



JDE PEET'S

# FOREST POLICY

[March 2024/ Version 1]

**Category:** Policy  
**Global Responsible:** Global Coffee & Tea Sourcing  
Director & Global Procurement Director  
**Global Accountable:** Chief Supply Officer  
**Version:** New

**Classification:** Public  
**Local Responsible:** n/a  
**Local Accountable:** n/a  
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**Supersedes:** n/a

## PURPOSE

At JDE Peet's N.V., (the "Company" or "JDE Peet's"), our purpose is to unleash the possibilities of coffee to create a better future. Our purpose can only be realized for all stakeholders in our value chain when we commit to high standards of environmental responsibility and ethical conduct.

We have identified deforestation as a key risk within our supply chains. Forests are an essential part of ecosystems globally, serving to protect biodiversity, store greenhouse gases, moderate climate and support livelihoods. It is estimated that 80% of terrestrial species are present in forests and that one trillion tonnes of carbon are stored in forests. It is therefore important that we seek to eliminate deforestation from our supply chains. We recognise the link between human rights and possible negative impacts on the environment. This is particularly true in the case of deforestation, which poses fundamental human rights and livelihood risks to local communities. We are committed to pursuing a holistic approach with regard to responsible and ethical practices in our business and supply chains that consider both social and environmental impacts.<sup>1</sup>

We are introducing this Forest Policy to demonstrate JDE Peet's' aim to protect forests through our responsible sourcing principles and to describe our related expectations of our suppliers.

## POLICY SCOPE

This policy applies to JDE Peet's and all JDE Peet's suppliers worldwide from whom JDE Peet's sources (i) coffee, (ii) pulp & paper, (iii) palm oil and (iv) cocoa, as those are by far the largest commodities we source with forest-related exposure. We expect all suppliers, including direct and indirect suppliers, to deploy processes and procedures designed to comply with this policy. Failure to adhere to this policy may result in the termination of a given supplier relationship. More details on our expectations towards our suppliers are set out in our Supplier Code of Conduct.<sup>2</sup>

JDE Peet's adopts the standards set in this policy in addition to the Company's obligations to comply with Regulation (EU) 2023/1115 on the making available on the Union market and the export from the Union of certain commodities and products associated with deforestation and forest degradation (EUDR). In addition to abiding by applicable laws and regulations, we strive to implement certain internationally recognized deforestation policies, initiatives and standards, which include, amongst others, Science-Based Targets initiative (SBTi) Forest, Land and Agriculture (FLAG) Science-Based Target Setting Guidance, and the Accountability Framework Initiative.<sup>3</sup>

For commodities outside the scope of this policy, we invest in responsible sourcing for which the details are provided on our corporate website.<sup>4</sup>

<sup>1</sup> At JDE Peet's, Responsible Sourcing means our raw materials, packaging, equipment or anything we procure, are produced following principles that address their possible social and environmental impact. For more information about responsible sourcing, please also visit <https://www.jdepeets.com/sustainability>.

<sup>2</sup> Our Supplier Code of Conduct is published on <https://www.jdepeets.com/about-us/policies>.

<sup>3</sup> For more information please see <https://sciencebasedtargets.org/>.

<sup>4</sup> See: <https://www.jdepeets.com/sustainability/responsible-sourcing/>.



## POLICY

JDE Peet's has established appropriate processes and procedures to assess compliance with this policy. In line with our materiality assessment, we consider our main risks of deforestation to be associated with the growing and production of coffee, pulp & paper, palm oil and cocoa. In order to manage the risks of deforestation effectively, we have defined the below targets and actions:

- JDE Peet's targets no deforestation across its primary deforestation-linked commodities, coffee, pulp & paper, palm oil and cocoa with a target date of December 31<sup>st</sup> 2025 (or earlier if and to the extent applicable laws and regulations such as EUDR so prescribe). For the purposes of this target, deforestation means loss of natural forest after December 31<sup>st</sup> 2020 as a result of: i) conversion to agriculture or other non-forest land use; ii) conversion to a tree plantation; or iii) severe and sustained degradation.
- JDE Peet's will engage suppliers regarding their adherence to our responsible sourcing principles and Supplier Code of Conduct which state our expectations around deforestation-free commodities.
- JDE Peet's will work together with relevant stakeholders where possible (communities, industry, governmental and non-governmental) to understand and improve local situations involving deforestation risks and mitigate future deforestation.
- JDE Peet's will through its farmer programs<sup>5</sup> aim to promote sustainable livelihoods and regenerative agriculture for smallholder farmers in its supply chain as a means to reduce pressure for further land conversion, build climate change resilience, encourage healthy and vibrant agricultural communities, and support long-term protection of natural forests within our area of influence.
- JDE Peet's will contribute to the remediation and conservation of degraded landscapes in its supply chain, through direct intervention or multi-stakeholder collaboration and involvement in landscape programs, while seeking and respecting free, prior and informed consent (FPIC) of indigenous peoples and local communities. Forest restoration is key to ensure inclusive sourcing, where smallholders are given the opportunity to regain access to markets.

## GOVERNANCE

Our Chief Supply Officer is accountable for deploying procedures in respect to sourcing designed to effectively comply with this Forest Policy. JDE Peet's has integrated the topic of deforestation into its Enterprise Risk Management and business strategy, as specified in our [Annual Report](#).

