Dr. Jan Henke Managing Director, MEO Carbon Solutions

Carbon Footprint for Coffee Supply Chains





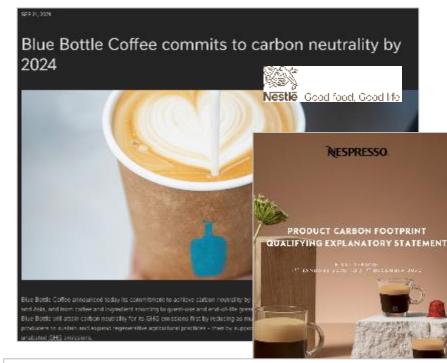
Carbon Footprint for Coffee Supply Chains

Session: Addressing the Environmental Footprint of Coffee Production



Dr. Jan Henke, Meo Carbon Solutions 4 December 2023, 4C Regional Stakeholder Conference, Vietnam

Commitments of final buyers on carbon reductions in coffee production are only one reason why calculating coffee carbon footprints become important



Targeting Reductions

LDC is working to improve its performance in four key areas:

Greenhouse Gas Emissions - reducing CO₂ reducing emissions by introducing innovative processes, leveraging new technology and opting for renewable energy sources.

Energy Consumption - refining our energy footprint measurements and introducing efficiencies wherever possible to



- In 2021, our coffee plant in El Cofre, Mexico, shifted to
- renewable energy by installing photovoltaic panels on the plant rooftop, reducing the facility's Scope 2 emissions to zero.

Sustainable coffee: Here is how Brazil

Vinicius Estrela, BSCA's Executive Director: "The Brarilian growers are improving their technologies to reach the most sustainable production. Those efforts aims to guarantee the economic sustainability at the whole coffee value chain, from coffee grain to the consumer's cup experience"

February 22, 2027

working to minimise the company's operational footprint.

COFFEE SUSTAINABILITY



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PLANET COFIEL & CRAFT

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Starbucks announces coffeespecific environmental goals Narch 22, 2021 5 min read

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In 2020 Starbocks committed to a resource positive foure, formalizing environmental goals to cut its carbon, water, and waste lootprints by half.

As a progression against those goals, the company commits to Cechoo-Neutral Green Coffee and to conserve water usage in green coffee processing by 50%, both by 2030



Source: https://nestle-nespresso.com/sites/site.prod.nestle-nespresso.com/files/Nespresso-Product-Carbon-Footprint-Qualifying-Explanatory-Statement-9Sep2021.pdf; https://www.nestle.com/media/news/blue-bottle-coffee-carbon-neutrality-commitment https://www.teaandcoffee.net/news/28823/ide-peets-commits-to-spti-approved-targets-to-reduce-ghg-emissions-across-value-chain/: https://www.comunicaffe.com/sustainable-coffee-the-reduction-of-greenhouse-gas-emissions/: https://stories.starbucks.com/stories/2021/starbucks-announces-coffee-specific-environmental-goals/; https://www.ldc.com/sustainability/protecting-environment/climate-change/;

GHG emissions across value chain Posted: 10 February 2022 STORIES ALONIE .

JDE Peet's commits to SBTi-approved targets to reduce



IDE Peet's has announced it has committed to SBTI-approved greenhouse gas (GHC

across its value chain. These new targets underscore JDE Peet's' commitment to cre

brings by sendering data Arrive Jean Pusale

is reducing greenhouse gas emissions

MCS has developed **GHG calculators for a large number of agricultural products**, waste/residues and downstream supply chains



