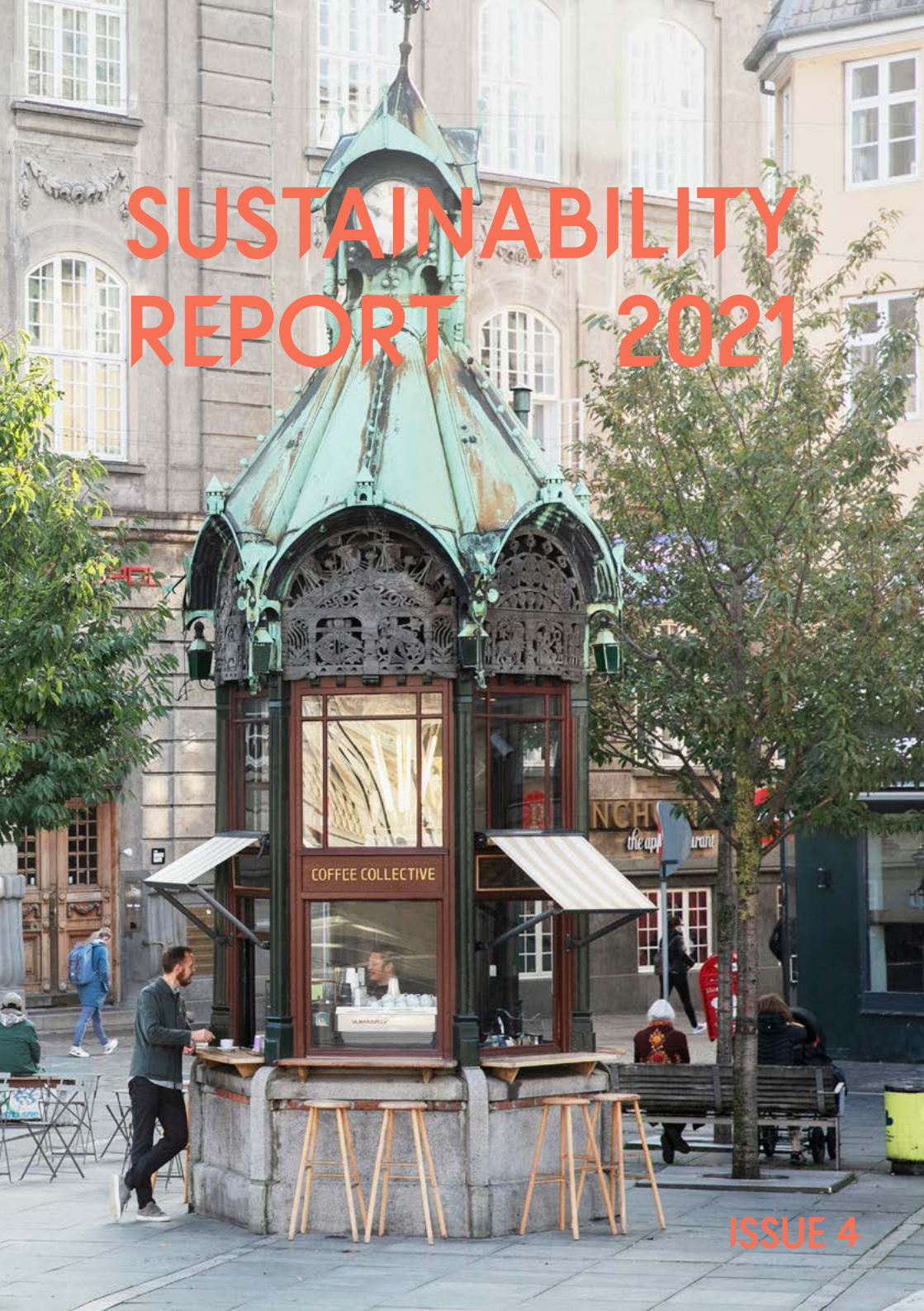


SUSTAINABILITY REPORT 2021



ISSUE 4



FOREWORD

This sustainability report is the fourth of its kind. It provides us an opportunity to reflect on the experiences we have had over the past year, take inventory of where we are at, and set our sights on the future. It is also an occasion to share a piece of us with you in a way that does not always come across clearly in our daily interactions.

