substantial impact on the incomes of smallholder

<sup>1</sup> <https://www.idhsustainabletrade.com/publication/sdm-case-study-mountain-harvest-uganda/>

<sup>2</sup> Hill, R. V. (2010). Liberalisation and Producer Price Risk: Examining Subjective Expectations in the Ugandan Coffee Market.

<sup>3</sup> IBID

farmers<sup>4</sup> and this gets worse for women farmers because of gender dynamics in access to finance, inputs and advanced techniques.

Although there are opportunities for alternative income from other crops/animal products that have ready markets, farmers are not commercializing these products because of low volumes and poor-quality products.

### **What does this commitment mean for Mountain Harvest as a business?**

Mountain Harvest's service delivery model focuses on improving the quality of life for smallholder farmers and supporting healthy and thriving natural ecosystems. The business emphasizes the need to boost productivity and improve profitability at the farm level and at the enterprise level by delivering both business and environmental oriented services to the farmers.

The environmental services emphasize organic farming and focus on soil regeneration and enrichment, and biodiversity to keep agricultural assets at their full productive potential. The business services involve three major interventions: (a) elevating the quality of smallholder grown coffee into the specialty coffee market, (b) disconnecting pricing from commodity markets through relationship-based trade with specialty roaster-retailers who pay higher prices for quality, and (c) using additional margin generated from higher prices to pay higher farm gate prices and invest at the farm level through the delivery of blended services.

Our theory of change works on the premise that a combination of higher farm gate prices and blended services increases the farming households' chances to afford a living income, and this gives them the necessary resources to further invest in the improvement of their coffee volumes and quality.

### **What insights does Mountain Harvest have for others who may want to state a similar commitment?**

Whereas doubling household revenues is a very ambitious goal, achieving it does not only build local economies and their capacity to serve farming households, but it also feeds directly into Mountain Harvest sustainability.

When companies link the household level impact to the business' own success and growth, it becomes easier to provide the necessary resources for such bold commitments.



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## COMMITMENTS TO INSPIRE—RESILIENT SUPPLY CASE STUDY

**2025 Challenge Target:** Increase smallholder production by 11.9 million bags, through renovation, rehabilitation, and technical investments on existing areas, to adequately meet long-term demand from a diversity of origins.

### 2025 Challenge Metrics:

- # of people trained: Training leads to increased knowledge that when put in practice can generate farm improvements that impact farm yield.
- \$ funding facilitated: Money invested in renovation, rehabilitation and technical assistance can increase performance of a farm, generating additional yield.



### *Rainforest Alliance*

**Commitment:** As part of our mission to make sustainable farming the norm, we launch our Sector Partnerships program in Central America to strengthen the capacity of farmers (especially smallholders and female farmers) and local civil society organizations to lobby and advocate for sector change in coffee in their countries. We will support them to work with governments and companies to engage in issues that require a sector wide approach.

#### Goals:

- At least 4 projects total on topics of climate change, productivity for farmers, living wage for workers and gender equity for coffee farming communities implemented by 2020 in Central America
- Results from projects will be shared by farmers, workers and local civil society organizations directly with the broader coffee community on international forums. Including the 60,000 coffee farmers and workers part of the UTZ program in Honduras, Nicaragua and Guatemala
- At least 1 million dollars invested on these projects.

#### What challenge is Rainforest Alliance attempting to address through this commitment?



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Policies that govern the coffee industry and services provided to producers to enhance productivity – such as distribution of fertilizer or of coffee varieties that are more resistant to the effects of climate change - are often not in line with the needs of producers. Also, they often do not reach marginalized groups like smallholders or women.

Through our Sector Partnerships Program, we aimed to push for policy changes by governments, companies and multi-stakeholder platforms with the goal of improved and more inclusive service delivery for coffee producers. Of course, for policies and



services to be in line with the needs of producers, it is crucial that producers, including smallholders and women, have a say on the design of such policies and services. Through the SP Program we supported several advocacy initiatives that focused on policy change and on initiatives that pushed for the voices of women, youth and smallholders to be heard in the coffee sector. Here, we elaborate on two examples of projects we supported is in the realm of climate change and gender.

### **What does this commitment mean for Rainforest Alliance?**

Climate change is having a profound impact on the productivity of coffee producers. Smallholders can no longer rely on “normal” weather patterns and pests and diseases become more widespread. Working with Anacafé in Guatemala and Cafenica in Nicaragua we piloted digital tools (online and offline): the Coffee Cloud mobile app which provides farmers with climatological data and helps them decide the best moment for farming practices such as application of fertilizer or pruning (now used by 3000 smallholders) and Clima y Café, a mobile and web application that farmers can use to get ahead of climate impacts. The long-term goal of the project is to producer organizations, governments and technical advisors these systems are needed, possible to develop, and to motivate them to scale them.

Female farmers are often unable to join farmers’ organizations and cooperatives as ownership of assets is usually a condition for membership. As such, they are not represented by these organizations, and they lack access to information, innovation, and inputs. We collaborated with a local chapter of the International Women’s Coffee Alliance in Honduras, AMUCAFE to help grow their membership and increase their legitimacy, and support them to push for gender as a priority topic for sector initiatives.



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The AMUCAFE chapter membership increased by 25% with 365 members in six subchapters. More than 200 of these women received training on different topics. AMUCAFE’s lead representative is now also part of the Honduras Coffee Platform and AHPROCAFE’s coffee school. AMUCAFE also successfully pushed for a gender policy for the Honduran coffee producers’ umbrella organization - AHPROCAFE. This is the first national gender policy in the coffee sector globally and it will guide new initiatives, projects, and programs around the world.

### What insights does Rainforest Alliance have for others who may want to state a similar commitment?

Advocacy is a powerful tool to drive change and address the root causes of low productivity in the coffee sector. Advocacy initiatives that work with just one organization have the potential to impact whole sectors: AMUCAFE, just one organization we supported, managed to push for the adoption of the first gender policy in coffee – which will affect coffee stakeholders in whole Honduras and potentially beyond.

What we learned from organizations like AMUCAFE, is that they did not only appreciate our financial and technical support, but also the fact that we shared our network. This way, we opened doors for them to other stakeholders and helped increase their legitimacy in the sector. The members of AMUCAFE are more visible now in the sector and have grown their networks with other regional and international stakeholders.

As policy influencing is not a linear pathway, traditional M&E approaches and metrics that focus on delivered activities are less meaningful however. We used approaches such as Outcome Harvesting to measure progress – focusing changes in the policy landscape, agendas of decision makers and behaviors of key actors. These type of processes require a long-term commitment: it takes time for organizations to build their knowledge and skills, build the right connections and convince others to change their policies and practices.



Resilient Supply



# 06

## COMMITMENTS AS ALIGNED WITH THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

Half of the commitments in the Hub contribute to Responsible Consumption and Production (SDG 12), followed by Decent Work and Economic Growth (SDG 8) and Climate Action (SDG 13).

