CAFÉ DIRECT

2030 AND BEYOND GOLD STANDARD

About Our Gold Standard

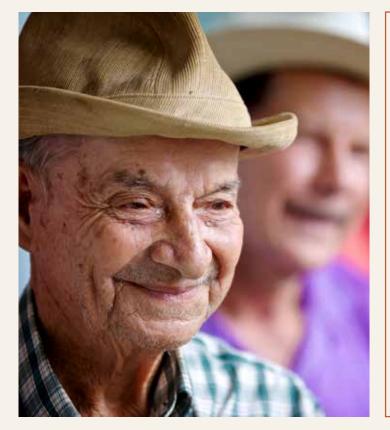
Cafédirect believes everyone deserves better, better lives, better standards and better tasting coffee.

We have been working directly with small-scale farmer cooperatives for over 30 years to create a truly sustainable and ethical business. It's our long-term partnerships that make life better for our partners and a better cup of coffee.

Our farmer cooperative partners are an entrepreneurial community who know their industry and are experts in growing coffee, but they often lack resources. We provide trade for small-scale farmers and deliver impact through our unique model: fair prices, equitable social and environmental premiums and investing in Producers Direct, a non-profit enterprise led by farmers for farmers. Our responsible growth also sets an example to others about how business can be a force for positive change. We set our targets in line with the United Nations Sustainable Development Goals. In particular, we identified the following Goals as being most pertinent to Cafédirect's Gold Standard: Goal 1, No Poverty; Goal 2, Zero Hunger; Goal 8, Decent Work & Economic Growth; 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 responsible growth strategy is delivered in accordance with our founding principles and mission, which are locked into our company Articles of Association and stewarded by the Cafédirect Guardian Share Company.



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 wellbeing of the communities it touches.

Our Gold Standard

Our Gold Standard framework is built around four key pillars:



1. Growers Building a sustainable future

1.Beyond a living income for small-scale farmers.

2. Strengthen the participation & influence in the supply chain of small-scale farmers and farming cooperatives.

3. Support small-scale farmers and farming cooperatives to access the right knowledge, skills and training for more sustainable livelihoods.



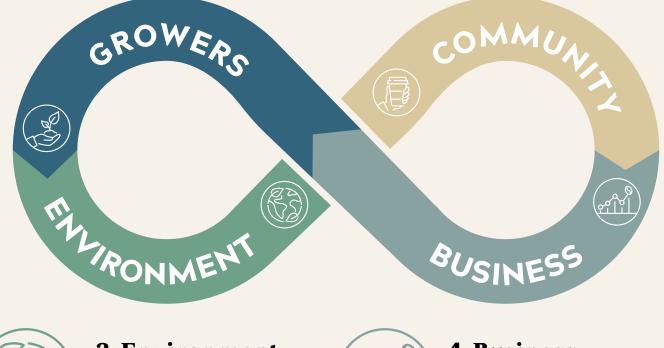
2. Community

Inspiring our community to make a difference

1. Innovate & design great-tasting, sustainable products that surprise and delight our customers and consumers.

2. Inspire customers and consumers through providing educational and engaging content.

3. Mobilise customers and consumers to act on sustainability.



(BB)

3. Environment Protecting and restoring our planet

1. Sustainable use of resources across the supply chain.

2. Adopt Best Practice across the supply chain.

3. Restore our landscapes through regenerative agriculture.



4. Business

Championing business for positive change

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

2. We recognise the power of collective impact: we collaborate and partner to punch above our weight on global issues.

3. Be transparent and lead by example.



BUILDING A SUSTAINABLE FUTURE.

Goal:

By 2030, our ambition is for every small-scale farmer in our network to be empowered and engaged, having a powerful voice and earning beyond a living income.

The business rationale:

Involving grower partners on the boards of both Cafédirect and Producers Direct, ensuring those grower partners participate in key meetings and involving them as leaders in the business, helps us to work together to tackle the systemic challenges facing small-scale farmers. Continued investment in product quality and shared insights from direct, transparent relationships, can deliver meaningful impact. It also has the benefit of strengthening the overall resilience of Cafédirect's supply chains.

