

SUSTAINABILITY REPORT

2021



J.J. Darboven Holding AG & Co. KG

Foreword



Sustainability has a long tradition at J.J. Darboven. We are aware that only those who deal responsibly with raw materials, people and the environment can be successful in the long term – we have been proving the truth of this approach for 156 years. In 2021, we continued this (for us) self-evident commitment; a Fairtrade pioneer, we have been striving to improve living conditions in the producer countries for decades. Our desire to make our sites in Germany more sustainable as well has prompted us to establish three teams of experts in charge of “social responsibility”, “environmental responsibility” and “product and supply chain”, and these efforts have been crowned with success. We were able this year to reduce our CO₂ emissions and simultaneously to increase the share of recyclable packaging.

As you read this sustainability report, you will see that our commitment does not stop with our production process. We highlight our determination every year by organising the IDEE promotional award, which honours female company founders for their innovative and sustainable business ideas. In 2021, the second year of the pandemic, we also supported the struggling artist sector, serving as one of the major partners of the successful livestream fundraising jam #AllHandsOnDeck – one of four different large-scale actions we supported as Café Intención during the Christmas campaign by matching the collected donations.

Many people have joined us in supporting those who have been hit particularly hard. That, too, is sustainability: showing solidarity, closing ranks to be there for one another. And we will continue to do so in the future – no matter what challenges we still face on the way to a better world. I look forward to travelling this path with you. Stay healthy!

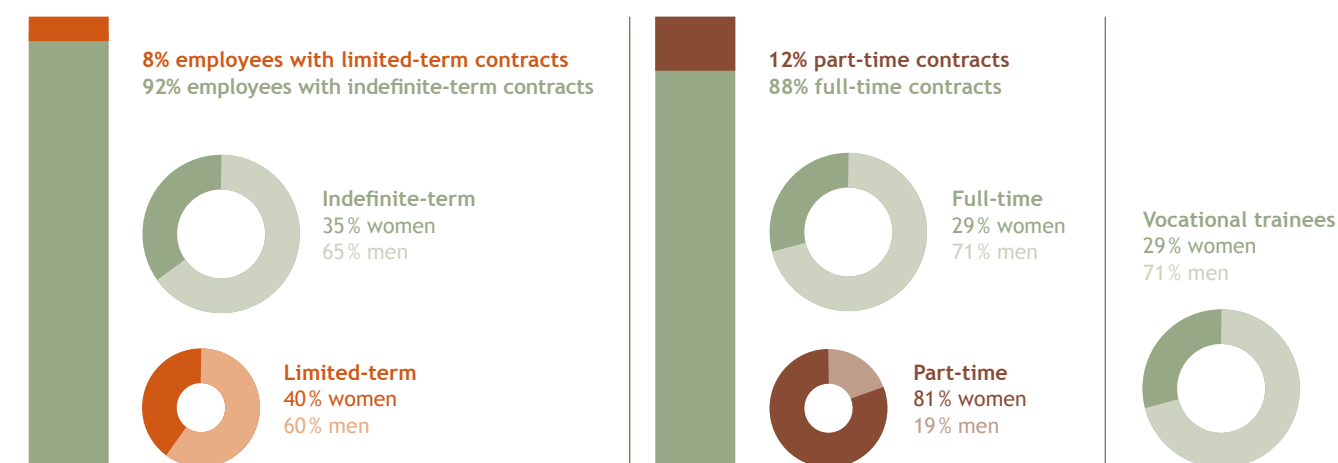
Yours,
Albert Darboven



We remain stable – even in turbulent times

The coronavirus pandemic has been the focal point of everyone’s attention in Germany since 2020. Obviously, the situation has impacted us as well (and continues to have its effect). The long lockdown periods in the restaurant sector and the decline in purchasing power have not passed us by – nevertheless, our goal has always been to retain our employees and to maintain the workforce we employed prior to the pandemic. And for the most part, we have succeeded.

Employee figures for the holding company in 2021



Total workforce: 852

Our coffee brands



Our tea brands




Our cocoa brands



What exactly does sustainability mean?

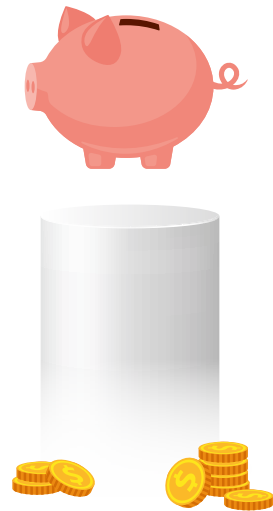
Sustainability is often broadly equated with environmental protection, but there is much more to it than that; by definition, sustainability stands for responsible action. Its goal is to meet the current needs of a society while at the same time securing – ideally, even improving – the conditions for future generations. In this sense, there is often talk of ecological, economic and social interests.