As stated in the 2020 Hub Report, the Challenge aligned the goals and interventions within the Sustainability Framework with the UN Sustainable Development Goals (SDGs) to demonstrate the contribution the coffee sector is making towards the SDGs. Responsible Consumption and Production (SDG 12), was the most tagged of all SDGs, representing 50% of all commitments, a percentage almost identical to the 2020 Commitments Hub Report (53%). The next highest tagged SDGs were Decent Work and Economic Growth (SDG 8) at 39% (like the 2020 report, at 37%). While in 2020, Zero Hunger (SDG 2) represented 35% of tags, this year, it decreased to 31%. Instead, SDG 13, Climate Action, represented 35% of commitments, marking increased global attention to extreme weather.

Commitments by United Nations Sustainable Development Goal



Compared to last year’s report, the biggest changes in number of tagged commitments were seen Sustainable Cities and Communities (SDG 11), increasing by 175%, or from 4 to 11 commitments year over year. The commitments tagging SDG 11 were stated by various actors and more than half tagged improve livelihoods (64% of commitments tagging SDG 11) and conserve nature (45%), followed by sustain supply (18%). Notably, 91% of commitments tagging SDG 11 tagged forest conservation and restoration. In previous Hub Reports, we did not observe that SDG 11 was so closely paired with forest conservation and restoration. While 45% of commitments tagging SDG 11 also tagged education and health, the text of these commitments centered upon ‘forests’ and/or ‘deforestation free’ supply chains. In addition to the year over year change observed with commitments tagging SDG 11, the share of commitments targeting Affordable and Clean Energy (SDG 7) increased by 150%, and commitments focused on Life Below Water (SDG 14) grew by 100%.

New commitments: As no surprise, new commitments tagged the following top three SDGs, all of which have been topics with increased scrutiny and growing interest in the prior year: SDG 13, Climate Action (47% of new commitments), SDG 12, Responsible Consumption and Production (42% of commitments), and SDG 8, Decent Work and Economic Growth (42% of commitments).

United Nations Sustainable Development Goal	Commitments in the 2020 Hub Report	Commitments in the 2021 Hub Report	Percent Change
SDG 11	4	11	175%
SDG 7	2	5	150%
SDG 14	1	2	100%
SDG 13	29	51	76%
SDG 16	3	5	67%
SDG 17	27	43	59%
SDG 5	13	20	54%
SDG 6	14	21	50%
SDG 10	15	22	47%
SDG 3	13	19	46%
SDG 8	39	57	46%
SDG 1	35	47	34%
SDG 15	35	47	34%
SDG 12	56	73	30%
SDG 9	11	14	27%
SDG 2	37	45	22%
SDG 4	13	15	15%





## 07

# MOVING FROM PROJECTS TO MULTI-STAKEHOLDER COLLABORATION

Upon stating commitments, stakeholders are asked if their commitment is made in partnership with others. This data helps identify existing and potential relationships in coffee lands on critical issues. As in the 2020 Hub Report, most stakeholders continued to work individually in their supply chains or in specific landscapes with a few partners. While 9 commitments did not disclose whether they were made in partnership with others or not, the remainder of commitments were split almost 50/50: 47% of the 147 commitments were made in partnership with others, and 47% listed no partners. The Challenge will continue to encourage sector collaboration as we all march towards our 2050 goals; the best way – and the fastest way – for us to get there, is together.

In addition to partnership information yielded from the Hub, the Challenge recently created another partnership mechanism. In 2021, the Challenge launched an online forum entitled “Matchmaking,” where partners can upload projects that address the 2025 targets and are seeking partnerships in the field. Projects are uploaded on a semi-annual basis, where Challenge partners can search the website for projects that pique interest, reach out to the contact person of the project, and then partners connect and may form a new partnership. The project partner reports back to the Challenge on the project’s impact over time. Visit [sustaincofee.org/matchmaking-mechanism](https://sustaincofee.org/matchmaking-mechanism) to partner-up today.

## 08

# REPORTING ON COMMITMENTS

**29 unique stakeholders reported on their commitments in 2021 for progress made during 2020.**

29 stakeholders reported against 40 commitments in the Hub, or 33% of total Hub stakeholders are reporting progress and 27% of commitments in the Hub are tracking movement over time. While 29 actors reporting is like 2020’s report, where 27 stakeholders reported, this type of Hub engagement is still desired.

This year, we were encouraged that the number of commitments stated in the Hub increased by 87% compared to 2020. This increase could be due to a targeted email campaign. In the 2020 Hub Report, we shared results from a stakeholder survey on Hub engagement. When asked what would support more Hub use, 61% of survey

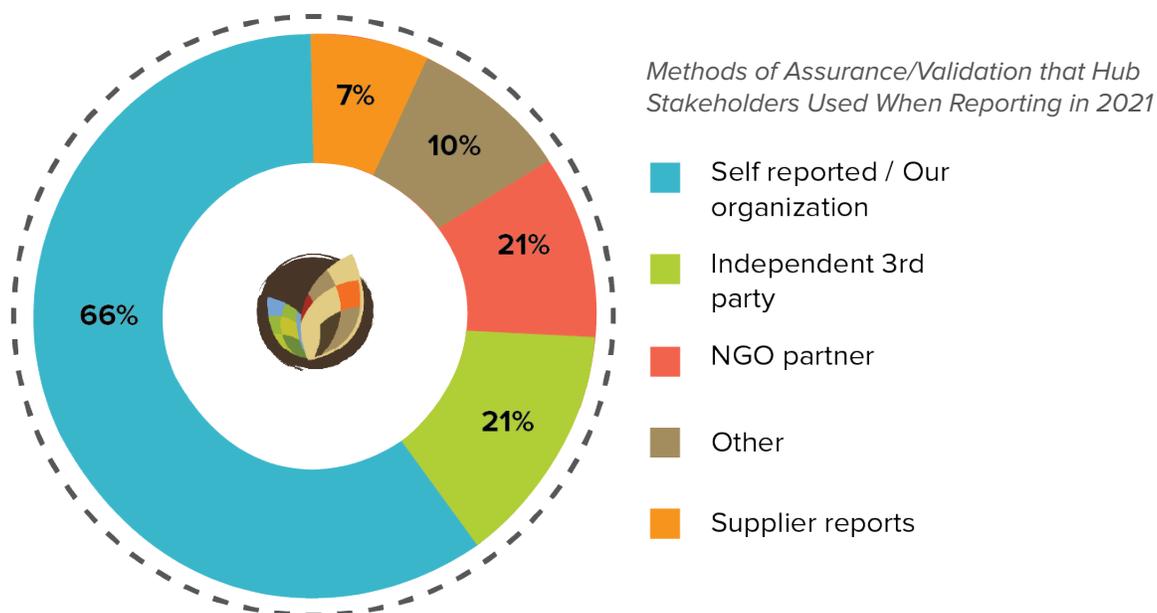
respondents answered that email reminders for reporting deadlines would most help. To meet this request, in June of 2021, we sent out an e-campaign to Challenge partners and Hub stakeholders to remind them of the impending data deadlines. This is likely why we witnessed a surge in Hub use for this report.