Commitments:

1.BEYOND A LIVING INCOME FOR SMALL-SCALE FARMERS.

Through our business model, we will continue to increase the value that goes to farming communities. We will continue to pay fair prices, equitable social and environmental premiums and investigate opportunities for further value to remain at origin e.g., local 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 within our network. We also want to ensure that workers who are not currently visible in our supply chain (e.g., hired seasonal workers) are mapped and included through a process of Human and Environmental Rights Due Diligence.

Key Milestone:

By 2025, 295,000 small-scale farmers (including women and youth) in our supply chain have increased their income by 50%: as part of our roadmap towards every small- scale farmer earning beyond a living income.*

*Our understanding of a living income is that every small-scale farmer 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).



2. STRENGTHEN THE PARTICIPATION & INFLUENCE IN THE SUPPLY CHAIN OF SMALL-SCALE FARMERS AND FARMING COOPERATIVES.

We need to address the challenges facing older farmers by supporting meaningful roles and opportunities as well as investing in the next generation of small-scale farmers; 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 Milestone:

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.

Women's access to support services to run their own businesses, increasing female representation in the network from 20% to 50%.

Rural economies by providing 5,000 young people employment opportunities within the Producers Direct network.

3. SUPPORT SMALL-SCALE FARMERS AND FARMING COOPERATIVES TO ACCESS THE RIGHT KNOWLEDGE, SKILLS AND TRAINING FOR MORE SUSTAINABLE LIVELIHOODS.

Working with Producers Direct, we will create a positive impact in and beyond our grower community. We will help create opportunities for small-scale farmers to access, share and strengthen their knowledge, skills and expertise. Together we will also invest in supporting them to access and adopt climate smart and regenerative agriculture practices, as well as prepare for climate events. This will help growers build more sustainable livelihoods and resilience for the future.





Key Milestone:

By 2025, through annual donations to Producers Direct, 1.5 million small-scale farmers will have access to agricultural training, micro finance, new markets and or data services.



INSPIRING OUR COMMUNITY TO MAKE A DIFFERENCE.

Goal:

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

The business rationale:

This goal aims to inspire more customers, consumers and citizens to become part of a positive movement for change. Customers and consumers that understand the value of our products, from the coffee quality to our vision for a world that is better for everyone, will be more loyal and engaged.

Commitments:

1. INNOVATE & DESIGN GREAT-TASTING, SUSTAINABLE PRODUCTS THAT SURPRISE AND DELIGHT OUR CUSTOMERS AND CONSUMERS.

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 new 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 small-scale farmers and ensure that our products waste disposal is also considered. This is how we will drive positive social, environmental and economic change.





Key Milestone:

By 2025, All of our product packaging will be 100% reusable or recyclable and raw materials will be entirely compostable.

2. INSPIRE CUSTOMERS AND CONSUMERS THROUGH PROVIDING EDUCATIONAL AND ENGAGING CONTENT.

We will be an iconic brand that makes sustainable lifestyles both aspirational and achievable. 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 our wider community have access to inspiring content that will help them make informed choices.





Key Milestone:

By 2025, our content will have reached 8 million customers & consumers, with ¼ of that content consistently focused on sustainability.

3. MOBILISE CUSTOMERS AND CONSUMERS TO ACT ON SUSTAINABILITY.

Through the Cafédirect experience, we will help our consumers become part of a positive movement. We will drive change directly through impactful collaborations and by amplifying the efforts of others with shared goals. We are aligned to 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 how to take action: from buying Cafédirect products, to supporting and sharing our campaigns online. We will also help shape Business University courses to inform the next generation of business leaders, by providing case study materials and participating in lectures. This will promote deeper engagement with how sustainability intersects with our social enterprise business model.

Key Milestone:

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





ENVIRONMENT

PROTECTING & RESTORING OUR PLANET

Goal:

By 2030, Cafédirect will run its own operations within its environmental limits and be making significant progress towards its longer-term science-based net zero ambition.

The business rationale:

Securing a future for growing high-quality coffee; investing in nature-based solutions that mitigate against the effects of climate change and contribute to sustainable livelihoods. By applying a systems-based approach, enabling the next generation to innovate and evolve sustainable and regenerative agricultural techniques, will support coffee quality & consistency.