The year 2020 has been different from anything we have ever experienced. Like many other companies, the corona pandemic has affected all aspects of our organization. Our coffee shops have for several months of the year been without any sitting guests. Some were for a short period closed.

Our daily interactions with guests are now interfered with by masks and plastic screens, and shops once buzzing with locals and tourists have at times been disturbingly quiet. All adjustments and consequences we have had to come to terms with in this situation.

From the beginning, our goal has been to keep our organization intact. Keeping all of our employees who in one way or another, ensure that we can serve our guests a great cup of coffee and support the people producing the coffee has been a fundamental part of this goal.

Looking back at 2020, the hard work and dedication by all of our employees has enabled us to continue to develop and share our passion for coffee under these extreme conditions.

Moreover, we have received incredible support from locals, who have brewed our coffee at home or accompanied walks with one of our brewed coffees, and from international customers who have visited our online shop, when they could not visit us physically.

We are grateful for your support, and thanks to you, not only have we been able to keep all our employees with us, but we have even brought in new talent for an exciting 2021.

FOREWORD	2
DIRECT TRADED ORGANIC CHOCOLATE	4
SUSTAINABILITY IN CONSTRUCTION	7
THE PATH TO NET ZERO	11
IMPLEMENTED INITIATIVES	13
INITIATIVES FOR 2021	14
TRANSPARENCY	17

Simone preparing a shipment for lockdown brewers everywhere



Mikkel's O'Payo 68% has won gold at the International Chocolate Awards four times

DIRECT TRADED ORGANIC CHOCOLATE

Throughout 2020, we have worked hard on sourcing a hot chocolate that aligns with the quality and the socially and environmentally sustainable values of Coffee Collective.

In Mikkel Friis-Holm we have not only found a partner who produces some of the world's most tasty chocolate. We have also found someone that holds very similar values as us when it comes to sourcing the main ingredient for his product.

Mikkel is a founding member of Direct Cacao, an organization that has declared that “[ed. cacao] which brings pleasure to so many, should not be treated as a mere commodity and that the work of those who grow cacao, without whom there would be no chocolate, should be given its due respect and value.”¹

Consequently, Mikkel is sourcing the cacao for his chocolates with a Direct Trade approach, ensuring higher payments to cacao farmers, more transparency, and ethical social and environmental standards.

Our hot chocolate is based on Mikkel's O'Payo 68% chocolate, which has won gold at the International Chocolate Awards four times.

The cacao for this chocolate has been organically grown in Nicaragua, in the region of Waslala in the Bosawas Natural Reserve. The producers have been paid a Quality Bonus of 25% (the NY stock exchange prices +25%), which is among the highest prices paid to producers in the world.² The only other ingredients in our mix are organic cane sugar, organic cacao butter, and a tiny bit of sea salt. The cacao has been roasted, ground, and conched in Mikkel's factory in Denmark, with all of his electricity supplied by windmills.

We could not be happier with the result of this collaboration, which we excitingly launched the outcome of in February 2021.

Footnotes:

1. Declaration: Direct Cacao
<http://www.directcacao.org/declaration/>

2. Real Sustainability: Ingemann Fine Cocoa
<https://ingemann.com.ni/realsustainability/>

A NEW COFFEE SHOP SUSTAINABILITY IN CONSTRUCTION



SUSTAINABILITY IN CONSTRUCTION

In late September 2020, we added another coffee shop to the family. The new coffee shop is located at Sankt Hans Torv at Nørrebro. From the beginning, the intention was to design and build a more sustainable coffee shop. The building and construction sector accounted for 39% of energy and process-related carbon emission in 2018.¹ We hope to decrease our environmental impact by rethinking how we design and construct future coffee shops.

Walking into the shop, you instantly experience a Nordic vibe. A “floating” bar, an illusion created by a mirror, amplifies the bright and airy space. A bit more unnoticed are the sustainable thoughts that have influenced the details of the shop. Throughout the construction process, we have tried to choose and apply the most sustainable materials and solutions.



Skagerak seating line the windows, for a lovely Nørrebro view



Clay being applied to the brick wall

Clay, a natural product, has been applied as plaster on the walls. Clay has the lowest embodied CO₂ of any interior finishes² as it does not demand any chemical treatments, and has a very low processing impact compared to traditional materials. It also helps ensure a better indoor climate in the shop.

