

A close-up photograph of a coffee branch. The branch is covered with green coffee cherries and small white flowers. The background is blurred, showing more of the plant and leaves. The text "SUSTAINABILITY REPORT 2020" is overlaid in yellow.

# SUSTAINABILITY REPORT 2020

ISSUE 3

# FOREWORD

The sustainability report you're currently looking at is the third issue of its kind. It provides us an opportunity to reflect on the experiences we've had over the past year, take inventory of where we are, and set our sights on the future.

But more importantly this is an occasion to share a piece of us with you. Something that lies close to our heart, but is not always clear in our daily interactions, as they are mainly based on sharing good coffee experiences.

So here we can take some time and describe our efforts to combat the realities of climate change and market disparity, while facilitating a fruitful and healthy workplace for our employees.

FOREWORD	2
ON RESPONSIBILITY	4
NET ZERO	7
B CORP	10
OUR PLOT	13
TRANSPARENCY	17



Much has happened since our previous issue; we're now a certified **B Corp member**, made a **significant Carbon Emission pledge** at COP25, as well as a **pledge of transparency**, and were able to serve, for the first time ever, a promising experiment in biodiverse coffee, harvested from **our own little plot** in Cerrado, Brazil.

All this and more you will find in this issue. Whether you've known us for long, or this is our first acquaintance, we thank you for going along with us on this journey. It means the world to us!



From left: Caravela representative, Peter Ebdrup, Wilson Rodriguez, Edith Enciso and Baptiste Fournier

## ON RESPONSIBILITY

Responsibility has been at the core of Coffee Collective since the very beginning. A responsibility first and foremost, to our partners in coffee farming and trading.

We want to tip the scales of today's coffee market pricing, that has historically been and presently is weighed down by market dynamics established in the colonial era.

Our philosophy is that by purchasing high quality coffee at fair prices farmers increasingly become able to support themselves financially, making it possible to develop exceptional coffee experiences for us, for you, their customers.

**This is about fairness.**

This is why something we call Quality Bonus now appear on any and every bag of coffee you see from Coffee Collective. It tells you what percentage we pay above market prices for those particular beans.

**This is about transparency.**

In 2017 the overall Quality Bonus was 203%, the year after 233%. Two years later in 2019 we hit 245% and with your support we want to keep this growth going, and encourage coffee roasters around the world to do the same, not only to be transparent, but to .

**This is about sustained improvement.**

As part of our continuing efforts to support farmers, we believe that transparency is a helpful tool for you to discover that by supporting coffee experiences you enjoy, your are influencing the establishment of a more fair supply chain.

This is why we are happy to report that with your help, we paid a total of 6.863.957 DKK to farmers around the world in 2019, with a Quality Bonus total of 4.876.281 DKK.

**This is made possible by your support. Thank you.**



# NET ZERO

100 PERCENT CARBON NEUTRAL BY 2022

# NET ZERO

According to the Emissions Gap report of 2019, there is a looming discrepancy between what public and private institutions publicly claim to do to address climate change and what they actually do. This gap is widening, thus hastily closing the window for action to limit global temperature rise at 1.5 degrees celsius.<sup>1</sup>

The recent COP25 conference further highlighted policy makers inability to respond adequately to this dire peril.

That is why we among more than 500 B-Corp certified companies at COP25, in an unprecedented move pledged to double down on the reduction of greenhouse gasses, to achieve net-zero emissions by 2030. Therefore, as we left an otherwise disappointing COP25, we find optimism in our newly formed **B Corp Climate collective**.

Back at Coffee Collective we cannot shake our sense of urgency; working closely with coffee producers around the world we don't have to speculate about the future; the devastating effects of climate change are already taking a very real toll on farmers.