When compared to the 2020 report, almost half of the stakeholders reporting progress were new (14 out of 29 stakeholders). Yet in terms of Challenge partners, many of them are transparency laggards. Only half, or 87 of the 164 Challenge partners (53%), have stated commitments in the Hub.

<p><b>4C Services</b></p>  <p>% Progress Made: <b>100%</b>            Commitment Maturity Date: <b>2021</b>            Website: <a href="https://bit.ly/3yqEVTH">https://bit.ly/3yqEVTH</a></p>	<p><b>Barka Coffee Gossips</b></p>  <p>% Progress Made: <b>60%</b>            Commitment Maturity Date: <b>2021</b>            Website: <a href="https://bit.ly/3mK226y">https://bit.ly/3mK226y</a></p>	<p><b>Bon Appétit Management Company</b></p>  <p>% Progress Made: <b>87%</b>            Commitment Maturity Date: <b>2021</b>            Website: <a href="https://bit.ly/2WwLixY">https://bit.ly/2WwLixY</a></p>	<p><b>Café Najjar</b></p>  <p>% Progress Made: <b>10%</b>            Commitment Maturity Date: <b>2023</b>            Website: <a href="https://bit.ly/3kyj0Vx">https://bit.ly/3kyj0Vx</a></p>
<p><b>Certificafe</b></p>  <p>% Progress Made: <b>70%</b>            Commitment Maturity Date: <b>2025</b>            Website: <a href="https://bit.ly/3mHq05f">https://bit.ly/3mHq05f</a></p>	<p><b>Community Coffee Company</b></p>  <p>% Progress Made: <b>90%</b>            Commitment Maturity Date: <b>2021</b>            Website: <a href="https://bit.ly/2XXUFAU">https://bit.ly/2XXUFAU</a></p>	<p><b>Counter Culture Coffee</b></p>  <p>% Progress Made: <b>55%</b>            Commitment Maturity Date: <b>2021</b>            Website: <a href="https://bit.ly/3Dsw1c1">https://bit.ly/3Dsw1c1</a></p>	<p><b>Dunkin'</b></p>  <p>% Progress Made: <b>65%</b>            Commitment Maturity Date: <b>2022</b>            Website: <a href="https://bit.ly/3yxH6Fa">https://bit.ly/3yxH6Fa</a></p>
<p><b>Ecotierra</b></p>  <p>% Progress Made: <b>85%</b>            Commitment Maturity Date: <b>2020</b>            Website: <a href="https://bit.ly/2Y2pDYF">https://bit.ly/2Y2pDYF</a></p>	<p><b>Efico</b></p>  <p>% Progress Made: <b>100%</b>            Commitment Maturity Date: <b>2020</b>            Website: <a href="https://bit.ly/2Y2pLHD">https://bit.ly/2Y2pLHD</a></p>	<p><b>Farmer Brothers</b></p>  <p>% Progress Made: <b>35%</b>            Commitment Maturity Date: <b>2025</b>            Website: <a href="https://bit.ly/3kzPfdV">https://bit.ly/3kzPfdV</a></p>	<p><b>Jacobs Douwe Egberts</b></p>  <p>% Progress Made: <b>30%</b>            Commitment Maturity Date: <b>2025</b>            Website: <a href="https://bit.ly/38pNdwL">https://bit.ly/38pNdwL</a></p>
<p><b>Jacobs Douwe Egberts</b></p>  <p>% Progress Made: <b>80%</b>            Commitment Maturity Date: <b>2025</b>            Website: <a href="https://bit.ly/38pNdwL">https://bit.ly/38pNdwL</a></p>	<p><b>Keurig Dr Pepper</b></p>  <p>% Progress Made: <b>100%</b>            Commitment Maturity Date: <b>2020</b>            Website: <a href="https://bit.ly/3mJd6Bm">https://bit.ly/3mJd6Bm</a></p>	<p><b>Keurig Dr Pepper</b></p>  <p>% Progress Made: <b>100%</b>            Commitment Maturity Date: <b>2020</b>            Website: <a href="https://bit.ly/3mJd6Bm">https://bit.ly/3mJd6Bm</a></p>	<p><b>McDonald's</b></p>  <p>% Progress Made: <b>98%</b>            Commitment Maturity Date: <b>2020</b>            Website: <a href="https://bit.ly/38nrs0h">https://bit.ly/38nrs0h</a></p>
<p><b>Mercon</b></p>  <p>% Progress Made: <b>65%</b>            Commitment Maturity Date: <b>2025</b>            Website: <a href="https://bit.ly/3zyFwn0">https://bit.ly/3zyFwn0</a></p>	<p><b>Mercon</b></p>  <p>% Progress Made: <b>50%</b>            Commitment Maturity Date: <b>2025</b>            Website: <a href="https://bit.ly/3zyFwn0">https://bit.ly/3zyFwn0</a></p>	<p><b>Mesoamerican Development Institute</b></p>  <p>% Progress Made: <b>100%</b>            Commitment Maturity Date: <b>2019</b>            Website: <a href="https://bit.ly/3zs2KvN">https://bit.ly/3zs2KvN</a></p>	<p><b>Mother Parkers Tea &amp; Coffee</b></p>  <p>% Progress Made: <b>80%</b>            Commitment Maturity Date: <b>2022</b>            Website: <a href="https://bit.ly/2Y9bW1r">https://bit.ly/2Y9bW1r</a></p>

