



SUSTAIN ABILITY REPORT

2022

COFFEE COLLECTIVE

ISSUE 5

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FOREWORD

This sustainability report is the fifth of its kind. It provides us with an opportunity to reflect on the experiences we have had over the past year, take inventory of where we are, 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 2021 has been challenging and exciting. In the second year of the pandemic, many aspects of our organization are still affected. We have never had to change our practices as much, as we adapted to the ever-changing situation. Current times ask for flexibility and creativity to get the best out of all the challenges being faced.

As of spring, we were able to welcome sitting guests in our coffee shops once again and return to the lively and buzzing atmosphere in all of spring and summer. Unfortunately later that year, we had to return to masks and limited capacity.

Looking back at 2021, hard work and dedication by all of our employees, and the support of our customers have helped us master the changing situation and continuously adapt.

The background of the entire page is a photograph of numerous large, light-brown burlap sacks stacked in neat rows. The sacks are filled, likely with coffee beans, and their texture is clearly visible. On the right side of the page, there is a vertical decorative element consisting of a series of overlapping, light-gray triangles that create a geometric pattern.

Despite the challenges, we reached a milestone in 2021: We are now more than 100 employees. Celebrating the opening of our own bakery and two years of B Corp certification were only some of this year's highlights.

While we hold a good position in Denmark, the conditions for the coffee farmers we work with are still incredibly difficult. The pandemic severely affected many coffee regions and still poses large uncertainty while no aid packages are available in most coffee growing countries. This motivates us even more, to keep the coffee flowing and help secure a yearly income for the coffee farmers.

In this year's sustainability report, we will take some time to describe our efforts to tackle the realities of climate change and market disparities, while creating a safe and healthy workplace for our employees.

We are grateful for all the support on this journey and are looking forward to an exciting 2022: The year we pledged to become Net Zero!

NEW PACKAGING

Over the last years, we have continuously looked for better packaging solutions for our coffee beans.

Since 2011 our coffee packaging had been composed of materials that burned as clean as possible. Ten years later the recycling technology has progressed and become more accessible. To match this development, we introduced a new bean bag in 2021, changing the material and design.

Our new bags are fully recyclable and should be sorted as soft plastic or “LDPE”. We buy the bags directly from the manufacturer within the EU, thereby saving transportation emissions and increasing efficiency.

Our bags are the best so far, or as we call it, the “least bad” option. As recycling technologies keep developing, we hope to further improve the materials of our bags.

After introducing our collaboration with the circular coffee cups from Kleen Hub in 2020, we are now getting closer to implementing circular coffee bean containers for everyone to take home.

Finding a good solution has been challenging, as the containers should be long-lasting, while not decreasing the taste and quality of the coffee beans. Circular containers started being used in conjunction with our wholesale customers, as well as our bars, in early 2022.



The bag is built up in two layers:

The outside layer is produced from 100% recycled plastic, creating a protective barrier and providing structure.

The inside layer is still made out of new or “virgin” plastic. In Europe, it is currently not possible to recycle plastic in a way that makes it clean enough to be certified for food-grade.

The inside layer which is in contact with the beans has to be new plastic.

Labels on the bags were changed and became half as big, decreasing use of paper and ink by less printing.

These are also recyclable with the bag itself.



COLLECTIVE BAKERY

In April 2021, our long-standing dream of opening a bakery became a reality.

The idea behind Collective Bakery was to lift the quality of our bread and pastry servings to the same high level as our coffee.

We apply the same sustainability standards and the same approach to sourcing ingredients for the bakery as we do with coffee: Be in direct relationships with the producers, learn from them and become better together. As part of Coffee Collective, our bakery works within the B Corp setup.

We mainly work with locally grown products from Denmark. They should be farmed organically, grown ethically with a regenerative mindset, and represent the season. To source the flour, we found two ideal partners in Kragegården, on the island Fyn and Kornby Mølle, Denmark's leading organic flour producer, located just north of Copenhagen.

Both are transparent about their growing and farming practices. Transparency is an important factor for our bakery's suppliers, similar to the coffee producers we work with.



