



COMPANY NEWS

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4C Partners with Simexco, IDH – the Sustainable Trade Initiative, and JDE to Reduce Coffee GHG Emissions in Vietnam

Climate change has a vastly negative impact and is caused, among others, by the increasing amount of greenhouse gas (GHG) emissions in the atmosphere, with agriculture as one of the main GHG emitters. Coffee production is no exception here: application of fertilizers and pesticides, deforestation and soil degradation, energy-consuming machines, as well as inefficient wastewater management, are considered the biggest GHG emission sources in the green coffee bean supply chain.

Measurement of GHG emissions provides an opportunity to address this problem by conducting a scientific and comprehensive evaluation of a farm's potential to reduce its climate change impact. Having GHG information at hand makes it possible to proceed to the next step and develop an appropriate and viable action plan to reduce, inset, and offset GHG emissions in the green coffee bean supply chain.

"What is the actual carbon footprint of a green coffee bean? How can we feasibly calculate it and what are the limitations? After thorough considerations, we developed a new approach to GHG emissions measurement and started looking for partners who are ready to test it with us, thus, supporting the development of a scalable robust tool" said Norbert Schmitz, Managing Director, 4C Services GmbH.

In 2020, 4C partnered with Simexco Dak Lak Ltd (SMC), a major Vietnamese coffee exporter, in a pilot project in cooperation with IDH - the Sustainable Trade Initiative, and Jacobs Douwe Egberts (JDE) to calculate GHG emissions in coffee production. The process involves multiple stages, such as supply chain mapping, filling in and analyzing data templates, as well as setting up the first calculator draft. Based on the calculation results, corresponding measures will be developed to reduce and mitigate GHG emissions.

"This partnership is one more step in JDE's commitment to work continuously toward 100% responsibly sourced coffee and tea by 2025" said JDE's sustainability manager in Asia and the Pacific, Do Ngoc Sy. *"In addition to IDH's foundational support, we are pleased to benefit from 4C's expertise in calculating carbon emissions in coffee production, which is essential for us to calibrate our efforts and reach our sustainability goal."*

Tran Quynh Chi, Regional Director Asia Landscape, IDH – The Sustainable Trade Initiative, also emphasized: *"Calculating carbon emissions in coffee supply chain of Simexco Dak Lak brings added value to our pilot of large-scale sourcing areas in the Central Highlands of Vietnam"* She added: *"We need in-depth calculation and analysis to know how it helps farmers increase their profitability and transform the coffee sector from a source of carbon emission to a sink. With this partnership, we are moving in the right direction to start from a small scale pilot to larger scale application of the methodology"*.

This project is an important milestone for 4C in its journey to establish a "4C Climate Friendly" Add-On to the certification standard. *"European consumers are becoming more and more concerned with environmental footprint of the products they buy. We've developed an additional logo to enable coffee producers, traders, brand owners, and roasters to indicate their efforts to improve their GHG footprint"* – said Norbert Schmitz.

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About IDH

IDH, the Sustainable Trade Initiative, brings governments, companies, CSOs and financiers together in action driven coalitions. We orchestrate the powers of law, of entrepreneurship and investments to work together to create solutions for global sustainability issues at scale. 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. Read more at www.idhsustainabletrade.com. A recent study commissioned by the United States Agency for International Development (USAID) Green Invest Asia project, in collaboration with the agricultural consulting firm, Agri-Logic, confirmed how climate-smart interventions to improve production of Robusta coffee in Vietnam have contributed to lower carbon emissions in the coffee sector.

About JDE

JDE is part of JDE Peet's, the world's largest pure-play coffee and tea company, headquartered in The Netherlands. For more than 265 years, JDE has been inspired by the belief that it's amazing what can happen over a cup of coffee or tea. Today, JDE 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 leading household names such as L'OR, Jacobs, Senseo, Tassimo, Douwe Egberts, Old Town, Super, Pickwick and Moccona.

About 4C

4C is the largest certification system for the sustainable cultivation and processing of coffee. 4C coffee is produced in 24 countries by more than 400.000 farmers. This covers a total green coffee production of 26,8 million bags (60 kg) on 970 thousand hectares of farm area.[1] Independent third-party audits, conducted by auditors of 23 certification bodies cooperating with 4C, ensure farmer compliance with the sustainability criteria of the 4C standard. More information under www.4c-services.org.