

**CAFE  
DIRECT**

# **GOLD STANDARD 2020 - 2030**



# ABOUT OUR GOLD STANDARD STRATEGY

In 1991, Cafédirect was set up by four charities as a response to unfair trading. Growing the business is a fundamental requirement. It provides trade for smallholder growers and delivers impact through Cafédirect's unique model: Fairtrade Premiums, Organic Premiums and investing in Producers Direct, a grower-led charity. Growth also sets an example to others about how business can be a force for good.

We have also set our targets in line with the United Nations Sustainable Development Goals.

In particular, we have identified the following Goals as being pertinent to Cafédirect's Gold Standard: Goal 1, No Poverty; Goal 2, Zero Hunger; Goal 8, Decent Economic Growth and Work; Goal 13, Climate Action; Goal 15, Life on Land and Goal 17, Partnership for all the Goals.



The Gold Standard sets a framework to ensure our growth strategy is delivered in accordance with its founding principles which are enshrined in our Articles of Association.



## OUR MISSION

We champion the work and passion of smallholder growers, delivering great tasting hot drinks to improve livelihoods, whilst pioneering new and better ways of doing business.

## OUR VISION

A rebalanced world which celebrates business as a force for good and measures success in the shared well-being of the communities it touches.

# OUR GOLD STANDARD

OUR GOLD STANDARD IS THE BLUEPRINT FOR HOW WE DO BUSINESS AND IS BUILT AROUND FOUR KEY PILLARS:



## 1. CUSTOMERS

*Inspiring our community to make a difference*



## 2. GROWERS

*Building a sustainable future*



## 3. ENVIRONMENT

*Repairing our planet*



## 4. BUSINESS

*Championing business as a force for good*



# CUSTOMERS

## INSPIRING OUR COMMUNITY TO MAKE A DIFFERENCE.

**GOAL:** By 2030, the Cafédirect experience will have inspired 15 million customers to make a positive contribution in the world.

**THE BUSINESS RATIONALE:** This goal aims to inspire and tap into an emerging generation of engaged, activist consumers, who are driven to be part of a positive movement. Customers that understand the value of our products, from the quality to our vision for a better world will be more loyal and engaged.

## COMMITMENTS:

### *1. Innovating and designing great-tasting, sustainable products that surprise and delight our customers.*

Innovation is about continually finding ways to do things better. This applies to everything we do, from our current range and new product development, to the services we provide and the business models underpinning them. It is also about designing new products with a circular mindset so that we consider their environmental impact, source from new origins that create the biggest impact for smallholder growers and ensure that our products waste disposal is also considered. This is how we will drive positive social, environmental and economic change.



### KEY TARGETS:

**By 2025, all of our products will be 100% recyclable or compostable.**

**By 2025, we will be removing all non-essential plastics from our supply chain.**

**By 2025, all of our new products will be designed for a circular life.\***

\*Ensuring any new materials entering the marketplace are compatible with a more circular economy in which we keep resources in use for as long as possible, maximising the value we get from them, and recovering and regenerating them at end of life.



## 2. Inspiring customers through providing educational and engaging content.

We will be an iconic brand that makes sustainable lifestyles both aspirational and desirable. To support this, we will engage, educate and inform consumers about key sustainability issues. We will take part in shaping the context, myth-busting and accelerating the shift in values of the next generation. We will drive this change through our brand and communications and by investing in our website so that both direct consumers and foodservice customers have access to inspiring content and materials, helping them make informed choices.



