



JDE PEET'S

GREEN COFFEE SUPPLY DUE DILIGENCE:

- HUMAN RIGHTS & ENVIRONMENTAL
- EU DEFORESTATION FREE REGULATION

Category: Framework

Classification: Public

Effective date: March 2026 (superseding the version of November 2025)

PURPOSE

The Green Coffee Human Rights & Environmental Due Diligence (HREDD) Process forms the foundation of JDE Peet's (JDEP) Responsible Sourcing Strategy. It is aligned with the process steps defined by the OECD [Due Diligence Guidance](#) for Responsible Business Conduct and supports JDEP broader alignment with the [EU Corporate Sustainability Due Diligence Directive \(CSDDD\)](#) to promote transparency, respect for human rights, and environmental protection.

This Standard Operating Procedure (SOP) covers green coffee sourcing and forms one component of JDE Peet's wider HREDD framework, which also encompasses the company's own workforce and non-coffee suppliers (Procurement), each governed by separate SOPs. This document reflects current practices as of November 2025.

This process also incorporates requirements from:

- [EU Deforestation Regulation \(EUDR\)](#),
- Brazilian Ministry of Labour and Employment Register of Employees who have subjected workers to conditions analogous to slavery (known as the 'Dirty List'), and
- EU Forced Labour Regulation ([EU FLR](#)).

Applicability: This SOP applies to all JDEP entities involved in sourcing green coffee.

SCOPE

- **HREDD process:** Applies to all JDEP entities sourcing green coffee. It is closely linked to the Coffee & Tea Sourcing (C&TS) process (C&T 030 – Commodity Buying and Contract Management).
- **EUDR process:** Applies to all JDEP entities sourcing green coffee regulated by the EUDR (see Annex 1). Goods originating from outside the EU that do not follow the "release for free circulation" import procedure are excluded from EUDR scope.

PRINCIPLES

The Green Coffee HREDD process is structured around the CSDDD and OECD due diligence frameworks and consists of six sequential steps:

HUMAN RIGHTS AND ENVIRONMENTAL DUE DILIGENCE FRAMEWORK



STEP 1 — EMBED GREEN COFFEE HREDD INTO POLICIES AND MANAGEMENT SYSTEMS

We integrate human rights and environmental due diligence requirements into our sourcing policies, supplier contracts, standard operating procedures, and internal management systems.

Our approach is anchored in materiality and risk analysis (including outcomes of the Double Materiality Assessment), ensuring that human rights and environmental standards are embedded in operational practices and supported by internal governance structures.

All suppliers must acknowledge and comply with JDE Peet's Codes of Conduct and Responsible Sourcing Principles, ensuring consistent expectations across our green coffee value chain.

STEP 2 — IDENTIFY, ASSESS AND PRIORITIZE ADVERSE IMPACTS

All green coffee volumes undergo a two-stage risk assessment to identify, assess, and prioritise potential human rights and environmental risks. First, we assess inherent risks at origin using our internal data-driven risk assessment tool, HEV (Hazard, Exposure, Vulnerability), supported by independent datasets and contextual indicators such as child and forced labour incidence, water availability, deforestation rates, poverty levels, and governance metrics. This helps us understand where elevated risks are most likely to occur and ensures we focus on the most material issues without narrowing the scope of our due diligence. Second, we assess supplier adequacy (SAF) to determine whether suppliers have sufficient due diligence capacity to manage these risks. Supplier assessment is conducted for suppliers across all priority levels. Priority 1 origins require monitoring only, while Priority 2–3 origins require additional proportionate action based on both HEV and SAF results.

STEP 3 — CEASE, PREVENT OR MITIGATE ADVERSE IMPACTS

For Priority 2–3 origins with SAF < 85%, we determine the proportion of elevated risk requiring action using the HEV multiplier. The HEV multiplier identifies the share of the sourcing footprint where elevated risks are present, ensuring actions remain proportionate and evidence-based.