Commitments:



By 2030, we will be running our business with respect to science-based environmental limits and using our influence to drive positive change more widely. This includes continuing to purchase 100% renewable energy (in our office and roastery) and at least 50% organic coffee, as well as working with our suppliers to adopt their own sciencebased targets and practices.



Key Milestone:

By 2023, we will set our long-term sciencebased net zero target using guidance from the Science Based Targets Initiative (SBTi).

By 2025, we will reduce our Scope 1 and 2 GHG emissions by 25%, working towards delivery of our near term (2030) science-based target to halve our Scope 1 and 2 GHG emissions, from our 2019 baseline.

2. ADOPT BEST PRACTICE ACROSS THE SUPPLY CHAIN.

Working with professional bodies such as the British Coffee Association and Producers Direct, we will contribute to projects on a range of issues from recyclable packaging to protecting the longterm security of supply of coffee, given the sector vulnerability to climate change. We will stay agile in our thinking, contributing to bigger research projects and supporting small-scale farmers and farming cooperatives to adopt more sustainable and regenerative practices.

Key Milestone:

*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 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.



3. RESTORE OUR LANDSCAPES THROUGH REGENERATIVE AGRICULTURE.

Our ambition is for all our products to be grown using locally appropriate climate smart and regenerative agricultural practices. This means farming practices that focus on contributing to the health of ecosystems and human communities. The benefits include the building of soil organic matter - supporting carbon sequestration, increasing biodiversity and fairness to small-scale farmers. We hope to draw on shared best practice from key partners, including Producers Direct, as we further develop our Regenerative Agriculture Principles. For some regions this will include organic production as a key principle, whereas in other regions we may find that other regenerative practices create the locally appropriate and positive impact we desire. We want our impact to go beyond the cultivation areas for our products, to positively impact wider landscapes and communities.



Key Milestone:

By 2030, 100% of our agricultural purchases will be sourced according to our Regenerative Agriculture Principles.





CHAMPIONING BUSINESS FOR POSITIVE CHANGE

Goal:

By 2030, Cafédirect will be a beacon of sustainable business and continue to be known for its pioneering approach in advocating for small-scale farmers.

The business rationale:

Creating a high profile for our pioneering and evolving model and brand, leveraging resources, driving wider change to secure the future of our products and our industry, so that we can deliver more impact.

Commitments:

1. SHAPE OUR INDUSTRY: WE WILL RAISE THE PROFILE OF IMPORTANT ISSUES, HOLDING OUR SECTOR TO ACCOUNT.

By delivering our Gold Standard commitments, Cafédirect will maintain its authenticity in showing how business can be a force for positive change. We will continue to evolve and share what it means to be a sustainable business; one that's responding to the global challenges set out in the Sustainable Development Goals. We will build the evidence to show our ambitious, pioneering sustainable approach to business is not only the right thing to do, but provides long-term resilience in our sector.

Key Milestone:

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



2. WE RECOGNISE THE POWER OF COLLECTIVE IMPACT: WE COLLABORATE AND PARTNER TO PUNCH ABOVE OUR WEIGHT ON GLOBAL ISSUES.

We recognise the power of collective impact: joining collaborations and partnerships to punch above our weight on global issues. We will join the right collaborations to achieve our goals and help tackle systemic challenges. We will contribute to these forums and help to shape the debate so that we position social enterprise and equitable trade as an effective way to do business.





Key Milestone:

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.

3. BE TRANSPARENT AND LEAD BY EXAMPLE.

We will maintain and improve on our B Corp certification. We will regularly update our Ethics & Environmental policy and ensure that our current and future suppliers meet our shared standards. We will report on our approach to show how we hold our own business and supply chains to account, on key issues such as living income, employee diversity and that we continue to engage our employees with Cafédirect's mission and vision.



Key Milestone:

By 2025, Cafédirect's price paid to small-scale farmer cooperatives will be wholly transparent and fully accessible to consumers.



CAFÉ DIRECT



info@cafedirect.co.uk 020 7033 6000

WWW.CAFEDIRECT.COM