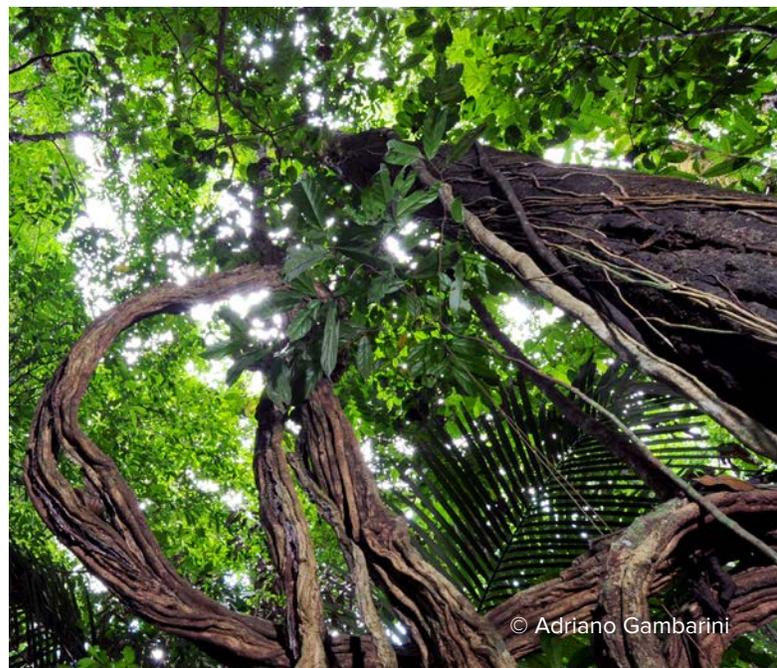
<p><b>Mountain Harvest</b></p>  <p>% Progress Made: <b>95%</b>            Commitment Maturity Date: <b>2023</b>            Website: <a href="https://bit.ly/2UXbWcl">https://bit.ly/2UXbWcl</a></p>	<p><b>Nescafé</b></p>  <p>% Progress Made: <b>100%</b>            Commitment Maturity Date: <b>2020</b>            Website: <a href="https://bit.ly/3sWmCEB">https://bit.ly/3sWmCEB</a></p>	<p><b>Nescafé</b></p>  <p>% Progress Made: <b>100%</b>            Commitment Maturity Date: <b>2020</b>            Website: <a href="https://bit.ly/3sWmCEB">https://bit.ly/3sWmCEB</a></p>	<p><b>Nescafé</b></p>  <p>% Progress Made: <b>100%</b>            Commitment Maturity Date: <b>2020</b>            Website: <a href="https://bit.ly/3sWmCEB">https://bit.ly/3sWmCEB</a></p>
<p><b>Nescafé</b></p>  <p>% Progress Made: <b>100%</b>            Commitment Maturity Date: <b>2020</b>            Website: <a href="https://bit.ly/3sWmCEB">https://bit.ly/3sWmCEB</a></p>	<p><b>Nespresso</b></p>  <p>% Progress Made: <b>93%</b>            Commitment Maturity Date: <b>2020</b>            Website: <a href="https://bit.ly/3BmdRGT">https://bit.ly/3BmdRGT</a></p>	<p><b>Redstart Roasters</b></p>  <p>% Progress Made: <b>45%</b>            Commitment Maturity Date: <b>2020</b>            Website: <a href="https://bit.ly/3ztVTld">https://bit.ly/3ztVTld</a></p>	<p><b>RGC Coffee</b></p>  <p>% Progress Made: <b>100%</b>            Commitment Maturity Date: <b>2020</b>            Website: <a href="https://bit.ly/3kwjy0J">https://bit.ly/3kwjy0J</a></p>
<p><b>RGC Coffee</b></p>  <p>% Progress Made: <b>100%</b>            Commitment Maturity Date: <b>2020</b>            Website: <a href="https://bit.ly/3kwjy0J">https://bit.ly/3kwjy0J</a></p>	<p><b>RGC Coffee</b></p>  <p>% Progress Made: <b>100%</b>            Commitment Maturity Date: <b>2021</b>            Website: <a href="https://bit.ly/3kwjy0J">https://bit.ly/3kwjy0J</a></p>	<p><b>SNV</b></p>  <p>% Progress Made: <b>90%</b>            Commitment Maturity Date: <b>2021</b>            Website: <a href="https://bit.ly/3Dvs0n1">https://bit.ly/3Dvs0n1</a></p>	<p><b>Starbucks</b></p>  <p>% Progress Made: <b>46.6%</b>            Commitment Maturity Date: <b>2025</b>            Website: <a href="https://bit.ly/2Wv1bks">https://bit.ly/2Wv1bks</a></p>
<p><b>Starbucks</b></p>  <p>% Progress Made: <b>98.6%</b>            Commitment Maturity Date: <b>On-going</b>            Website: <a href="https://bit.ly/2Wv1bks">https://bit.ly/2Wv1bks</a></p>	<p><b>Starbucks</b></p>  <p>% Progress Made: <b>50%</b>            Commitment Maturity Date: <b>2025</b>            Website: <a href="https://bit.ly/2Wv1bks">https://bit.ly/2Wv1bks</a></p>	<p><b>Sucden Coffee</b></p>  <p>% Progress Made: <b>15%</b>            Commitment Maturity Date: <b>2025</b>            Website: <a href="https://bit.ly/3zu0CTL">https://bit.ly/3zu0CTL</a></p>	<p><b>Sucden Coffee</b></p>  <p>% Progress Made: <b>25%</b>            Commitment Maturity Date: <b>2025</b>            Website: <a href="https://bit.ly/3zu0CTL">https://bit.ly/3zu0CTL</a></p>
<p><b>The Sustainability Consortium</b></p>  <p>% Progress Made: <b>50%</b>            Commitment Maturity Date: <b>2020</b>            Website: <a href="https://bit.ly/2Ws0Bsg">https://bit.ly/2Ws0Bsg</a></p>	<p><b>Touton</b></p>  <p>% Progress Made: <b>10%</b>            Commitment Maturity Date: <b>2025</b>            Website: <a href="https://bit.ly/3yqH4y0">https://bit.ly/3yqH4y0</a></p>	<p><b>Westrock Coffee Company</b></p>  <p>% Progress Made: <b>100%</b>            Commitment Maturity Date: <b>2025</b>            Website: <a href="https://bit.ly/2XWwuTp">https://bit.ly/2XWwuTp</a></p>	<p><b>Whole Foods Market</b></p>  <p>% Progress Made: <b>90-100%</b>            Commitment Maturity Date: <b>On-going</b>            Website: <a href="https://bit.ly/38nFYJs">https://bit.ly/38nFYJs</a></p>

Of the 40 commitments reported on, 36% (14) of them were met, or reached 100%, thanks to 8 stakeholders, mostly roasters.



*66% of Hub actors self-report. Note that some actors multi-select the type of validation and/or assurance used, depending on the commitment.*

Given the role of the Commitments Hub – as a place to state and report commitments – we’ve asked partners to share more information on how they have arrived at reporting data. 66% of Hub actors self-reported when sharing progress made against their commitment, which is almost identical to the 2020 report (65%). 10% of actors selected other approaches. Some actors cited that their reports are public, are reported on by implementing partners, or are audited by certifications. This year, we added the option to select supplier reports, which was used by 7% of stakeholders. While the Challenge encourages stakeholders to provide backing to the claims made, only six of the 29 stakeholders uploaded assurance documentation into the Hub upon reporting, a reduction from last year’s report. The Challenge will monitor this closely and encourage documentation upload during impending reporting campaigns. The Challenge may also add report weblinks to the Challenge partner profiles on [sustaincoffee.org/partners](https://sustaincoffee.org/partners) in 2022, as well.



# 09 CONCLUSION

At first glance, this report shows that stakeholders are publicly stating more commitments in the Hub, documenting an 87% increase in new commitments between 2020 and 2021. However, stating commitments is simply not enough. It's not the sheer number of commitments that matters, it's their collective impact and their investment that spark the systemic change needed at critical coffee origins to sustain coffee for the generations to come.