Hanging on the clay-clad walls are vintage posters and drawings, handmade ceramic masks, and other artworks.

Further, handmade lamps brighten up the windows with light and color. All of which are from small independent artists and shops, adding a personal touch to the shop.

Wood is present in various details of the shop. From tables and chairs to the counter, it underlines the Nordic vibe. All of the woodwork is FSC certified. A certification, ensuring that forests are alive for generations to come, as new trees are grown when other trees are cut down.



Bricklayer placing re-purposed Flensburg bricks for the floor

On the floor, you will find handmade Flensburg stones. The stones are around 100 years old and have been taken down from other buildings and reused in our shop. By doing so, we have used an already existing resource and gotten a beautiful rustic look on the floor.

Chairs and stools are from fellow B-Corp organizations, Skagerak and Takt. Besides sustainable wood sourcing, Skagerak's focus is on environmental and socially responsible production. Takt designs furniture to last and has managed to incorporate sustainability into various levels of its designs, including repair and easy recycling of its products.

Our efforts to create a more responsible coffee shop were in 2020 recognized when we got nominated for the Sprudgies Award for the best sustainable coffee shop.



Josephine preparing coffees at our floating bar

In the end, Bettr Coffee Co. in Singapore won,³ but the nomination gave us an indication that we are heading in the right direction.

The opening of Sankt Hans Torv has developed our sustainable mindset and taught us a great deal of how to implement more sustainable materials and solutions - knowledge we will apply to future additions to the Coffee Collective family.

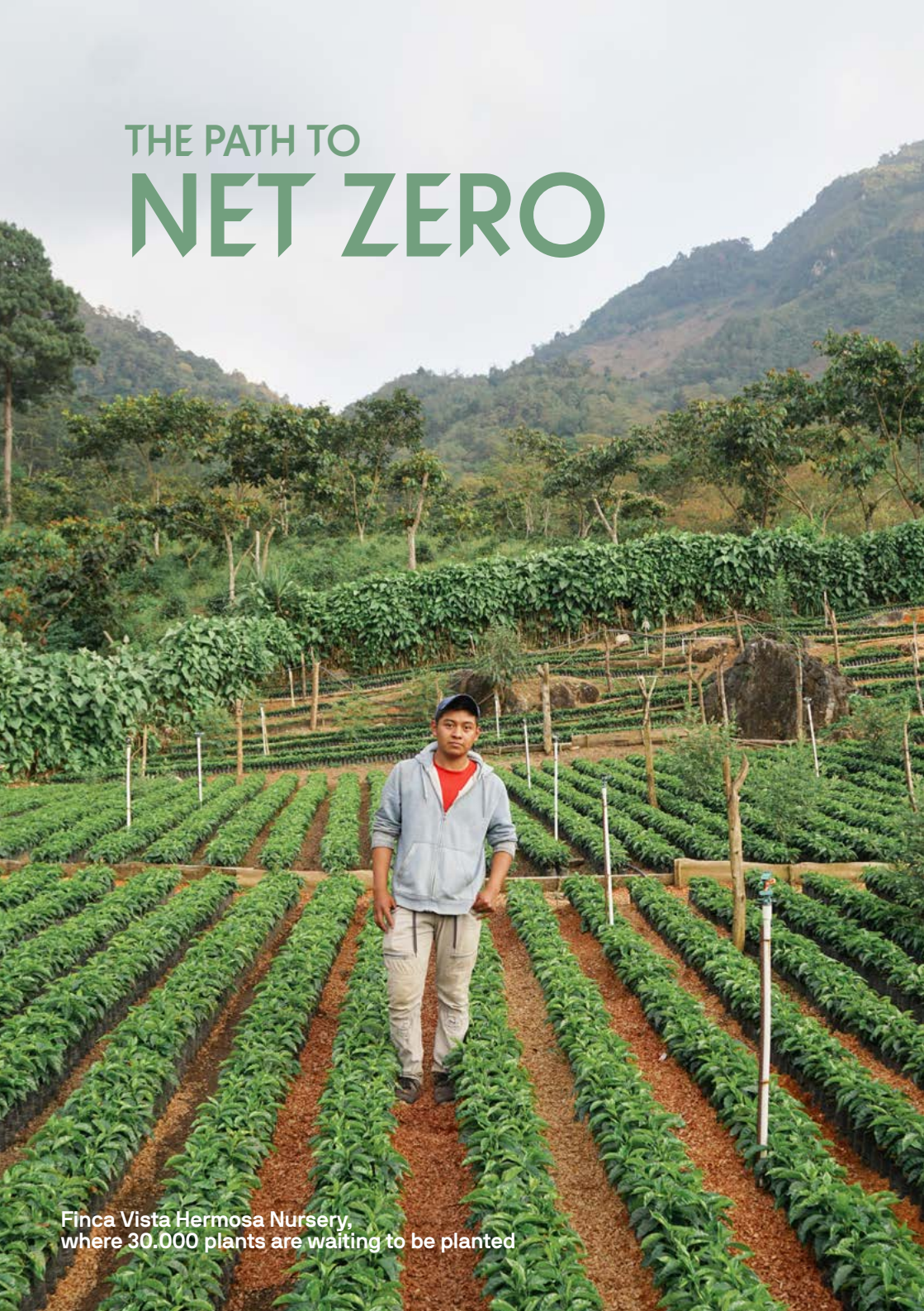
Footnotes:

1. 2019 Global Status Report for Buildings and Construction Sector: UNEP <https://www.unep.org/resources/publication/2019-global-status-report-buildings-and-construction-sector>

2. Sustainability: Materiale Pyramiden <https://www.materialepyramiden.dk/>

3. The Twelfth Annual Sprudgie Award Winners, Honorees, and Finalists: Sprudge <https://sprudge.com/the-twelfth-annual-sprudgie-award-winners-honorees-and-finalists-172990.html>

THE PATH TO NET ZERO



Finca Vista Hermosa Nursery,
where 30.000 plants are waiting to be planted

At the end of 2019, we announced our goal of being 100% carbon neutral by the end of 2022. This is our effort to bring attention to the urgency and effects of the climate crisis and do as much as we possibly can. Reaching net-zero emissions in just two years is a large undertaking, but one we expect to take us well beyond carbon neutral.

The first step has been to conduct a carbon assessment of Coffee Collective, including all in-house activities *and* our extended value chain, which enabled us to establish a comprehensive carbon management strategy that consists of two approaches; active reduction of emission “hot spots” and carbon offsetting.

Among the first hotspots we identified is the waste produced at Coffee Collective. Everyday operations across the coffee shops and roastery produce kilos of waste. In the past, most of our waste was sent to combined heat- and power-plants, where waste is burned to produce electricity and hot water for Copenhagen. Only a minor part was sorted into categories that enables recycling or production of biofuel. As such, the reduction of waste has until now been a missed opportunity. In October 2020 we initiated a waste tracking and reduction project to systematize waste sorting across all coffee shops. By the end of 2020 all coffee shops were separating organic-, general-, and cardboard waste. In addition, three shops implemented sorting of paper, plastic, and metal. Our goal for 2021 is for all coffee shops to be sorting as much waste as possible.

We are also consulting with our value-chain partners to improve how we can work together by sharing information, practices, and solutions. Through our conversations with our different partners, we already see overlaps of impacts and solutions emphasizing the true power of networks.

Then there is carbon offsetting, which has its challenges and can be a sensitive subject. We are working with partners and researchers to best include this approach in our broader carbon emissions strategy. As we improve measuring, reducing, and optimizing our carbon footprint, our reliance on offsetting will decrease as well.

IMPLEMENTED INITIATIVES

Part of our continued sustainability journey involves reflecting on past milestones. Evaluating steps taken helps shape the path ahead.