The nuts and spices we use are sourced through Warfair.org, who also provide detailed transparency. All baked goods are delivered by bike to the coffee shops.

At Collective Bakery we are taking a holistic approach, contrary to conventional baking. Our bakers work with biodiverse natural yeast in the sourdough products. Yeast is an important ingredient in bread-making and in the air all around us. Using conventional yeast makes the baking faster and more predictable, but sacrifices some taste and texture qualities. Natural yeast improves nutrition, digestibility, preservation potential and the flavour of our bread.

No synthetic ingredients are added to extend the shelf life of baked products, making the bakery a safe and healthy work environment. In conventional baking, bakers are at risk of health problems occurring due to working with products containing synthetic additives.

Temperature and humidity affect our ingredients and our daily routines. Choosing raw and unstabilized ingredients makes our work prone to changes in weather. However, it also adds a unique energy, and a synergy between nature, the environment and the baker's craft.



Our baking team is driven by the constant urge to make the production of baked goods more sustainable and strive to create as little waste as possible by reusing leftovers.

The Citronbølge (Lemon Wave), made from leftover croissant trimmings and glazed with a homemade lemon syrup and lemon skin tea infusion, is a perfect example of the bakery's approach.

The wave has proved to be a signature item, as it also embraces our love for acidity. Nevertheless, we keep its production to being only from trims.

We also use leftover filter coffee to hydrate the rye bread. This reuse of what would otherwise have been wasted enhances the malty flavours and adds a nice roundness to the bread. Each day, we use around 4-7 litres of leftover coffee.

The bread leftovers from the day before are cut up, soaked, made into a porridge, and mixed in the dough for the next day's sourdough buns. We reuse 30-35kg of bread per week. Our Træstamme is made from leftover Kardamommelets, Croissants and Cookies.

This summer we aim to incorporate items that would usually be discarded into a topping for the espresso ice cream served in the coffee shops. Our initial idea is to combine the leftover coffee to make caramel or syrup. We will also explore the use of leftover bread and coffee grinds to create a crumble topping.

All of these processes of reuse enable the bakery to produce very little waste. The leftovers that cannot be reused are given to charity or Too Good To Go. Any small amounts of waste left are recycled and composted.



THE PATH TO NET ZERO

This year marks an important milestone for Coffee Collective, as we will reach Net Zero by the end of 2022.

We are proudly looking forward to achieving this goal, but it is not the end of the journey.

Net Zero is a critical step, which inspires and motivates us to further develop within this area and reduce our emissions. It keeps going!

In general, our climate plan can be summarised by three main principles: Measuring our emissions, prioritising reductions in the most intense areas, and offsetting the rest. This is repeated every year as we will always strive to reduce emissions further, either by finding new suppliers or streamlining our operations.

Early on, we identified waste produced at Coffee Collective as a hotspot of emissions, and since 2020 we have been working on sorting more waste for recycling. All our coffee shops are now fully separating organic and general waste, as well as cardboard, paper, plastic, and metal. Sorting into these categories enables production of biofuel from organic waste and recycling.

Following the inspiring example of our bakery's approach, we will continue to work on minimising our waste. In Jægersborggade, we partnered up with Tagtomat, who help reduce our waste impact by upcycling empty milk cartons into grow kits for plants and mushrooms.

In 2022, we will be taking a deep dive into measuring our emissions, in order to pinpoint areas to focus on for further reductions. These solutions can be based on everything from introducing more circularity into our work or finding low carbon alternative of our products, but time will tell which is the right solution to put into action first.

Offsetting is a contentious subject with a common criticism being that offset projects are often far away and lack accountability. That's why we are very focused on finding reliable and real ways of offsetting, trying to keep our projects as close to our emissions as possible, and closely following the Oxford Offsetting Principles¹.

¹ The [Oxford Offsetting Principles for Net Zero](#) provide guidelines to help ensure offsetting actually helps to achieve a net zero society

We plan to release a Climate Plan where we will explain more in detail, so stay tuned!



