



Title:
Coffee Policy

Approved by:
Chief Procurement Officer

Last approval date:
2024-06-25

Approved by name:
Marius Naess

Coffee Policy

Introduction

Coffee is one of the world's most traded commodities and a vital export crop for many countries. The demand for coffee continues to rise globally, but other crops are competing with coffee for limited arable land resources. This means coffee farmers are facing considerable challenges, including profitability, the risk of breaches of human rights as well as the already tangible effects of climate change in coffee-growing regions across the world.

Without the means to more efficiently use the existing cropland dedicated to coffee growing, this increases the risk of deforestation, biodiversity loss and amplified climate impacts.

Kavli's position

Coffee features as an ingredient in a small set of flavoured Kavli products. We also purchase coffee for the staff in our office facilities. To ensure responsible and sustainable production practices, we intend to only purchase coffee certified by the organisation Rainforest Alliance (previously UTZ) by 2025. This certification scheme works towards safeguarding human rights, sustainable production practices and the improvement of farmer incomes and livelihoods.

Kavli has a commitment to deforestation and conversion free coffee in our supply-chains with a target date of 30 December 2024, which we will enforce as part of our sustainability due diligence. We will demand full traceability from our suppliers back to the original farm as well as valid documentation guaranteeing deforestation-free products, in line with the forthcoming EU Regulation on Deforestation-free Products.

To this end, Kavli will use the Identity Preserved (IP) program to ensure full traceability from the original field throughout the processes of production, processing, packaging, and distribution. IP segregates crops throughout the value-chain, delivering a specific quality or trait to the end market. This allows for open, transparent communication between supplier and customer, which Kavli intends to further implement to ensure sustainable and responsible production practices on farm. We will routinely verify the identity of claimed materials at least twice per year.

By 2025, we will demand from our suppliers that they too adopt a commitment to deforestation and conversion free coffee, and that they underpin these commitments by a monitoring, reporting and verification system that provides adequate transparency for managing this commitment with relevant key performance indicators to be shared with Kavli. The commitment must include a cut-off date from which the production area may have last experienced deforestation or conversion of December 2020 at the latest (2008 for the Amazon biome).



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Kavli will actively engage with relevant suppliers as part of our supplier engagement program, to update our suppliers on company targets, progress, and prospective projects (sometimes offering collaboration opportunities) as well as offer knowledge support and guidance wherever needed.

Stakeholder engagement

Kavli is also involved in dialogues with local industry stakeholder groups that aim to advance effective systems to provide assurance that the coffee we source is responsibly produced and deforestation-free, for example the newly established Swedish platform for risk raw materials (*Svenska Riskgrödeplattformen*) by ETI Sweden, WWF and the industry organisation Livsmedelsföretagen.

We intend to implement such solutions in our supply-chains to ensure best practice and help support any claims on the deforestation-free nature of our products. We will regularly update on progress as part of our sustainability reporting as well as in this forthcoming updates of this policy.