Annual Commitments Hub Reports help to shed light on stakeholder programs and projects in various geographies. Similar to previous reports, in 2021, the Challenge noted that Latin American countries tend to have the most commitments and investment. This year did also mark an increase in the number of commitments in Europe. The overall focus of commitments varies by stakeholder and coffee landscape, but commitments focused on livelihoods and prosperity increased by 26% this year, perhaps due to the social awareness of the COVID-19 pandemic. Coronavirus surely disrupted the progress made on many existing commitments, only 10 commitments reported being met during COVID-19. The next most popular year targeted for commitment deadline is 2025. This is unsurprising given the international climate narrative, and the Challenge's 2025 targets.

What now? The 2025 targets of the Challenge, which keep stakeholders on track for our larger 2050 goals related to people, planet, coffee and markets, are the beacons of focus for us in 2021-2022. As you read in the "future of metrics" section of this report, we will optimize the Hub to meet the coffee sector's data needs. The agreed-upon metrics for each 2050 goal will be added to the platform before the 2022 Hub Report deadlines. In 2021, the Challenge also conducted commitment mapping exercises to help match the good work of existing commitments to the new goals and targets. This means that both existing commitments and new commitments will contribute to our 2050 pathway. We look forward to the 2022 Hub Report when

the Challenge can begin populating those progress dashboards with impact numbers.

Now is the time to make new transparent commitments to coffee sustainability, and now is the time to report progress. Consider the 2050 goals and 2025 targets as your map when you are seeking direction. We've agreed upon our ambitious sector goals, and now we should be thinking of how to partner up to best get there. The 147 commitments in the 2021 Hub Report were made by a network of diverse stakeholders. What are some ways that you can get more involved with our community?

- Read the case studies in this report to learn lessons from your coffee sector peers stating commitments. We encourage you to reach out to them to share ideas.
- Not yet a part of the Challenge? Join in and take action! Join the Challenge's Collective Action Network calls to form projects that make coffee landscapes and their communities more climate resilient. Email [scc@conservation.org](mailto:scc@conservation.org) to join our lists.
- After reading this report, we hope that you share your progress! Transparently state and report progress made against your commitments in the Hub.

**We look forward to seeing you on conference calls and in the Hub platform before 2022.**

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*Report authored by Valerie Beard with data analysis by Dora Samaniego and Valerie Beard. Charts/tables by Valerie Beard. Inspiring Commitments case studies edited by Isabella Turbyville. Designed by Lorena Garcia-Bustos.*

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## APPENDIX A - STAKEHOLDERS BY UN SDG

Stakeholder	# Commitments	SDG1	SDG2	SDG3	SDG4	SDG5	SDG6	SDG7	SDG8	SDG9	SDG10	SDG11	SDG12	SDG13	SDG14	SDG15	SDG16	SDG17
4C Services	2	●	●	●	●	●	●		●		●	●	●	●		●		●
Adoro Caffe Limited	1																	●
Ahold	1		●						●		●		●	●				
Albertsons Companies	1								●				●					
Aldi South Group	1	●	●		●	●			●		●		●	●			●	●
Allegro Coffee Company	1												●					
Alsea	1		●						●				●					
Arbor Day Coffee	1						●						●	●				●
Barka Coffee Statement	2		●	●	●		●					●		●		●		●
Bay Coffee & Tea Company	1													●				
Bon Appétit Management Company	1	●							●		●	●	●	●		●		
Boncafe International	1																	
British Coffee Association	1												●					●
Café Africa	1								●									●
Café Najjar	2		●					●	●				●	●			●	
Cafinco	1																	
Carico Cafe Connoisseur	2	●	●	●		●		●	●		●	●	●	●		●		●
Center for Coffee Research & Education	2		●		●								●	●				
CertifiCafe	1		●										●	●				●
Climate Neutral Group	1	●	●	●	●			●	●			●	●	●		●		

Coffy	3											●	●					●
Combat Project / Unite Coffee	1												●					
Committee on Sustainability Assessment	1	●	●			●					●							
Community Coffee Company	1								●				●					
Conservation International	1												●					●
Cooperative Coffees	2												●	●		●		●
Counter Culture Coffee	1				●					●								
Dunkin'	2	●	●	●			●			●			●		●		●	●
eco.business Fund Development Facility	1			●									●					
ecogrounds Coffee	2				●			●		●			●					●
Ecotierra	1	●	●							●			●			●		
Efico	1				●				●				●					●
Elements Coffee	1												●					
Enveritas	1														●		●	
Farmer Brothers	1			●						●			●					
Farmers Trade Coffee Company	1									●	●							
Fundacion Cohonducafe	1			●			●			●			●					
Gorilla Conservation Coffee	1	●	●	●			●			●			●			●		
Gorongosa Coffee	1	●	●	●	●	●	●			●	●	●		●		●	●	
Holonic	1			●		●						●						●
ICO Coffee Public-Private Task Force	2	●								●								
iFinca	1					●				●	●	●						●
Irrigation Technologies	1						●								●	●	●	●
Jacobs Douwe Egberts	3	●					●				●			●				●

Kauai Coffee Company	1												●			●	
Keurig Dr Pepper	4	●				●			●				●	●		●	●
Kroger	2		●						●				●			●	
Lagom Coffee Roastery	1	●											●				
Louis Dreyfus Company	1												●				
Mae Fah Luang Foundation under Royal Patronage	1	●	●		●		●		●		●		●	●		●	●
Massimo Zanetti Beverage USA	1			●	●												
McDonald's	1		●						●				●				
Mercon	2	●		●	●				●				●	●		●	●
Mesoamerican Development Institute	2									●		●		●		●	●
Mexico's Ministry of Agriculture & Rural Development (SADER)	1		●										●				
Mi Cafeto	1	●		●	●	●	●		●		●			●		●	●
Mother Parkers Tea & Coffee	2						●			●				●			
Mountain Harvest	1	●	●										●				
Moyee Coffee	1	●				●			●		●		●				
National Agricultural Export Development Board	1		●							●				●			
Nescafé	4	●							●				●			●	
Nespresso	1	●	●			●			●				●	●		●	●
Neumann Kaffee Gruppe	1	●							●				●				●
Olam	1	●												●			●
Onda Origins	1		●						●		●						
Pelican Rouge	1		●						●							●	
Philz Coffee	2						●							●			
Progreso Foundation	1	●											●	●			