Corn



Coffee



Municipal solid waste



Palm



Coconut fibers



Used Cooking Oil



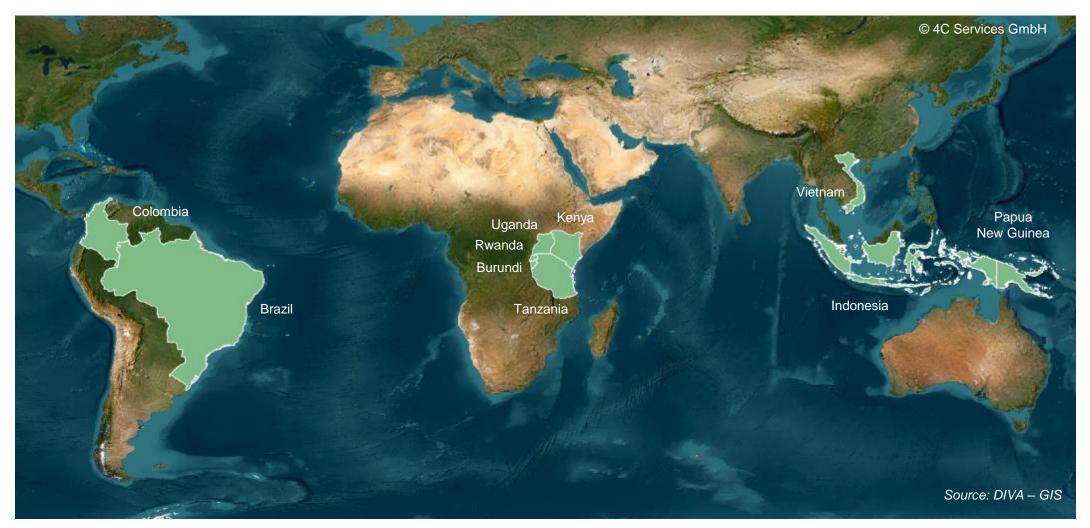
Rubber



Forest Residues



Increasing global demand for GHG emission calculations – Development of **GHG** calculations for producers in ten coffee producing countries completed





MCS is **collaborating with market players**, **initiatives and consortiums** to measure and reduce the coffee carbon footprint



GHG calculation for green coffee supply chain in Rwanda



GHG calculation for robusta coffee supply chain in Vietnam



Sources: https://www.meo-carbon.com/references/, https://greeninvestasia.com/research/usaid-green-invest-asia-reports/, https://www.4c-services.org/working-towards-climate-friendly-coffee-production-in-tanzania/



4C Services, MEO, and the Center for Global Commons University of Tokyo partnership for Life Cycle Assessment (LCA) in the coffee sector

- Research project on interventions and solutions for transition to sustainable food system through value chain approach
- Countries: Brazil, Colombia, and Vietnam
- 4C Carbon Footprint Add-On methodology will be used to calculate GHG emissions at the farm level for LCA

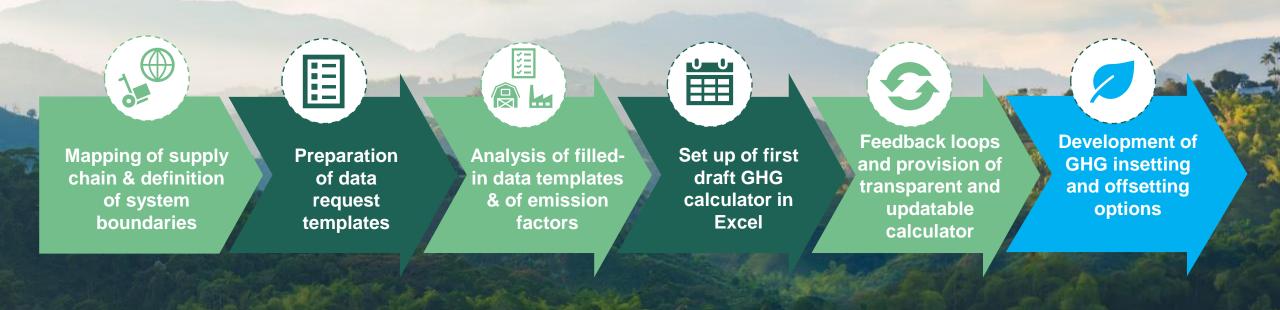
Technical Lead: 4C Services and Meo Carbon Solutions