## PROCESSES & PROCEDURES

Our procedures that aim to identify, manage, and prevent deforestation are based on a variety of processes and methods, including our due diligence, responsible sourcing principles and supplier engagement, all of which are designed to provide transparency in the supply chain of our sourced commodities as well as drive action to address these challenges.

Our due diligence approach includes a combination of supply chain mapping to origins, desk-based risk assessments and on the ground assessments and surveys. For our coffee supply chain we run (amongst others) supplier self-assessments (as further specified in our coffee responsible sourcing principles), and for palm oil, cocoa and paper & pulp we also rely on third-party certifications (such as FSC<sup>6</sup>, PEFC<sup>7</sup>, RSPO<sup>8</sup>) and third-party verification.

It is central to our approach to have good visibility of the impact we have, which means understanding our baseline, setting challenging targets, and reporting on our progress on annual bases. To support this visibility, JDE Peet's will continue to disclose progress against forestry related KPIs in our Annual Report.

## REPORTING OF CONCERNS OR VIOLATIONS

JDE Peet's encourages a speak up culture. Therefore, we encourage our employees, suppliers and other stakeholders who detect or suspect possible violations of this policy to raise their concerns. We will review all concerns raised, and where necessary investigate appropriately. Where breaches are found, JDE Peet's will take appropriate actions. Reporting these types of concerns helps our Company proactively address issues and maintains the integrity of our business relationships.

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<sup>5</sup> For more information on JDE Peet's' farmer programs, please see <https://www.jdepeets.com/sustainability/responsible-sourcing/> as well as our Annual Reports.

<sup>6</sup> See: <https://fsc.org/en>.

<sup>7</sup> See: <https://www.pefc.org/>.

<sup>8</sup> See: <https://rspo.org/>.



We have multiple channels to report concerns. Anyone who detects or suspects violations of this policy which may be linked with our business may report to their manager or their relevant contact person at JDE Peet's (as applicable), to a local legal and compliance manager or directly to a central Ethics and Compliance team (Ethics.compliance@JDEcoffee.com), or through the Speak Up alertline (<http://speakup.jdepeets.com>).

Our Speak Up alertline is maintained by an independent third-party provider and is available 24/7 online or by phone. Operators are available in various spoken languages.

We do not tolerate any form of threat, (attempt of) retaliation or other action against any person or entity who has in good faith spoken up or assisted in the making of a report.

All concerns, reporting and related information will be treated with appropriate confidentiality and, if allowed by the laws of the relevant jurisdiction, concerns may be raised anonymously.

## DEFINITIONS

The following definitions used in this Forest Policy are in accordance with the [Accountability Framework](https://accountability-framework.org/) initiative (AFi, for more information: <https://accountability-framework.org/>):

**Deforestation:** Loss of natural forest after December 31<sup>st</sup> 2020 as a result of: i) conversion to agriculture or other non-forest land use; ii) conversion to a tree plantation; or iii) severe and sustained degradation.

- *This definition pertains to no-deforestation supply chain commitments, which generally focus on preventing the conversion of natural forests.*
- *Severe degradation (scenario iii in the definition) constitutes deforestation even if the land is not subsequently used for a non-forest land use.*
- *Loss of natural forest that meets this definition is considered to be deforestation regardless of whether or not it is legal.*
- *The Accountability Framework's definition of deforestation signifies 'gross deforestation' of natural forest where 'gross' is used in the sense of 'total; aggregate; without deduction for reforestation or other offset.'*

**Forest:** Land spanning more than 0.5 hectares with trees higher than 5 meters and a canopy cover of more than 10 percent, or trees able to reach these thresholds in situ. Forest does not include land that is predominantly under agricultural or other land use. Forest includes natural forests and tree plantations. For the purpose of implementing no-deforestation supply chain commitments, the focus is on preventing the conversion of natural forests.

- *Quantitative thresholds (e.g., for tree height or canopy cover) established in legitimate national or sub-national forest definitions may take precedence over the generic thresholds in this definition.*
- *The Accountability Framework should not be interpreted as weakening or qualifying any protection or provision of national forestry laws, including when these laws apply to legally classed forests that are tree plantations or presently have little or no tree cover.*
- *As stated in Core Principle 3.4, company commitments are additional to applicable law, and when both apply to the same topic, the highest (more protective) standard prevails.*
- *The AFi advocates that natural forests be distinguished from tree plantations for the purpose of conducting forest inventories and quantifying forest loss and gain. This will facilitate comparability between government forest monitoring and the tracking of supply chain commitments focused on human-induced conversion of natural forests.*

**Remediation:** Refers to both the process of providing redress for a negative impact and the substantive outcomes that can counteract, or make good, the negative impact. These outcomes may take a range of forms such as apologies, restitution, rehabilitation, restoration, financial or non-financial compensation, and punitive sanctions (whether criminal or administrative, such as fines), as well as the prevention of harm through, for example, injunctions or guarantees of non-repetition.

**Restoration:** The process of assisting the recovery of an ecosystem, and its associated conservation values, that has been degraded, damaged, or destroyed.

The term 'restoration' is also used in the context of remediation of human rights harms, for which restoration may come in many forms (e.g., restoration of benefits, employment, or access to lands).

## DOCUMENT HISTORY

VERSION	EFFECTIVE DATE	CHANGES WITH RESPECT TO PREVIOUS VERSION
1	07/03/2024	-