### KEY TARGETS:

**By 2025, our content will have reached 8 million consumers.**

**By 2025, a ¼ of our communicated content will be sustainability focused.**

**By 2025, Cafédirect supporters will have grown from 107k to 600k (total audience).\***

\*includes database, social media and LinkedIn

## 3. Mobilising customers to take action on sustainability.

Through the Cafédirect experience, we will help our customers to be a force for good. We will drive change directly through our brand by joining collaborations and by amplifying the efforts of others with shared goals. As a business, we support the Sustainable Development Goals and the major shifts in our systems that are required to meet them. We will have clear campaigns so that supporters can understand the different levels in how to take action: from buying Cafédirect products, to supporting and sharing our digital campaigns online, to engaging with us during consumer-facing events and through enrolling on internship programmes with Cafédirect. We are also planning to help shape Business University courses, by providing case study materials and participating in lectures. This is to help promote a deeper engagement with how sustainability intersects with our business model as a social enterprise.



### KEY TARGETS:

**By 2025, we will have established a comprehensive partnership with 10 UK Universities; engaging over 3000 students.**

**By 2030, 1 million consumers will take action on sustainability through Cafédirect's website and partner sites.**



# GROWERS

## BUILDING A SUSTAINABLE FUTURE.

**GOAL:** By 2030, we want every grower in our value chain to be empowered and engaged, having a powerful voice and earning beyond a living income.

**THE BUSINESS RATIONALE:** Involving growers on both Cafédirect's and Producers Direct's Board, inviting growers to participate in key meetings and involve them as leaders in the business, helps us to work together to tackle the systemic challenges facing smallholder growers. Through continued investment in quality of product, shared insights from data to customers and direct, transparent relationships, we can deliver meaningful impact in a way that is most beneficial to all our stakeholders. Cafédirect and Producers Direct's continued investment in growers also has the benefit of strengthening overall resilience of Cafédirect's supply chains, as well as enhancing product quality.

## COMMITMENTS:

### **1. Beyond a living income for growers.**

Through our business model, we will continue to increase the value that goes to producer communities. We will also contribute additional organic premiums and investigate opportunities to support production at origin e.g. decaffeination. Ultimately, we aim to work with key partners to understand what a living income is for every country that we source from and our ambition is by 2030 to surpass this benchmark. We also want to ensure that workers who are not currently visible in our supply chain (e.g. hired seasonal workers and tea cooperatives) are mapped through a process of Human Rights Due Diligence.

Our understanding of a living income is that every grower is supported to earn enough money (through diversity of income, access to markets, inclusive economic models) to be able to invest in their business and afford a decent standard of living which includes "food, water, housing, education, healthcare, transport, clothing, and other essential needs including provision for unexpected events" (The Living Income- Community of Practice).

### KEY TARGETS:

**By 2025, create more value for growers by aiming to keep more value within our supply chain at origin.**

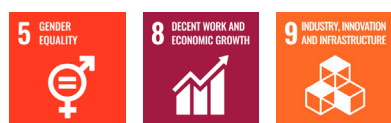
**Our organic premium contribution will be £3.1m based on our ambition to purchase 50% organic coffee by 2025.**

**Ensure that by 2025, that every grower (including women and youth) has increased their income by 50%: working towards every grower earning beyond a living income.**



## 2. Strengthening growers' participation and influence in the supply chain.

Currently, the average age of a smallholder coffee farmer is 65 years old. We need to address the challenges facing older farmers by supporting better access to technology and data. We also need to help create exciting opportunities and invest in the next generation of growers; which includes increased participation for women and other marginalised groups. We also need to help leverage growers' capacity building and challenge the economic structures that undermine growers' ability to scale their businesses.



### KEY TARGETS:

**By 2025, we will work with Producers Direct to support the next generation of growers by training 5,000 youth (under 35 years old) leaders and promoter farmers across the network.**

**By 2025, we will work with Producers Direct to support women's access to support services to run their own businesses, increasing female representation in the network from 20% to 50%.**

**By 2025, we will work with Producers Direct to support rural economies by providing 5,000 young people employment opportunities within the Producers Direct network.**

## 3. Supporting growers to have access to the right knowledge, skills and training to build more sustainable livelihoods.

Working with Producers Direct, we will create a positive impact in and beyond our own producer community. We will help to create opportunities for smallholders to access, share and strengthen their knowledge, skills and expertise. Together we will also invest in supporting growers to adopt a regenerative agriculture strategy, as well as prepare for climate events. This will help them to build more sustainable livelihoods and be better prepared for the future.