PUR Proje	1		●										●	●		●		
Rainforest Alliance	1		●											●				●
Redstart Roasters	1									●						●		
Reily Foods	2								●							●		
RGC Coffee	6	●		●		●	●		●		●		●	●		●		●
Ritma Green	1	●	●						●		●		●	●		●		●
Sakura	1												●		●			
San Martin Regional Government, Peru	1	●											●	●				
Smithsonian Bird Friendly	8		●				●			●			●	●		●		●
SNV	1	●									●		●	●		●		●
Sodexo	1									●			●					
Solar Lifestyle	1												●					
Solidaridad	1		●											●				●
Starbucks	5	●	●	●		●	●		●	●	●		●	●		●	●	
Strategies for International Development	1	●				●										●		
Streamliners Espresso Bar	1			●		●												
Sucden Coffee	4	●	●										●	●		●		
Supracafe	1									●			●					
Sustainable Harvest Coffee Importers	1	●		●		●			●	●				●		●		●
Target	1									●			●					
The Chain Collaborative	1	●	●							●				●				
The Sustainability Consortium	1												●					
Touton	3	●								●			●			●		
Trilliant Food & Nutrition	1												●					
University of Montana Dining	1					●							●					

USA Logistic and Distribution	1				●					●		●					
Walmart	1		●										●				
Westrock Coffee Company	3		●						●				●			●	●
Whole Foods Market	1								●				●				
Williams Sonoma	1	●	●	●	●	●			●				●				
World Coffee Research	1		●											●		●	●

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## APPENDIX B - STAKEHOLDERS BY INTERVENTION PATHWAY

Stakeholder	# of Commitments	Labor Conditions	Education & Health	Gender, Youth & Indigenous Peoples	Forest Conservation and Restoration	Climate Change	Water Conservation	Consumer Education & Awareness	Sourcing Policies	Policy-Consuming Countries	Access to Finance	Access to Inputs	Technical Assistance	Policy-Producing Countries	Standards/Certification	Renovation
4C Services	2	●	●	●	●	●	●	●	●	●				●	●	
Adoro Caffe Limited	1	●	●		●	●		●	●					●	●	
Ahold	1								●						●	
Albertsons Companies	1	●	●		●			●	●						●	
Aldi South Group	1								●							
Allegro Coffee Company	1						●									
Alsea	1												●			
Arbor Day Coffee	1		●	●	●			●	●						●	
Barka Coffee Statement	2	●	●		●	●	●		●		●					
Bay Coffee & Tea Company	1							●					●			
Bon Appétit Management Company	1	●	●		●											
Boncafe International	1							●								
British Coffee Association	1	●	●		●											●
Café Africa	1												●	●		
Café Najjar	2				●	●		●	●							
Cafinco	1	●	●		●	●			●							
Carico Cafe Connoisseur	2		●	●	●	●		●				●	●			
Center for Coffee Research & Education	2					●		●					●			
CertifiCafe	1					●	●					●			●	

Climate Neutral Group	1																	
Coffy	3																	
Combat Project / Unite Coffee	1																	
Committee on Sustainability Assessment	1																	
Community Coffee Company	1																	
Conservation International	1																	
Cooperative Coffees	2																	
Counter Culture Coffee	1																	
Dunkin'	2																	
eco.business Fund Development Facility	1																	
ecogrounds Coffee	2																	
Ecotierra	1																	
Efico	1																	
Elements Coffee	1																	
Enveritas	1																	
Farmer Brothers	1																	
Farmers Trade Coffee Company	1																	
Fundacion Cohonducafe	1																	
Gorilla Conservation Coffee	1																	
Gorongosa Coffee	1																	
Holonic	1																	
ICO Coffee Public-Private Task Force	2																	
iFinca	1																	

Irrigation Technologies	1				●		●						●			●
Jacobs Douwe Egberts	3	●	●	●	●	●	●				●		●		●	●
Kauai Coffee Company	1				●											●
Keurig Dr Pepper	4	●				●	●	●	●		●	●	●		●	●
Kroger	2		●		●			●	●						●	
Lagom Coffee Roastery	1							●			●					
Louis Dreyfus Company	1	●			●	●	●									
Mae Fah Luang Foundation under Royal Patronage	1											●	●			
Massimo Zanetti Beverage USA	1		●	●												
McDonald's	1							●							●	
Mercon	2	●	●		●		●		●		●		●			●
Mesoamerican Development Institute	2	●		●	●		●									
Mexico's Ministry of Agriculture & Rural Development (SADER)	1												●	●		
Mi Cafeto	1							●							●	
Mother Parkers Tea & Coffee	2		●		●	●	●						●			
Mountain Harvest	1	●		●		●	●					●	●			
Moyee Coffee	1							●					●		●	
National Agricultural Export Development Board	1															
Nescafé	4	●						●	●				●			●
Nespresso	1				●	●			●						●	
Neumann Kaffee Gruppe	1	●			●	●					●	●				
Olam	1		●	●	●	●							●		●	
Onda Origins	1							●	●							



USA Logistic and Distribution	1		●		●		●	●	●					●	●
Walmart	1								●				●	●	
Westrock Coffee Company	3	●	●	●	●	●	●	●	●	●				●	
Whole Foods Market	1													●	
Williams Sonoma	1	●	●												
World Coffee Research	1					●							●		●

## APPENDIX C - CASE STUDIES

### Strengthen Market Demand



#### COMMITMENTS TO INSPIRE—MARKETS CASE STUDY

**2025 Challenge Target:** *Ensure at least 50% of global coffee purchased by roasters and retailers is sourced according to sustainable practices.*

**2025 Challenge Metrics:** *# of new commitments made to sustainable sourcing*



#### *Aldi*

Commitment: By 2025, the ALDI SOUTH Group\* will increase their share of certified\*\* coffee products\*\*\* to above 50%.

\* The ALDI SOUTH Group comprises ALDI stores in US, GB/IE, DE, AU, AT, CH, IT, HU, SI.

\*\* Accepted certification schemes: Fairtrade, Fairtrade USA, Rainforest Alliance/UTZ and Organic.

\*\*\* Relevant ALDI exclusive brand coffee products.

#### **What challenge is Aldi attempting to address through this commitment?**

Coffee is among the world's most-traded raw materials and is primarily cultivated by small-holder farmers in sub-tropical regions. There are human rights and environmental challenges when sourcing coffee and the ALDI SOUTH Group is committed to play our part in changing this by supporting fair working conditions and environmentally friendly production in the cultivation of coffee. One of the ways we do this is by sourcing independently certified products to ensure that producers receive a fair price and help them to adapt to climate change and fighting deforestation.

Our customers want to have the opportunity to buy sustainable products. Certification schemes help us to strengthen sustainable farming practices, raising customer awareness and increasing their access to responsibly sourced products.

#### **What does this commitment mean for Aldi as a business?**

"Making sustainability affordable to our customers", is the ambitious Vision at the heart of ALDI's International Corporate Responsibility Strategy and increasing the share of certified coffee products above 50% (by 2025) is an important step towards realising our Vision.

We are aware of our global responsibility and constantly investigate ways to source more and more products sustainably and support smallholder farmers and their families. This will help to promote better living and working conditions. By sourcing from suppliers using the sustainability standards Fairtrade, Fairtrade USA, and UTZ/Rainforest Alliance, we can reassure our customers that we are supporting coffee growing communities and protecting biodiversity.

It is also important to us that we are not only perceived by consumers as a sustainable retailer. We also want to seek out ways to help other companies understand what is possible.