Yields drastically decrease due to spreading pests and increasingly extreme weather and temperature patterns. Some researchers have even suggested coffee could go extinct if temperatures keep rising.<sup>2</sup>

Peter N. Dupont, Coffee Collective CEO, emphasizes the importance of rushing toward net-zero:

*We're gambling with the climatic balance in nature that we as humans depend on. We see GHG emissions increase every year, steadily heating the world and increasing the risk of passing a point-of-no-return.*

In our effort to bridge the commitment gap, we announced our goal to become **100% carbon neutral by 2022** rather than 2030, meaning net-zero emissions from our operations.

By doing so, we hope to inspire by running ahead and hopefully bring attention to the possibility of bridging the gap.



Shadow trees at Akmel Nuri farm, Ethiopia

## Footnotes:

1. UN Environment Programme. (2019) Emissions Gap Report 2019. Nairobi: UNEP

2. Aaron P. Davis, H. C. (2019) High extinction risk for wild coffee species and implications for coffee sector sustainability. Science Advances, 5(1)

# B — CORP

TAKING THE NEXT STEP



Roastery at Godthåbsvej, Copenhagen

While still relatively unknown in Scandinavia, the business certificate B Corp is steadily outgrowing its North American borders.

Companies such as Patagonia and Ben & Jerry's, and a growing number of businesses are bringing attention to this exceptional new certificate from the non-profit B Lab.

The B Corp mantra of producing “a global culture shift to redefine success in business and build a more inclusive and sustainable economy” speaks directly to our own raison d'être, our desire to shape a more fair transaction between farmers and consumers, mediated through quality experiences.

B Corp evaluates on parameters of anything from input materials and supply chain health, to how company policy affect employees, stakeholders and the environment, and then provides a publicly available grade. However, getting certified doesn't mean a company should rest on their laurels. By design B Corp encourages continued improvement, and aims to prove that by focussing on other things than the bottom line, is just good business.

To our delight we passed their strict certification demands in 2019, making us part of the B Corp community. It is to our knowledge the only existing certification that measures both the social and environmental performance in such a comprehensive way.

In acknowledgement of this certification, we established an internal panel to analyze, experiment and propose solutions for how to reach our Carbon Neutrality goals and improve company health overall.

Currently consisting of four members from different departments in our company, we consider our newly formed **Green Group** a great step in our efforts to improve Coffee Collective.

We're excited to be linked with both global and local companies, established ones as well as newcomers, who have all decided to use business as a force for good. We encourage you to look for the **B Corp stamp** when making choices about anything from coffee and sushi, to clothes and furniture, even your bank.

Certified



Corporation

If you want to learn more, check out [bcorporation.net](https://bcorporation.net) or our own story about the journey to B Corp on [coffeecollective.dk/stories/b-corp/](https://coffeecollective.dk/stories/b-corp/)

# OUR PLOT

GETTING SERIOUS ABOUT BIODIVERSITY



João Reis, Agronomist at Daterra



# TRANSPARENCY

An aerial photograph of a farm nestled within a dense, lush green tropical forest. The farm features several structures, including a large central building with a rusted metal roof, several smaller buildings with corrugated metal roofs, and multiple greenhouses of various sizes. A dirt road or path runs through the center of the farm, connecting the different areas. The surrounding forest is thick with various types of trees and vegetation, creating a vibrant green backdrop for the farm's structures.

Jaime Casallas farm, Huila, Colombia

# TRANSPARENCY

A core value of Coffee Collective is to conduct business responsibly. Supporting a more equal, transparent coffee trade is an essential part of that. The people working to grow the seed that eventually becomes the drink we love, must benefit from their contribution, to a degree that makes coffee-farming attractive.

If specialty coffee is to continue to thrive and improve, coffee-farming must be financially sustainable.

Last summer we proudly signed the “Transparency Pledge” with a number of coffee roasteries around the world.

The purpose of the pledge is to be transparent about the prices paid for coffee and collectively increase awareness for coffee consumers, to inform them of their choice between which kind of economic model they are interested in supporting.