### KEY TARGETS:

**By 2023, Cafédirect and Producers Direct will be jointly reaching over 3m consumers with shared content to promote awareness of how climate change is affecting growers and actions to mitigate the climate crisis.**

**Through annual donations to Producers Direct, 1.5 million growers will have access to agricultural training, microfinance, new markets and data workshops by 2025 through the Centre of Excellence network.**

**Cafédirect will continue to purchase coffee, tea and cocoa on fair trade terms and by 2025 we will have invested an additional £5m in impact.**



# ENVIRONMENT

## REPAIRING OUR PLANET.

**GOAL:** By 2030, Cafédirect we will be running our business within its environmental limits and have a net positive impact on the environment from grower to consumer.

**THE BUSINESS RATIONALE:** Securing a future for growing high-quality coffee, tea and cocoa; through investing in nature-based solutions that mitigate against the effects of climate change. Applying a systems-based approach, enabling the next generation to innovate and evolve sustainable agricultural farming techniques, so that we continue to support both the quality and consistency of our products.

## COMMITMENTS:

### 1. Sustainable use of resources across the supply chain.

By 2025, we will be running our business with respect to environmental limits and using our influence to drive positive change more widely. This includes:

- **Water:** across the value chain, from growers to consumers, we will seek to support and influence sustainable water use, addressing key risks and impacts.
- **Energy:** becoming a 100% renewables-driven business and net generator of renewable energy, creating a positive influence across the full value chain.
- **'Circular approach' to waste and materials:** our ambition is to be a zero waste 100% renewables-driven business and net generator of renewable energy.
- **Carbon positive supply chain:** our ambition by 2025, is to be carbon neutral across our entire supply chain, through our regenerative agriculture strategy, rethinking our business travel, transitioning to at least 50% organic coffee, educating consumers and foodservice and replicating reforestation projects, such as in Sierra Piura.

### KEY TARGETS:

**By 2025, our carbon emissions across our entire supply chain will be carbon neutral.**

**Our ambition is to be a zero-waste business from grower to consumer by 2030.**

**By 2030, we will be a 100% renewables-driven business and a net generator of renewable energy.**





## 2. Adopting Best Practice across the supply chain.

Working with professional bodies such as the British Coffee Association and our NGO partner, Producers Direct, we will be contributing to research projects on a range of issues from plastic-free packaging; increasing our product range to be 100% recyclable to working on protecting the security of supply of coffee, tea and cocoa; all of which are commodities that are vulnerable to climate change. Exploring how we stay agile in our thinking, contributing to bigger research projects and supporting cooperatives and our suppliers to adopt more sustainable practices is key to ensuring that we meet the pressing challenges ahead. We are also committed to exploring how we can scale up practices that we know work well (e.g. Norandino) and together with Producers Direct, we aim to ensure that growers continue to have access and can leverage the most benefit from these different practices.



### KEY TARGETS:

**Packaging and Circular Design:** *By 2023, we will be collaborative and open to pre-competitive learning in understanding and implementing the best solutions for our packaging to be easily and widely recycled, with the aim to incorporate our waste streams back into our production cycle.*

**Transparency:** *By 2025, with Producers Direct, we will create a transparency database that will empower growers, customers and consumers.*

**Climate Change:** *By 2030, we will have collaborated with other stakeholders and invested resources into climate mitigation projects for each of the commodities we source.*

## 3. Restoring our landscapes through regenerative agriculture.

By 2030, 100% of our products will be grown using regenerative agricultural practices. This means farming practices that focus on contributing to the health of ecosystems and human communities. Among the benefits include the building of soil organic matter – supporting carbon sequestration, increasing biodiversity and fairness to farmers. We hope to draw on shared best practice from key partners including Producers Direct, to publish our regenerative agriculture strategy. For some cooperatives this will include organic as a key feature, whereas in tea cooperatives, for example, we may find that other key indicators create the most holistic and positive impact. We want the impact of this commitment to go beyond the cultivation areas for our products, to positively impact wider landscapes and communities.