2011

2011:
COFFEE BAGS THAT BURN AS CLEAN AS POSSIBLE

2013:
PRICE TRANSPARENCY,
ALL OPERATIONS POWERED BY GREEN ENERGY

2014:
OUR OWN COFFEE PLOT, WHERE WE FOCUS
ON IMPROVING BIODIVERSITY

2015:
ADJOINING UNION AGREEMENT
TO ENSURE GOOD WORKING CONDITIONS

2016:
PLANT-BASED AND COMPOSTABLE TO-GO CUPS
OFFERING A CIRCULAR TO-GO CUP SOLUTION

2018:
ORIGIN TRIP EMISSIONS OFFESTTING,
SOCIAL AND ENVIRONMENTAL INDICATORS

2019:
TRANSPARENCY PLEDGE

2021

INITIATIVES FOR 2021

Looking to 2021, we hope it will be a year in sustainability's sign. In terms of our Pledge to reach net zero by the end of 2022, 2021 will be a crucial year. We formulated 4 initiatives to guide our sustainable profile and get us closer to our goal.

1. CIRCULARITY

Implementing a circular bean containers for our retail and whole sale coffee beans

2. SUPPLIER CODE OF CONDUCT

Formalizing a supplier code of conduct for the different suppliers in our value chain

3. OFFSETTING

Finding and commencing an honest and just project for offsetting carbon emissions

4. WASTE REDUCTION

Incorporating waste sorting in the bakery and continuously improving it in all of our divisions



Cup from a circular collaboration with Kleen Hub



TRANSPARENCY

TRANSPARENCY

Coffee Collective was initially founded with the intention of supporting a more equal and transparent coffee trade. The coffee industry is still experiencing market prices so low that coffee farming is rarely financially attractive. Our ability to serve our guests a cup of specialty coffee is made possible by the people working at the coffee farms and we believe that they must benefit from their contribution.

Two years ago, we signed the “Transparency Pledge”¹ with a number of coffee roasteries around the world.

The purpose of the pledge is to be transparent about the prices paid to the coffee farmers 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 promise made to adhere to certain principles of being transparent. 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, Environmental and Social Indicators about our operations.

When selecting parameters to use as indicators, we looked to UN’s Global Compact, B Corp, and the scientific discipline Ecological Economics.

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

We have also included a glossary for potentially advanced terminology, found at the back of this report.

Footnotes:

1. Transparency Pledge

<https://www.transparency.coffee/pledge/>



Manager of Ngurueri factory,
Murue Society

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
Daterra, Cerrado, Our Plot, Brazil	14	290	3.5	1.06	Same as FOB	Rain Forest Alliance	Good
Daterra, Cerrado, Brazil	14	15,004	3.03	1.12	Same as FOB	Rain Forest Alliance	Good
FVH, Huehuetenango, Guatemala	13	8,292	5.1	1.47	Same as FOB		Excellent
HLE, Palmira, Panama	11	227	50.0	1.42	Same as FOB		Outstanding
Kieni, Nyeri, Kenya	10	1,410	5.6	1.59	5.1		Excellent
Jaime Casallas, Huila, Colombia	9	3,080	4.8	1.57	2.39		Excellent
Duver Rojas, Huila, Colombia	9	910	4.7	1.6	2.39		Excellent
Edilfonso Yara, Huila, Colombia	9	910	4.7	1.6	2.33		Excellent
Desarollo, Huila, Colombia	9	6,475	4.0	1.53	2.03		Excellent
Akmel Nuri, Djimma, Ethiopia	7	12,600	3.9	1.02	Same as FOB	Organic	Good
Takesi Geisha, Yanacachi, Bolivia	6	300	40.0	1.52	Same as FOB		Outstanding
Buku, Guji, Ethiopia	5	6,000	4.9	1.11	3.75	Organic	Excellent
Kirite, Guji, Ethiopia	5	6,000	4.9	1.11	3.75	Organic	Excellent
Finca Buena Vista, Caravani, Bolivia	5	2,580	5.5	1.41	Same as FOB	Organic	Excellent
FLR, Caravani, Bolivia	5	1,140	5.5	1.41	Same as FOB		Excellent
Enciso Rodrigues, Tolima, Colombia	3	3,150	4.6	1.56	2.33	Organic	Excellent
Planadas, Tolima, Colombia	3	12,600	3.8	1.6	1.89	Organic	Excellent
Nolberto, Olaya, Tolima, Colombia	3	700	5.0	1.68	Same as FOB		Excellent
Rumudamo, Sidama, Ethiopia	1	90	108.2	1.12	81.8		Outstanding
Al Enab, Sa'ada, Yemen	1	500	10.73	1.13	8.41		Excellent
Total volume / weighted averages		95,038	4.65	1.35			