**What insights does Aldi have for others who may want to state a similar commitment?**

One of the biggest challenges is to align the understanding of all stakeholders involved. Our commitment to the Sustainable Coffee Challenge allowed the CR Department to explain what is needed and gain support from our buying colleagues. It greatly helped to create a common understanding of how everyone can contribute to a more responsible coffee supply chain. A challenge for the CR team is to determine which issues are faced by farmers and workers in our supply chain, how to best remediate them and transparently communicate our progress. Our commitment has helped us set realistic targets that everyone understands and subsequently owns.

**Strengthen Market Demand**





## COMMITMENTS TO INSPIRE—PLANET CASE STUDY

**2025 Challenge Target:** *Restore 1.5M hectares of tree cover + conserve 500,000 hectares of forest and secure 100 million tonnes of carbon.*

**2025 Challenge Metrics:** *tCO<sub>2</sub> removed (i.e. sequestration); tCO<sub>2</sub> emissions avoided*



**Ecotierra**

**Commitment:** By 2021 - ECOTIERRA has raised 40.2 million USD for the Urapí Sustainable Land Use fund, which will invest in 24 cooperatives and 22 associations in Latin America to reach 8,000 producers [75% of which will be coffee producers], enabling them to increase revenue by 300% by generating incremental sales of 1,000 M USD, new diversified revenues of 80 M USD and increasing average sales price by 15%. Urapí will simultaneously lead to reducing deforestation on 8,000 hectares, reforest 25,000 hectares, protect 400,000 hectares and reduce 7,300,000 tonnes of CO<sub>2</sub> emissions. Urapí generates returns for investors through designing and operating integrated interventions that respond to producers, cooperatives, and buyers' needs - including [i] patient credit for land use transition [ii] traceability and marketing tools to position coffees on specialty markets and [iii] revenue diversification through climate finance and the generation of VCS-certified carbon credits from the coffee supply chain.

### What challenge is Ecotierra attempting to address through this commitment?

Urapí Sustainable Land Use has been created by ECOTIERRA to break the deforestation and poverty cycle faced by many smallholders in forest frontier areas. Our focus is to invest in small-holder farmers to reduce migratory agriculture. Each year, 12 million hectares are degraded and Agriculture, Forestry, and Other Land Use activities account for nearly 30% of global GHG emissions. Adding on 2 billion hectares of productive land that have been already lost. The goal is to accelerate communities' sustainable development, thereby tackling climate change and land degradation through the co-development and implementation of business models and tools. Migratory agriculture leads to deforestation and land degradation. For the farmers, this also means a low yield and poor quality of their production. Overall, it impacts their revenues which leaves them with no investment capacity.

### What does this commitment mean for Ecotierra as a business?

This commitment means to achieve our mission and our vision - a world where responsible investments in communities and sustainable land use improve livelihoods and conserve natural capital and environmental services -. Urapí's creation means to be able to work over the long-term with producers and cooperatives as equal partners versus working with "beneficiaries" over 3-5 years projects. As a company, it requires to adapt our projects' design and develop KPIs that are



meant to adapt in the long run. We want to go beyond certification to integrate multiple solutions at all stages of the value chain. From the production of inputs to financing for farmers, technical assistance to increase quality and productivity, diversification of revenues, make carbon finance accessible to cooperatives, commercialization of products to markets with higher value. We work with the premise of educating farmers about the benefits of agroforestry, from carbon sequestration to biodiversity conservation. We promote tried and tested sustainable agriculture practices to stop deforestation and land degradation. We ensure wealth is distributed equitably, acting in the interest of all our partners.

**What insights does Ecotierra have for others who may want to state a similar commitment?**

Be creative and break the boundaries already established by the agroforestry industry. Knowing that agroforestry takes a long time to develop, the projects themselves have to align with the farmers' and cooperatives' needs in time. This past year, Covid presented unique challenges for coffee producers and cooperatives. During the first months of the pandemic, the lack of labor for harvest has led to a decrease in the amount of coffee collected by cooperatives. But communities bounced back and re-instated the traditional practice of Minga, where people from the same villages harvest collectively. Covid also led producers to be unable to invest valuable time in post-production practices (drying, fermentation etc). Therefore, we had to increase quality control efforts to monitor phenol, fermentation problems and other flaws. Because many buyers faced uncertainty at the beginning of the pandemic, the sales season was delayed, and dragged on compared to other years, which left cooperatives working on sales for much longer part of the year and leaving them less time for important activities, such as internal management. Less early contracts also led them to having reduced access to working capital. Any silver linings? Times of crisis either test or strengthen relationships—sometimes both. We've been fortunate to be able to strengthen our relationships with the cooperatives. We also developed new ways of working with each other and realized how much we can do remotely. WhatsApp groups became an essential communication tool with the cooperatives. That will have a positive impact on our future Co2 footprint and our employees' work-life balance.



Conserve Nature



## Strengthen Market Demand



## COMMITMENTS TO INSPIRE—MARKETS CASE STUDY

**2025 Challenge Target:** *Ensure at least 50% of global coffee purchased by roasters and retailers is sourced according to sustainable practices.*

**2025 Challenge Metrics:** *# of metric tons (MT) of green coffee sourced via recognized voluntary sustainability standards (VSS)*



*McDonald's*

Commitment: 100% of coffee verified as supporting sustainable production by 2020.

### What challenge is McDonald's attempting to address through this commitment?

Climate challenges and rising temperatures threaten coffee sourcing, farming and production, so over the past several years McDonald's has made it a priority to transform and safeguard its coffee supply chain. By helping farmers and their communities make improvements to farming processes and navigate shifting environmental conditions, McDonald's has used its scale and expertise to preserve a long-term, sustainable coffee supply and protect it from the adverse effects of climate change. While this journey is ongoing, we are proud to have substantially achieved our goal – and will continue to build on our efforts in this space.

### What does this commitment mean for McDonald's as a business?

Building a sustainable coffee future is an important global issue, and McDonald's commitment demonstrates how its reach can make a tangible impact. To be considered "sustainably sourced," McDonald's coffee must be Rainforest Alliance, Utz, Fair Trade USA, or Fair Trade International certified, or it must come from a McCafé Sustainability Improvement Platform (SIP) approved program. In 2016, with the help of Conservation International, we established the McCafé SIP: a framework that enables our coffee suppliers to build on their expertise and advance sustainable farming practices in partnership with farmers. McCafé SIP is currently active in five countries across South and Central America, reaching nearly 6,000 farms as of 2019, and we're seeing its value as a long-term investment for a more sustainable future. By sustainably sourcing coffee, we support the growth of a market that rewards farmers for adopting sound environmental and social practices.