### KEY TARGETS:

**Cafédirect and Producers Direct's regenerative agricultural strategy will be published by 2021 in collaboration with key stakeholders.**

**By 2030, 100% of our coffee, tea and cocoa purchases will be sourced according to our Regenerative Agriculture strategy.**

**By 2030, Cafédirect will continue to work with Sierra Piura reforestation project and aim to replicate similar model with other cooperatives.**



# B U S I N E S S

## CHAMPIONING BUSINESS AS A FORCE FOR GOOD

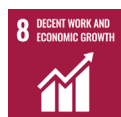
**GOAL:** By 2030, Cafédirect will be a beacon of sustainable business and continue to be known for its pioneering approach in advocating for smallholder growers.

**THE BUSINESS RATIONALE:** Creating a high profile for our pioneering model and brand, leveraging resources, driving wider change to secure the future of our products and our industry, so that we can invest more into delivering on impact.

## COMMITMENTS:

### *1. Shaping our Industry: we will raise the profile of important issues, holding our sector to account.*

Through meeting its commitments outlined in the Gold Standard, Cafédirect will maintain its authenticity in demonstrating how business can be a force for good. We will continue to develop and articulate what it means to be a sustainable business; one that's responding to global challenges such as the Sustainable Development Goals and climate change. We will build the evidence through consumer research, targeted communications, growing our serious friends' database; which will prove our ambitious, pioneering sustainable approach to business is not only the right thing to do, but provides long-term resilience in our sector.



### KEY TARGETS:

**By 2025, we will have helped increase the percentage of ethical and sustainably sourced Roast and Ground coffee sold in the UK retail market from 18% to 25%.**

**By 2025, Cafédirect's board will be a diverse board representative of our stakeholders with a minimum of 2 grower directors and one consumer director.**

**By 2030, Cafédirect will have rewarded its stakeholders in line with the Articles of Association: a 1/3rd of profits invested in smallholder farmers, a 1/3rd invested in the business and a 1/3rd returned to shareholders.**

## 2. We recognise the power of collective impact: joining collaboration and partnerships to punch above our weight on global issues.

We will support the right collaborations to achieve our goals and help tackle systemic challenges. We will continue to participate and contribute in these forums and help to shape the debate so that we can position Social Enterprise, B Corp and Fairtrade as an effective way to do business. As well as supporting more serious campaigns, we will look to partner with like-minded FMCG brands and develop meaningful partnerships that result in tangible impact, e.g. pooling resources for an Above the Line campaign. We will ensure that future partnerships are on brand and continue to align with our mission and ambitions within the Gold Standard.



### KEY TARGETS:

**By 2025, we will organise a collective campaign with Social Enterprise UK to pass legislation to reduce tax paid by Social Enterprises by 5%.**

**By 2025, we will have gained commitment from a third of the UK coffee industry to benchmark living income on a country by country basis and to agree to pay the living income price.**

**By 2025, we will have a Cafédirect digital platform that engages with 300,000 consumers.**

## 3. Be transparent and lead by example.

We will update our Ethics and Environmental policy and ensure that our current and future customers and suppliers meet our standards. We will continue to publish our own audits that show how we hold our own business and supply chains to account. We will share research on key issues such as living income with key stakeholders and to accelerate learning within our sector. We will continue to conduct an employee survey and aspire to engage and involve our employees with Cafédirect's mission and vision.



### KEY TARGETS:

**By 2021, we will have improved upon our B Corp score, which evaluates our entire business, from 97 to 'Best for the World'.**

**By 2023, Cafédirect will have raised £50K for an Impact project to be implemented by Producers Direct.**

**By 2025, Cafédirect's price paid to producers will be wholly transparent and fully accessible to consumers.**



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