

Company News

Amsterdam, 6 May 2021

JDE Peet's becomes first company to source coffee from Vietnam using new 'SourceUp' solution

JDE Peet's (JDE) has become the first company to use the new supply chain sustainability solution SourceUp as part of their commitment towards 100% responsibly sourced coffee by 2025.

Coffee from the jurisdiction in Krong Nang and Dak Lak Provinces had been produced with 20% less water, 14% of reduced chemical fertilizer use and zero use of banned pesticides. Coffee farmers in the area covering more than 10,000 ha of coffee and intercrop production earned 20% higher income compared with farmers outside the area.

A [study](#) conducted by the USAID Green Invest Asia project in collaboration with Agri-Logic in 2020 found that the practice of intercropping and reducing fertilizer application had resulted in lower greenhouse gas emissions from coffee farms in the area. The coffee had 60% less carbon emissions in 2019/20 compared to 2015/16.

These tangible improvements for coffee farmers and coffee production in the jurisdiction were made possible by a coalition of public, private and civil society stakeholders in the [Central Highlands](#), who in 2019 signed a "[Production – Protection – Inclusion Compact](#)" to improve the sustainability of 5,200 hectares of agricultural land in a socially inclusive way.

This 'Compact' is one of 18 such sustainability coalitions using SourceUp that connects supply chain partners who have the common goal to improve sustainability in rural agricultural or agri-commodity production. JDE's sourcing commitment makes JDE the first company to become such a supporter since a beta version of the online platform was opened to a small group of companies in late 2020.

By 2025, the Compact aims to reduce water use by 25%, chemical fertilizer use by 15% and farmer incomes to increase by 30%.

SourceUp was developed by IDH – the Sustainable Trade Initiative and partners including JDE, Conservation International, Unilever, Pepsico, Proforest, Mars Wrigley, PCI Mato Grosso and the World Resources Institute to meet the need for a sustainable landscape approach of sourcing of commodities that can deliver on companies' corporate sustainability commitments while addressing priority social, environmental and economic issues at the farmer and jurisdictional level. Committed buyers of commodities like coffee, palm oil, soy and timber can access critical data and insights through SourceUp to inform their sourcing decisions.

Ms. Tran Quynh Chi, Regional Director Asia Landscapes, IDH said: "We are striving to achieve regional and provincial transformation towards the development of agro-commodity sustainable sourcing areas. IDH and stakeholders reached consensus on developing a sustainable landscape of 140,000 hectares in the Central Highlands by 2025."

Mr. Do Ngoc Sy, Sustainability Manager in Asia and the Pacific with Jacobs Douwe Egberts, said: "Through our Common Grounds program, we are committed to responsible sourcing and to supporting sustainable agriculture for a thriving planet, equal opportunities for people, and economically viable farming to support



farmer prosperity. We do this in collaboration with actors of the supply chain and local government with the vision of sustainable coffee production. Partnering with SourceUp in Vietnam allows us to scale up our efforts in support of these goals and towards achieving our 100% responsible sourcing of coffee by 2025.”

Mr. Y Giang Gry Knie Knong, Vice Chairman of Dak Lak Province said: “The investment succeeded because it was well supported by farmers and matched the needs of the public and private sector.”

Mr. Nguyen Tien Dung, Sustainability Manager of SIMEXCO said: “For almost ten years, all coffee products originating from our PPI compact in Krong Nang district have always met the market requirement of Glyphosate residue. I attribute this success to the fruitful partnership with IDH, JDE, local authorities, and especially farmers. JDE is our committed buyer.”

Mr. Guido Rutten, Senior Manager SourceUp said: “This commitment by JDE shows us that SourceUp is responding to a real interest of buyers of commodities, who want to use their sourcing practices to stimulate credible sustainability collaborations in producing regions. By connecting these two groups and backing sustainability commitments up with data, is how SourceUp can change things for the better.”

Learn more about the highlands in Vietnam through [this video](#).

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About IDH

IDH, the Sustainable Trade Initiative is a social enterprise that works with businesses, financiers, governments and civil society to realize sustainable trade in global value chains. We believe that action-driven coalitions will drive impact on the Sustainable Development Goals and create value for all. We work in multiple sectors and landscapes in Africa, Asia and Latin America with over 600 companies, CSOs, financial institutions, producer organizations and governments towards sustainable production and trade.

About SourceUp

SourceUp is an online platform that links local sustainability coalitions in agri-commodity sourcing areas with international markets. Companies can use SourceUp to manage sustainability in their supply chain and to access relevant and verified data from sourcing regions for more sustainable sourcing at scale. Stakeholders in producing regions can use SourceUp to build coalitions for sustainable development at the landscape level, set shared sustainability goals, and be recognized for their progress towards these goals.

SourceUp was initiated by IDH with the collaboration of Tropical Forest Alliance, the World Bank, Conservation International, Stockholm Environment Institute / Trase, the Consumer Goods Forum, Jacobs Douwe Egberts, the US Department of State, Grupo Amaggi, ISEAL Alliance, Unilever, Pepsico, Proforest, Mars Wrigley, PCI, Mato Grosso, the World Resources Institute and LKTL Secretariat.

About JDE Peet's

JDE Peet's is the world's largest pure-play coffee and tea company by revenue and served approximately 4,500 cups of coffee or tea every second in 2020. JDE Peet's unleashes the possibilities of coffee and tea in more than 100 developed and emerging markets through a portfolio of over 50 brands that collectively cover the entire category landscape led by household names such as L'OR, Peet's, Jacobs, Senseo, Tassimo, Douwe Egberts, OldTown, Super, Pickwick and Moccona. In 2020, JDE Peet's generated total sales of EUR 6.7 billion and employed a global workforce of more than 19,000 employees. Read more about our journey towards a coffee and tea for every cup at www.JDEPeets.com.