Local Project Partners



Measurement of carbon footprint based on recognized methodologies in line with science-based target initiative

- Greenhouse gas (GHG) emissions calculation for coffee cultivation and whole supply chain
- Introduction of mitigation measures and monitoring of GHG reduction



The quantification of GHG emissions from the coffee supply chain steps shall contain the following elements:

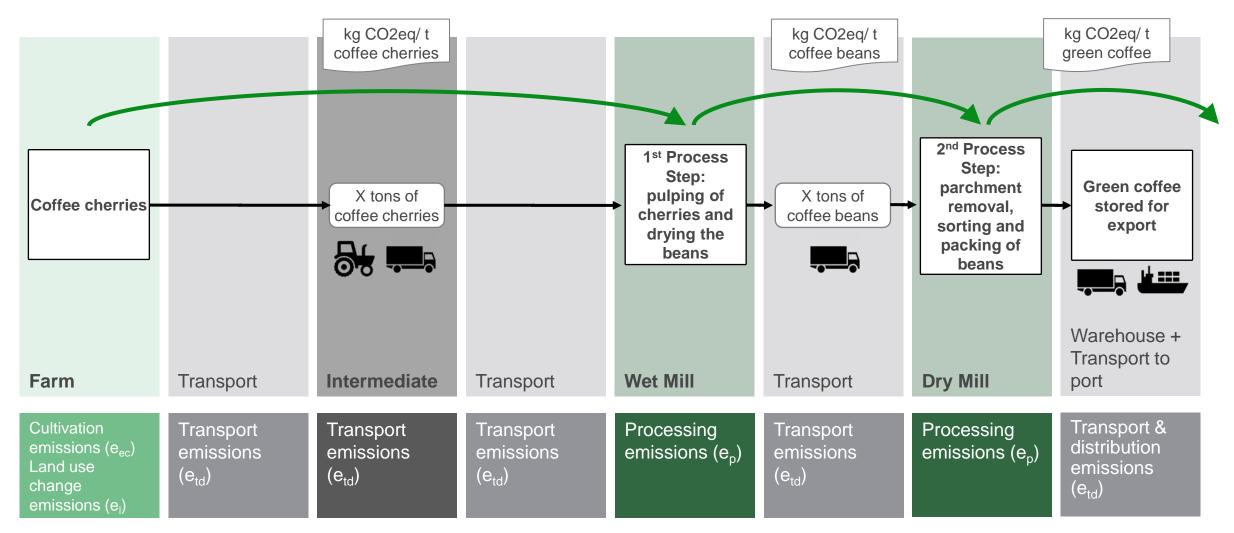
$$E = e_c + e_l + e_p + e_{td} - e_{soc}$$

Where:

- E total emissions from the coffee supply chain in the final unit kg CO₂eq/t of green coffee beans
- e_c emissions from the **cultivation** of coffee
- e₁ annualized emissions from carbon stock changes caused by land-use change
- e_p emissions from **processing** (dry milling, wet milling, roasting, etc)
- e_{td} emissions from transport and distribution
- emission savings from soil carbon accumulation via improved agricultural management



Simplified coffee supply chain, GHG emission categories and forwarding of GHG emissions







High quality dataset is crucial for a realistic GHG emission calculation

Take aways from past assessments:

- Data collection process most critical and time consuming
 - Intensive feedback loops required between company and 4C/MCS to finalize dataset
 - Willingness of coffee farmers to participate
- Simplified data collection template with explanatory comments per entry available in local language
- Selected company experts needed as responsible for data collection and exchange with farmers
 - Training of local company responsible staff in advance of the process for good data quality (non-farmers)

→ Complete and verified data is key for GHG calculation and realistic results

Potential improvement measures to reduce GHG emissions along the coffee supply chain from farm to roastery