### What insights does McDonald's have for others who may want to state a similar commitment?

Implementing sustainable coffee practices takes time but there is comfort in knowing that so many other organizations have committed to setting goals and are collectively working toward accomplishing them. McDonald's has been on this journey for over 10 years, and we have substantially achieved our goals: in 2020, 98.1% of ground and whole bean coffee was sustainably sourced, and 98.3% ground and whole bean coffee for McDonald's restaurants supported deforestation-free supply chains. We could not have made considerable progress year over year without the partnership and guidance from Conservation International and other industry partners, and by collaborating with farmers, suppliers and partners, we have created clear benchmarks and processes that we can adapt over time.



## COMMITMENTS TO INSPIRE—COFFEE CASE STUDY

**2025 Challenge Target:** Increase smallholder production by 11.9 million bags, through renovation, rehabilitation, and technical investments on existing areas, to adequately meet long-term demand from a diversity of origins.

**2025 Challenge Metrics:** # of trees distributed or sold



*Mercon*

Commitment: We aim to renovate 20 million coffee trees in Nicaragua by 2025.

### What challenge is Mercon attempting to address through this commitment?

One of the main challenges is the availability of long-term financing to cover the growing needs for farmers in Nicaragua. Mercon is capable of deploying and guaranteeing finance to farmers through its micro-financing business, Mercapital, but the economic and political situation in Nicaragua has certainly increased the risk for the global financial sector and therefore the availability of long term capital for the agro-sector.

### What does this commitment mean for Mercon as a business?

Mercon is a vertically integrated green coffee supplier and its supplying farmers are very strategic stakeholders. Their ability to increase productivity and be more resilient to environmental shocks is critical for the growth of our business.

### What insights does Mercon have for others who may want to state a similar commitment?



© Mercon

In order to commit to successful renovation plans, it is necessary to take a long-term view and to be capable of delivering multiple complementary services, such as finance, as mentioned, and technical assistance. These complementary services are very important for the success of a renovation plan and should not be delivered in isolation. On the one hand, donors should provide long-term financing because renovation itself is a long-term process, typically involving a 10-year renovation cycle where farmers renovate one hectare every year for 10 years, such that in year 9, the first plot will be due for renovation again. Along with long-term financing, technical assistance should also be provided because renovation is a delicate moment for the plot being renovated and is also an opportunity to refresh the plant variety and catch up on technology. An agronomist can accompany the farmer to adopt new technologies if possible. If complimentary services cannot be provided by one actor, partnerships should be formed so that, for instance, if a roaster wants to donate plants, another partner is looking after the other components of renovation.

## Improve Well-Being & Prosperity



### COMMITMENTS TO INSPIRE—PEOPLE CASE STUDY

**2025 Challenge Target:** Establish living income /living wage benchmarks in 80% of ICO member producing countries; contribute to public and private and other partnerships to close living income and living wage gaps; and fully protect the rights and well-being of coffee farmer households and coffee farm workers.

**2025 Challenge Metrics:** \$ funding facilitated toward programs, projects, or facilities— beyond certifications— at the farm level



#### *Massimo Zanetti Beverage*

**Commitment:** In the coffee-growing region of Honduras in which our commitment is focused, children oftentimes stop attending school around 7th grade due to the distance that must be traveled to reach the nearest secondary education program. By committing to construct the first, full and complete secondary education classroom at La Escuela Jaime Martínez Guzmán, we will be increasing access to education and providing the children of this community with opportunities to learn beyond that of a primary education.

#### **What challenge is MZB attempting to address through this commitment?**

“You don’t know what you haven’t learned,” is a short quote that clearly outlines the importance of education in all aspects of life. When you consider so many of the challenges and opportunities in coffee – farmer and worker rights, the generational gap, quality premiums, traceability premiums, living income – you find that awareness and education is critical. While these concepts are well beyond what a secondary education classroom will achieve, our goal is provide the children of the Guascupuzca community with access to a more developed educational foundation that will empower them in their future and build their awareness so that they will know to ask, learn, and advocate.



#### **What does this commitment mean for MZB as a business?**

We don’t intend to stop after the construction on the classroom is completed; rather, we hope to continue to work on initiatives with La Escuela Jaime Martínez Guzmán, truly building upon our relationship with the community and our colleagues on the ground in Honduras. Long term, the possibility to have more communication between our teams and the community is thrilling, and

the potential learnings and educational exchanges would be invaluable. This is our leading direct project of this nature as MZB-USA, so it has been a great source of excitement and morale internally for our teams as well.

**What insights does MZB have for others who may want to state a similar commitment?**

COVID brought many challenges to the table – a delayed timeline, lockdowns and health concerns, closed government offices, paperwork questions – all of which could have easily made a project crumble. Fortunately, our sister company on the ground in Honduras has been a critical facilitator throughout this entire project. From working as the on-the-ground partner managing the project on a day-to-day basis and working directly with the community, to providing thorough documentation and tremendous photo updates, we would not have been able to carry this out with their support. In turn, our best piece of advice is to make sure that you have a strong on-the-ground partner whom you trust in order to guarantee that your contribution is being properly fulfilled and invested to the full benefit of the community and its people.





## COMMITMENTS TO INSPIRE—RESILIENT SUPPLY CASE STUDY

**2025 Challenge Target:** Increase smallholder production by 11.9 million bags, through renovation, rehabilitation, and technical investments on existing areas, to adequately meet long-term demand from a diversity of origins.

**2025 Challenge Metrics:** # people trained



### *Reily Foods*

Commitment: In partnership with LIFT, we have committed to support a Cluster of coffee farms in the Lempiras region of Honduras. The prosperity and well-being of producers will be supported via Technical Assistance Services and Reily Foods will purchase their coffee at an equitable price beginning in 2020.

#### **What challenge is Reily Foods attempting to address through this commitment?**

Reily's specific focus in our Sustainability Program is renovation and yield improvement. The LIFT Program allows us to support an origin program that provides the boots on the ground training that we can't. Training is given by highly qualified agronomists, and includes courses around coffee plant physiology and nutrition, protection and recovery of water resources, and farm and pest management.

#### **What does this commitment mean for Reily Foods as a business?**

From a practical standpoint, the coffee community is one interconnected unit shaped by many external factors. By lifting up one cluster of farmers, we are influencing in a small way the entire community. Renovation is an action Reily Foods chose because we see the long-term value of it through tangible changes: higher productivity and farmers who are able to replace trees.

#### **What insights does Reily Foods have for others who may want to state a similar commitment?**

Regardless of your budget, there is a program at origin in which you can invest and make a difference. Sustainable coffee is our future and yields benefits up and down your supply chain. However, since there are many approaches to coffee sustainability, for small and medium sized companies looking to create a positive impact, it's important to tighten up your focus rather than spreading yourself too thin over multiple programs. One thing that helped in selecting Reily Foods' coffee sustainability focus was working with the company's buyers who have been to origins many times and have the specific expertise to zero in on the right sustainability commitment for our own supply chain. Collaborating with our buyers and the experts at LIFT gives the Reily Foods' sustainability team confidence that our investment lands in the place it will make the most difference.