IMPLEMENTED INITIATIVES

2011
COFFEE BAGS
that burn as clean as possible

2013
PRICE TRANSPARENCY
& all operations powered by green energy

2014
OUR COFFEE PLOT
in Daterra, Brazil, where we focus on
improving biodiversity in a scalable manner

2015
ADJOINING UNION AGREEMENT
to ensure good working conditions

2016
COMPOSTABLE TO-GO CUPS
compostable to-go coffee cups and a circular option

2018
FIRST SUSTAINABILITY REPORT
including social and environmental indicators
and origin trip emissions offsetting

2019
TRANSPARENCY PLEDGE
to give insight on coffee prices and contribution to farmers

2020
REDUCTION PROJECT
initiation of waste tracking for reduction project
and collaboration with Kleen Hub

2021
REUSABLE PACKAGING
for coffee beans

FUTURE INITIATIVES

This is the final year of our pledge to reach Net Zero!
By the end of 2022, we aim to arrive at this milestone.

However, we will always work on further reducing of
our emissions. We formulated five goals to guide our
sustainable profile throughout the year.

Some of these initiatives, we hoped to already
achieve in 2021. Sometimes, such projects take more
time and effort than anticipated. This only motivates
us to work even harder towards our goals!

CIRCULARITY

After implementing a circular bean container for our wholesale
customers and the coffee shops in early 2022,
we are working towards a solution for our retail beans

SUPPLIER CODE OF CONDUCT

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

OFFSETTING

Finding and commencing honest and just projects for offsetting
carbon emissions

WASTE REDUCTION

After optimizing our waste sorting system, we now commit to
further minimising waste across our coffee shops

NET ZERO

We pledged to become Net Zero by the end of 2022

TRANSPARENCY

A woman wearing a black headscarf with white polka dots and a dark long-sleeved shirt is harvesting coffee cherries from a tree. She is surrounded by dense green foliage and red coffee cherries. The background shows a hilly landscape with more trees and a small building in the distance.

At Coffee Collective, we believe in conducting business responsibly and supporting a more equal and transparent coffee trade. In the coffee industry, prices paid to the farmers often barely cover their costs, let alone support their families.

The people working at the coffee farms make it possible to serve our guests excellent coffees and we believe that they must benefit from their contribution.

Coffee farming must be financially sustainable.

Back in 2019, we proudly signed the Transparency Pledge² 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 promise made to adhere to certain principles of being transparent. We hope to eventually be joined by as many green (unroasted) 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, our Bakery Transparency table, and more data about our operations. When selecting parameters to use as indicators, we looked to the UN's Global Compact, B Corp and the scientific discipline Ecological Economics.

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 better understand our energy consumption we find it important to open these indicators to public view. Furthermore, the chosen data is primary data and where possible, reported in physical units, not derived figures depending on different assumptions or conversion factors.

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

² Information about the pledge can be found at transparency.coffee/pledge/ or on our website



COFFEE TRANSPARENCY

At Coffee Collective, we value complete transparency from farm to cup. We have strong tracing structures to collect all the data presented in the transparency table. A trusting relationship with our suppliers allows us to fully understand all the processes that work together to deliver the final coffee experience.

We hope our take on sustainable relationships can inspire other companies to set up similar structures and incorporate them into their own business. Hopefully our transparency can inspire consumers and others to ask questions to get relevant facts and data from coffee companies to go beyond the beautiful stories we all in the coffee industry excel in telling.

All of our coffees are directly sourced and traded. With one exception: Our coffees from Yemen come to Copenhagen through Warfair.org, a company that exclusively trades with producers in conflict affected countries.

After years of historic low prices on the global coffee market, we have seen a significant rise during the past two years. In comparison, the average world market price comparable to our coffees rose from 1.35 USD/lb last year to 1.85 USD/lb in 2021. However, higher prices for a season or two are not enough to sustain progress. Farmers need long-term security of profitable income.

At Coffee Collective, we have long-lasting relationships with farms, often over a decade. We value these mutual relationships and stay open to create new ones. While we are able to provide financial security for the farmers, they are providing us a safe source of high quality coffee.

In 2021 we increased our import of green coffee by nearly 4,000 kg with the average price of our green coffee purchases at 4.85 USD/lb, compared to 4.65 USD/lb in 2020. We are pleased to see how we have been able to increase the prices we paid to the producers once again and at the same time buy more coffee – even in the challenging times COVID-19 has presented.