Increasing the yield of coffee per farm

Improving treatment of wastewater



Improving treatment of waste, residues and pulp



Reduction of fertilizer application



Reducing use of plastic packaging material



Switching to renewable energy sources



More efficient ways of transportation



Local capacity building, e.g., farmer education



Improved agricultural management practices leading to soil carbon accumulation



 Improved cropping systems including cover crops, intercropping with perennials and agroforestry



Improved crop residues management



Improved fertilizer or manure management



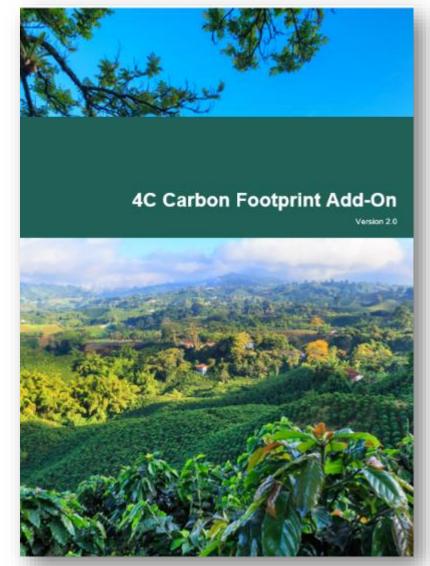
Use of soil improver (e.g., compost)



MCS supports the **development of 4C climate-friendly solutions** for coffee supply chains globally - I

- Development of 4C Carbon Footprint Add-On
- Two-level certification approach for climate friendly and climate neutral coffee
- Carbon footprint calculation, reduction and optional offsetting of emissions and external communication
- 4C Carbon Footprint Add-On provides tools for data gathering, GHG calculation and audit preparation
- MCS experts available to consult 4C system users and conduct GHG emission calculations







MCS supports the **development of 4C climate-friendly solutions** for coffee supply chains globally - II

		F	FREQUENTLY USED EMISSION FACTORS AND THEIR RESPECTIVE SOURCES		
		Input	Unit	Standard factor	Source, description
	A) Emission factors	A) Emission factors for cultivation			
	Fertilizers	Fertilizers			
		CaO-fertilizer	kg CO _z eq/kg CaO	0.13	European Commission: <u>Standard values</u> for emission factors, v 1.0. 2015
		Calcium ammonium	kg CO2eq/kg	3.67	European Commission: Standard values
Specific fertilizer production emissions for Southeast Asia Region					
Ammonium nitrate - 33.5% N (granulated)	Kg CO2eq/kg of product	2,39	Brentrup et al., 2018, pg 4.		

³⁷ For all N-fertilizers the emission factor refers to the amount of nitrogen in the fertilizer.





4C Carbon Footprint Add-On relies on the most relevant standards and initiatives

The 4C Add-On is aligned with:

- ISO 14067:2018 → provides guidance for the quantification of GHG for the development of the carbon footprint of a product
- GHG Protocol Product Standard → Product Life Cycle Accounting and Reporting Standard is the guideline document stating the requirements for a LCA of a product
- PAS 2050:2011 → Publicly Available Specification for the calculation of the GHG emissions produced during a product's life cycle (BSi)
- IPCC (2006) Guidelines for National GHG Inventories and 2019 Refinement
- The guide from the Science Based Target Initiative (SBTi) and the Paris Agreement target to limit global warming to 1.5°C

Current 4C CF Add-on Certification First Certificates issued in 2022 and 2023

3 Climate Friendly certificate has been issued to Managing Entities (ME) who are able to sell coffee with verified GHG emissions



Karagwe District Cooperative Union, Tanzania Vinh Hiep Co. Ltd., Vietnam

Greenco S.U., Burundi





Let's get started – Your company could be next



Contact 4C for core certificate as prerequisite or directly start with CF-Add On preparation



Prepare your GHG emission calculation & set plan for improvement measures following CF-Add On



Conduct on-site audit and receive approval by 4C auditor and 4C



logo use

4C Climate Friendly Coffee certification and on-product



Optional: Insetting/ Offsetting to become "Climate Neutral"





Thank you for your attention!

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