The pledge is not a certification, but a verification system for published data. We hope to eventually be joined by as many green coffee buyers as possible. The pledge can be signed by any signatory party buying green coffee, or anyone feeling like supporting the project.

In the following section you will find our Coffee Transparency Table, and more data about our operation. When selecting parameters to use as indicators, we looked to UN’s Global Compact, B Corp and the scientific discipline Ecological Economics.

We have sorted the data into the following categories; Coffee, Social and Environmental.

Please note that some of this year’s data is only fully accounted for later in the year. Indicators received after publishing last year’s report, have been added here. For the sake of transparency, further improvement, and to understand our energy consumption we find it important to open these indicators to public view.

Information about the pledge can be found at [transparency.coffee](https://transparency.coffee) or on our website. We’ve also included a glossary for potentially advanced terminology, found in the back of this report.



Tolima, Colombia

# COFFEE TRANSPARENCY

	Relationship (years)	Quantity bought (kg)	Return to Origin (USD/lb FOB)	Market price (USD/lb)	Producer price (USD/lb)	Recognized Certifications	SCA Quality Score
FVH, Huehuetenango, Guatemala	13	11.640	4,21	1,19	Same as FOB		Excellent
Daterra, Cerrado, Our Plot, Brazil	12	242	4,55	1,26	Same as FOB	Rain Forest Alliance	Excellent
Daterra, Cerrado, Brazil	12	18.150	3,22	1,29	Same as FOB	Rain Forest Alliance	Very Good
Kieni, Nyeri, Kenya	9	12.300	5,97	1,23	5,30		Outstanding
Konyu, Kenya	1	1.380	5,44	1,22	4,95		Outstanding
San Fermin, Tolima Colombia	1	5.740	3,90	1,30	n/a	Organic	Excellent
Nolberto, Tolima, Colombia	1	2.205	4,66	1,31	2,54	Organic	Excellent
Enciso Rodrigues, Tolima, Colombia	1	3.815	4,75	1,32	2,54	Organic	Excellent
Jaime Casallas, Huila, Colombia	7	1.820	4,23	1,31	2,45		Excellent
Duver Rojas, Huila, Colombia	7	1.400	4,23	1,30	2,45	Rain Forest Alliance	Excellent
Edilfonso Yara, Huila, Colombia	7	210	4,37	1,29	2,45		Excellent
El Desarrollo, Huila, Colombia	7	8.330	3,66	1,30	n/a		Excellent
Buku, Guji, Ethiopia	1	6.000	4,80	1,24	Same as FOB	Organic	Excellent
Halo Berite, Yirgacheffe, Ethiopia	2	9.000	4,80	1,24	Same as FOB	Organic	Outstanding
Akmel Nuri, Djimma, Ethiopia	5	15.000	3,28	1,32	Same as FOB		Very Good
Finca Buena Vista, Caravani, Bolivia	3	4.560	4,76	1,37	Same as FOB	Organic	Excellent
FLR, Caravani, Bolivia	3	2.840	5,70	1,37	Same as FOB		Excellent
Takesi Catuaí, Yanacachi, Bolivia	3	300	12,00	1,25	Same as FOB		Outstanding
Takesi Geisha, Yanacachi, Bolivia	3	420	40,00	1,25	Same as FOB		Outstanding
Total volume / weighted averages		105.352	4,41	1,28			

## SOCIAL INDICATORS

### COFFEE PURCHASE AND SALES

	2016	2017	2018	2019
Total coffee purchased(kg)	76.898	71.823	89.990	100.162
Direct Trade Coffee (%)	92.7	99.6	99.8	100
Organic Certified Coffee (%)	24.4	39	35.1	25.3
Weighted avg. FOB price (USD/lb)	3.92	4.48	4.33	4.41
Total roasted coffee sold (kg)	56.739	65.719	73.480	79.996

#### Direct Trade and Quality Bonus

In 2019 we made the decision to remove Direct Trade on our coffees and transition to our own concept, the “Quality Bonus”.