Leverage-based actions

We then determine whether JDE Peet's has sufficient leverage in the origin to influence risk mitigation. Leverage in our HREDD refers to the company's ability to influence suppliers and origin actors to prevent and mitigate elevated human rights and environmental risks. It helps us determine the type and intensity of action JDE Peet's can take.

- Sufficient leverage: implementation of JDE Peet's risk prevention and mitigation actions (farmer support programmes, human rights interventions or systemic collaboration)
- Limited leverage: use of credible compliance schemes (e.g. schemes recognised by the Global Coffee Platform - GCP equivalence schemes).

Systemic collaboration initiatives are not currently included in progress reporting, as JDE Peet's is still exploring reliable ways to attribute their impact to specific sourcing volumes.

STEP 4 – PERFORMANCE MONITORING AND CONTINUOUS IMPROVEMENT

We monitor implementation through independent verification, multi-level governance reviews, and annual internal controls. Extraordinary reviews occur when risks escalate, new information emerges, or priority categorisation changes. Conflict-affected origins trigger immediate reassessment.

STEP 5 – COMMUNICATION

The results of the Green Coffee HREDD process and the annual 3rd party verification shall be made available in the JDE Peet's Annual Report.

STEP 6 – REMEDIATION AND GRIEVANCE MECHANISM

Remediation applies only when harm has occurred or when a credible complaint triggers a due diligence review. JDE Peet's ensures stakeholders have access to confidential grievance mechanisms, investigates credible allegations, and takes appropriate steps to address impacts. These may include engaging suppliers to resolve issues, supporting corrective actions, or working with partners to ensure remedy and prevent recurrence.

GREEN COFFEE EUDR DUE DILIGENCE PROCESS

JDEP Green Coffee EUDR due diligence process follows the following steps:

STEP 1 – EMBED GREEN COFFEE EUDR COMPLIANCE INTO POLICIES AND MANAGEMENT SYSTEMS

EUDR requirements are embedded into our sourcing policies and management systems, ensuring that all relevant teams and suppliers are aware of and comply with these standards.

STEP 2 – IDENTIFY & ASSESS ADVERSE IMPACTS IN GREEN COFFEE SUPPLY CHAIN (ARTICLE 10)

We collect and verify supply chain data, including geolocation information, to assess risks of deforestation and legality in accordance with EUDR requirements. This process helps us ensure that green coffee imported into the EU is deforestation-free and produced in compliance with applicable laws.

STEP 3 – CEASE, PREVENT OR MITIGATE ADVERSE IMPACTS IN GREEN COFFEE SUPPLY CHAIN (ARTICLE 11)

Suppliers are categorised by risk level and must meet defined standards for due diligence and traceability. Additional verification is conducted for suppliers and origins identified as higher risk, with enhanced controls and monitoring where necessary.

STEP 4 – MONITORING AND CONTINUOUS IMPROVEMENT

The EUDR due diligence process is subject to regular internal review and annual third-party audit to validate robust implementation and identify opportunities for improvement.

STEP 5 — COMMUNICATION

We publish high-level overviews of our EUDR process and verification results on our website and in our annual reporting, demonstrating our commitment to transparency and regulatory compliance.

STEP 6 — REMEDIATION

Where risks are identified, we work with suppliers and partners to implement remediation measures and ensure compliance with the EUDR. Remediation actions may include supplier engagement, corrective action plans, and collaboration with sector initiatives.

GOVERNANCE

Oversight of the Green Coffee HREDD and EUDR processes is provided by senior leadership and sustainability teams. All exceptions and deviations from standard procedures are managed through formal governance processes, ensuring accountability and transparency.

PERFORMANCE KPIS

We track the percentage of green coffee sourced in compliance with HREDD and EUDR processes, with the goal of working towards 100% compliance by 2028 (HREDD) and 2026 (EUDR). Additional impact metrics, such as incidents reported and greenhouse gas emissions, are monitored and disclosed as part of our sustainability commitments

CONCLUSION

JDE Peet's is dedicated to upholding the highest standards of human rights and environmental sustainability in green coffee sourcing. Through robust due diligence, supplier engagement, and transparent reporting, we strive to foster a responsible and resilient supply chain that benefits communities and the planet.