Our quality bonus represents how much we have paid above the world market price. We managed to pay an average quality bonus of 157% in 2021.

Since our price negotiations with the producers are based in quality and not in differentials on the world market, the fluctuations in the global market price do not directly impact the prices we agree with the farmers.

If the current level of global market prices stays high, it will over time reflect more in our prices paid to the producers as well. This will align with our work and follow our company's purpose to bring better returns to the farmers.

Looking at the history of the very volatile global market prices it's still too early to tell if we are experiencing a long term upwards trend.

Since the global coffee market was liberalized in the late 1980s, peaks for about 2 years above the estimated cost of production of arabica coffee (at around 1.35 USD/lb) were followed by 8-10 years below that figure. We hope the market won't suffer those drops again.

COFFEE WE BOUGHT IN 2021

				Relationship (years)	Return to Origin (USD/lb FOB)	World Market price (USD/lb)	Producer Price (USD/lb)
17391 KG	DATERRA, CERRADO, BRAZIL	●	●	15	3.32	2.3	FOB
17160 KG	KIENI, NYERI, KENYA		●	11	5.2	1.77	4.78
13200 KG	HALO, YIRGACHEFFE, ETHIOPIA	●	●	4	4.5	1.41	n/a
11445 KG	PLANADAS, TOLIMA, COLOMBIA	●	●	4	4.42	2.14	2.79
7899 KG	VISTA HERMOSA, HUEHUETENANGO, GUATEMALA		●	15	4.21	2.04	FOB
6000 KG	BUKU, GUJI, ETHIOPIA	●	●	6	4.5	1.41	n/a
4800 KG	AKMEL, JIMMA, ETHIOPIA	●	●	8	4	1.22	FOB
3955 KG	ENCISO, TOLIMA, COLOMBIA	●	●	4	4.85	1.88	2.56
3849 KG	KIANGOI, KIRINYAGA, KENYA		●	1	5.3	1.77	4.88
3710 KG	JAIME CASALLAS, HUILA, COLOMBIA		●	10	4.87	1.84	3.04
3395 KG	DESAROLLO, HUILA, COLOMBIA		●	10	3.74	1.83	2.58

1750 KG	PEREZ, TOLIMA, COLOMBIA		●	1	4.95	2.07	3.1
799 KG	DATERRA OUR PLOT, CERRADO, BRAZIL	●	●	15	4.37	2.3	FOB
660 KG	SHA'AN, IBB, YEMEN		●	1	8.72	1.6	5.88
595 KG	EDILFONSO, HUILA, COLOMBIA		●	10	4.52	1.79	2.58
560 KG	DUVER, HUILA, COLOMBIA		●	10	4.52	1.77	3.1
545 KG	ESMERALDA, BOQUETE, PANAMA		●	12	50	1.92	FOB
435 KG	TAKESI, YANACACHI, BOLIVIA		●	7	40	1.97	FOB
420 KG	NOLBERTO, TOLIMA, COLOMBIA		●	4	4.9	1.7	FOB
300 KG	AL-HAIMI, HARAZ, YEMEN		●	1	7.36	1.6	6.98
140 KG	JENIFER, HUILA, COLOMBIA		●	1	5.1	2.07	3.1

SCA Quality Score: ● Outstanding ● Excellent ● Good

Certifications: ● Rain Forest Alliance ● Organic

	relationship (years)	type of product	quantity bought	recognised certification
Friis-Holm Chokolade	2	chocolate	851,25 kg	Organic
Condi	1	seeds and sugar	347 kg	Organic
Birkemosegaard	1	fruit	208 items	Organic
Kysøko	1	vegetables	193 items	Organic
Kragegaarden	1	flour	79 740 kg	Organic
Kørnby	1	flour	20 411,5 kg	Organic

In Collective Bakery, we try to our best abilities to follow the same principles in sourcing ingredients as we do with coffee.

This transparency table includes all direct trade suppliers of the bakery. Since this is the first year, we are still developing and hope to expand the table in the coming year.