Coffee Collective Cycling Club on their weekly afternoon ride. Join them on the road or follow them @c.c.c.c. on Instagram

SOCIAL INDICATORS

COFFEE PURCHASE AND SALES	2017	2018	2019	2020
Total coffee purchased(kg)	71,823	89,990	100,162	95,038
Direct Trade Coffee (%)	99.6	99.8	100	99.9
Organic Certified Coffee (%)	39	35.1	25.3	45.2
Weighted avg. FOB price (USD/lb)	4.48	4.33	4.41	4.65
Total roasted coffee sold (kg)	65,719	73,480	79,996	79,403

In 2020 we managed to keep the Quality Bonus at 245%. The Quality Bonus is the percentage that we paid above the world market price. Moreover, almost half of the beans we bought had an organic certification.

HUMAN RESOURCES	2017	2018	2019	2020
Number of full time union employees	41	38	39	33
Number of different nationalities	12	10	14	15
Female employees (%)	41	48	49	43
Female salaries compared to male salaries in “white collar” positions (%)	+1.97	-2.00	+2.07	+0.2
Female wages compared to male wages in barista positions (%)	+0.8	-0.72	-2.06	-2.24
Employee Satisfaction (1-5)	-	-	-	4.54
Employee trust towards CC as an employer (1-5)	-	-	-	4.68

In January 2021 a work assessment survey was sent out to all employees (37 responded). We have included two important numbers from the survey to the Human Resource table; employee satisfaction and employee trust towards Coffee Collective as an employer. Employees assigned scores on a scale from one to five. Moreover, the survey identified appreciation for ones work, a good relationship with colleagues, and the company’s values as primary factors influencing the employees’ satisfaction.

ENVIRONMENTAL INDICATORS

ELECTRICITY IN KWH	2017	2018	2019	2020
Godthåbsvej	49,560	50,135	54,878	57,664
Jægersborggade	26,028	27,920	28,352	25,296
Kristen Bernikows Gade	24,358	22,162	23,194	20,422
Booth in Torvehallerne	30,958	27,325	20,583	24,020
Warehouse at Esromgade	2,122	1,955	1,783	2,097
Sanks Hans Torv	-	-	-	6,501
Telefon Kiosken	-	-	-	4,090

WATER IN M ³	2017	2018	2019	2020
Godthåbsvej	323	n/a	n/a	461
Jægersborggade	n/a	n/a	309.04	n/a
Kristen Bernikows Gade	n/a	725	n/a	n/a
Booth in Torvehallerne	309	273	368.9	366.5
Warehouse at Esromgade	0	0	0	0
Sanks Hans Torv	-	-	-	n/a
Telefon Kiosken	-	-	-	n/a

HEAT IN KWH	2017	2018	2019	2020
Godthåbsvej	n/a	548,5	243	n/a
Jægersborggade	6,327	n/a	2,708	n/a
Kristen Bernikows Gade	n/a	559	542.09	449.52
Booth in Torvehallerne	-	-	-	-
Warehouse at Esromgade	-	-	-	1170.92
Sanks Hans Torv	-	-	-	n/a
Telefon Kiosken	-	-	-	n/a



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.

It is the relevant price from the four quality categories used in the world market. Prices are sourced from ico.org.

Quality Bonus:

Quality bonus is the percentage above world market price, that we have been able to pay for our green coffee purchases at the export level (FOB).

Certifications:

The **Rainforest Alliance Certified™** seal is awarded to farms, forests, and businesses that meet rigorous environmental and social standards. Those standards are highly comprehensive and encompass three aspects of sustainability; environmental, social, and economic. 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 of the treatment of the sourced coffee is up to standard prior and after roasting. Organic producers are regularly audited and monitored by the local authorities in Denmark as well.

FSC Certified wood comes from responsible managed forests providing environmental, social and economic benefits.

Direct Trade:

A term used for directly sources and traded green coffee.

Unlike Fair Trade, direct trade is not a certification but describes a manner of sourcing and trading.

SCA Quality Score:

A quality score is based on the “Total Score Quality Classification” from SCA’s Cupping Protocol: Below Specialty Quality [<80], Very Good [80-84,99] and Outstanding [90-100].





COFFEE COLLECTIVE