Firstly because we want to be clear about our relationships with producers, secondly because the Direct Trade certification can be opaque and is used in many different ways, and lastly almost all our coffee is traded directly anyway. Therefore each coffee bag displays a Quality Bonus, the percentage we pay above world coffee market prices for those beans. In 2019 the Quality Bonus amounted to 245%.

### HUMAN RESOURCES

	2016	2017	2018	2019
Number of full time union employees	33	41	38	39
Number of different nationalities	7	12	10	14
Female employees (%)	33	41	48	49
Female salaries compared to male salaries in “white collar” positions (%)	+1.6	+1.97	-2.00	+2.07
Female wages compared to male wages in barista positions (%)	+0.6	+0.8	-0.72	-2.06



In 2019 we purchased 11% more green beans than 2018  
Sales of roasted coffee has increased with 9% in the same period



# ENVIRONMENTAL INDICATORS

## ELECTRICITY IN KWH

	2016	2017	2018	2019
Godthåbsvej	45,18	49,56	50,135	54,878
Jægersborggade	17,951	26,028	27,920	28,352
Kristen Bernikows Gade	n/a	24,358	22,162	23,194
Booth in Torvehallerne	32,187	30,958	27,325	n/a
Warehouse at Esromgade	5,28	2,122	1,955	1,783

## WATER IN M³

	2016	2017	2018	2019
Godthåbsvej	n/a	323	n/a	n/a
Jægersborggade	478	n/a	n/a	n/a
Kristen Bernikows Gade	n/a	n/a	725	n/a
Booth in Torvehallerne	318	309	273	n/a
Warehouse at Esromgade	n/a	n/a	n/a	n/a

## HEAT IN KWH

	2016	2017	2018	2019
Godthåbsvej	n/a	n/a	548,5	n/a
Jægersborggade	816	6,327	n/a	n/a
Kristen Bernikows Gade	n/a	n/a	559	542,09
Booth in Torvehallerne	0	0	0	0
Warehouse at Esromgade	0	0	0	0

# GLOSSARY

## Return to Origin / FOB:

When buying green coffee from an exporter, we pay a Free On Board price. When a farmer is also the exporter, the producer price and return to origin prices are the same.

## Producer Price:

Producer price is the amount received by the coffee producer/co-operative, without the export fee/expenses.

## Market Price:

The world market price in the month the coffee purchase was made, is the market price. Prices are sourced from ico.org.

## Quality Bonus:

Quality bonus is the percentage above world coffee market price, we have been able to pay for our green coffee purchase as the FOB.

## Certifications:

The **Rainforest Alliance Certified™** seal is awarded to farms, forests, and businesses that meet rigorous environmental and social standards. Those standard encompass three aspects of sustainability; environmental, social and economic, and is highly comprehensive. Continual improvement is required from the farms, to further enable sustainable agriculture, so farms are regularly audited.

**Organic Certified** coffee is always certified by the local Organic Federation of the origin country. The certification is guaranteed, only if the treatment of the sourced coffee is up to standard prior and after roasting. Organic procedures are regularly audited and monitored by the local authorities in Denmark as well.

## Direct Trade:

A term used for directly sourced and traded green coffee. Unlike Fair Trade, direct trade is not a certification, but describes a manner of sourcing and trading.

## SCA Quality Score:

SCA quality score is based on the 'Total Score Quality Classification' from SCA's Cupping Protocol: Below Specialty Quality [<80], Very Good [80-84,99], Excellent [85-89,99] and Outstanding [90-100]



Zewdie Redda preparing a pourover at Torvehallerne

A close-up photograph of a coffee branch. The branch is covered with vibrant green, glossy leaves. Several small, white, star-shaped coffee flowers are in bloom along the branch. In the upper right corner, a single green coffee cherry is visible, still attached to the branch. The background is softly blurred, showing more of the coffee plant and some distant foliage.

COFFEE COLLECTIVE