SOCIAL INDICATORS

In January 2022 a work assessment survey was sent out to all employees (58 responded).

The survey identified appreciation for ones work, a good relationship with colleagues, and the company's values as primary factors influencing the employees' satisfaction.

	2017	2018	2019	2020	2021
Number of full time union employees	41	38	39	33	49
Number of different nationalities	12	10	14	15	19
Female employees (%)	41	48	49	43	52
Female wages compare to male wages in "white collar" possitions (%)	+ 1.97	- 2.00	+ 2.07	+ 0.2	+ 0.87
Female wages compare to male wages in barista positions (%)	+ 0.8	- 0.72	- 2.06	- 2.24	- 1.7
Employee satisfaction (1-5)	-	-	-	4.54	4.52
Employee trust towards CC as an employer (1-5)	-	-	-	4.68	4.66

	2017	2018	2019	2020	2021
Total coffee purchased (kg)	71 823	89 990	100 162	95 038	90 008
Direct Trade Coffee (%)	99.6	99.8	100	99.9	99.1
Organic Cretified Coffee (%)	39	35.1	25.3	45.2	35
Weighted avg. FOB price (USD/ lb)	4.48	4.33	4.41	4.65	4.85
Total roasted coffee sold (kg)	65 719	73 480	79 996	79 403	95 776



ENVIRONMENTAL INDICATORS

ELECTRICITY IN KWH

	2017	2018	2019	2020	2021
Godthåbsvej	49 560	50 135	54 878	57 664	64 793
Jægersborggade	26 028	27 920	28 352	25 296	25 501
Kristen Bernikows Gade	24 358	22 162	23 194	20 442	19 784
Booth in Torvehallerne	30 958	27 325	20 583	24 020	n/a
Warehouse at Esromsgade	2 122	1 955	1 783	2 097	3 412
Sanks Hans Torv	-	-	-	6 501	22 338
Telefon Kiosken	-	-	-	4 090	9 577
Collective Bakery	-	-	-	-	112 921

WATER IN M³

	2017	2018	2019	2020	2021
Godthåbsvej	323	n/a	n/a	461	502.9
Jægersborggade	n/a	n/a	309.04	492	n/a
Kristen Bernikows Gade	n/a	725	n/a	n/a	n/a
Booth in Torvehallerne	309	273	368.9	366.5	n/a
Warehouse at Esromsgade	0	0	0	0	0
Sanks Hans Torv	-	-	-	n/a	n/a
Telefon Kiosken	-	-	-	24	n/a
Collective Bakery	-	-	-	-	n/a

HEAT IN KWH

	2017	2018	2019	2020	2021
Godthåbsvej	n/a	548.5	243	290	n/a
Jægersborggade	6 327	n/a	2 708	2 581	n/a
Kristen Bernikows Gade	n/a	559	542.09	449.52	517.03
Booth in Torvehallerne	-	-	-	-	n/a
Warehouse at Esromsgade	-	-	-	1 170.92	1 025.7
Sanks Hans Torv	-	-	-	175.86	n/a
Telefon Kiosken	-	-	-	-	-
Collective Bakery	-	-	-	665.48	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.

World 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).

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], Excellent [85-89,99] and Outstanding [90-100].

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.

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.

Net Zero:

When any caused GHG emissions are balanced out by removing GHGs from the atmosphere, for example by restoring forests or through direct air capture and storage (DACs) technology. The concept of net-zero emissions is akin to “climate neutrality.”

Net Zero has been chosen to acknowledge that, while absolute emissions should be reduced as much as possible, carbon offsets are an important component of balancing emissions and helping achieve the Paris Agreement. Source: B Corp / World Resources Institute

An aerial photograph of a vast, lush green coffee plantation on a hillside. The rows of coffee trees are terraced across the slope, creating a rhythmic pattern of green and brown. In the foreground, a branch with green coffee leaves and small, unopened flower buds is visible on the left. The background shows a continuation of the plantation leading to a distant horizon under a bright blue sky filled with large, white, fluffy clouds.

SHAPING
A GREENER
FUTURE
TOGETHER.

COFFEE COLLECTIVE