The three pillars of sustainability



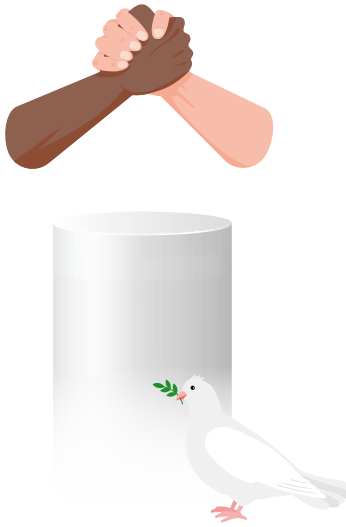
Ecological sustainability

The goal of ecological sustainability is to use no more of our natural resources than can be adequately regenerated. The overexploitation of nature must be prevented at all costs.



Economic sustainability

A society/enterprise should always operate within its means so that its long-term existence is assured. The well-being of future generations should play a role in every decision.



Social sustainability

The pursuit of social equity, i.e. providing equal opportunity to all members of society, ensures social sustainability. Its achievement is fundamentally impossible without the peaceful, civil resolution of conflicts.

Three teams of experts – one mission

J.J. Darboven also pursues the goal of creating better conditions for future generations. This aspiration has prompted us to set up three working groups analogous to the pillar model: “Team Ecological Responsibility”, “Team Social Responsibility” and “Team Product & Supply Chain” are charged to ensure compliance with the J.J. Darboven sustainability goals at our locations and beyond. Nothing less than an intensive and efficient interaction with one another is required, so new sustainability measures are regularly initiated as common actions and their results are subsequently assessed. Moreover, reports are presented to the Management Board every six weeks. A pleasant side effect of these actions is that they also satisfy the requirements for us to obtain our annual HACCP certification as the requirements for this certification are mostly clearly exceeded by our own sustainability goals.

The UN Sustainable Development Goals

Sustainability concerns us all

The global community has created Agenda 2030 to serve as a guiding framework for sustainable development. It comprises the definition of 17 concrete sustainability goals for the advancement of animal welfare, environmental protection, education and social justice, extending as well to include economic topics such as the improvement of infrastructure, the use of technological innovations and other fields. Every one of these goals also relates to one of the three sustainability pillars.

Agenda 2030 is especially important because its 17 Sustainable Development Goals (SDGs) apply explicitly to companies and even to individuals, not only to countries and their governments – after all, each and every one of us can contribute to their achievement. J.J. Darboven regards its duty to take the goals of Agenda 2030 seriously and to actively seek their realisation wherever we can as self-evident.



How much sustainability is there in J.J. Darboven?

Talking about sustainability is one thing. Actually realizing its specific goals is quite another. Theory aside, the question remains: To what extent can the principles of sustainability be reconciled with the daily activities of a globally operating company like J.J. Darboven? The past year demonstrated: amazingly well. It is in no small part thanks to the tireless efforts of our sustainability teams that we have been able to optimise continuously our processes throughout the company and align them more and more closely with the three pillars of sustainability.

Our dedicated commitment will become especially clear on the following pages of this sustainability report; whether the issue concerns a small secondary project, process optimisation or a large-scale campaign – we have classified each of our sustainability measures here as pertinent to one or more UN Sustainable Development Goals as indicated by the number(s) of the related goals heading each section.

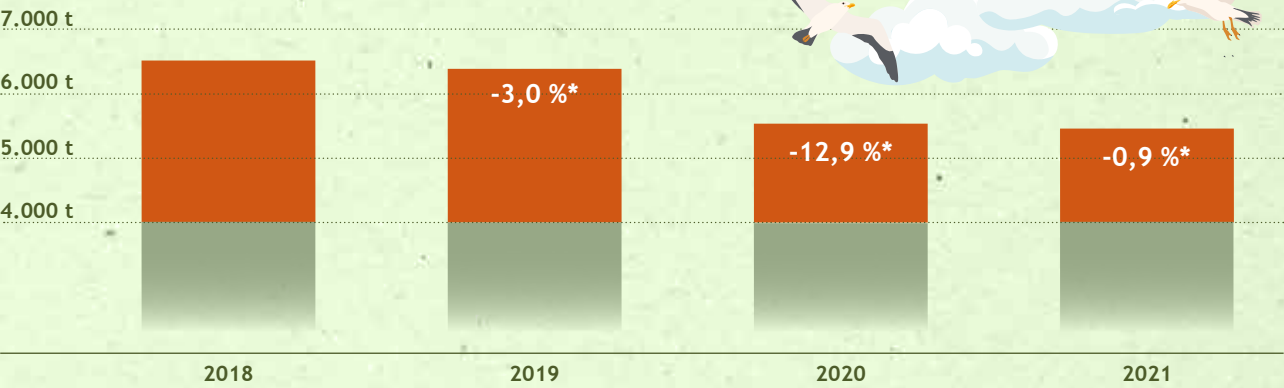
Ecological responsibility

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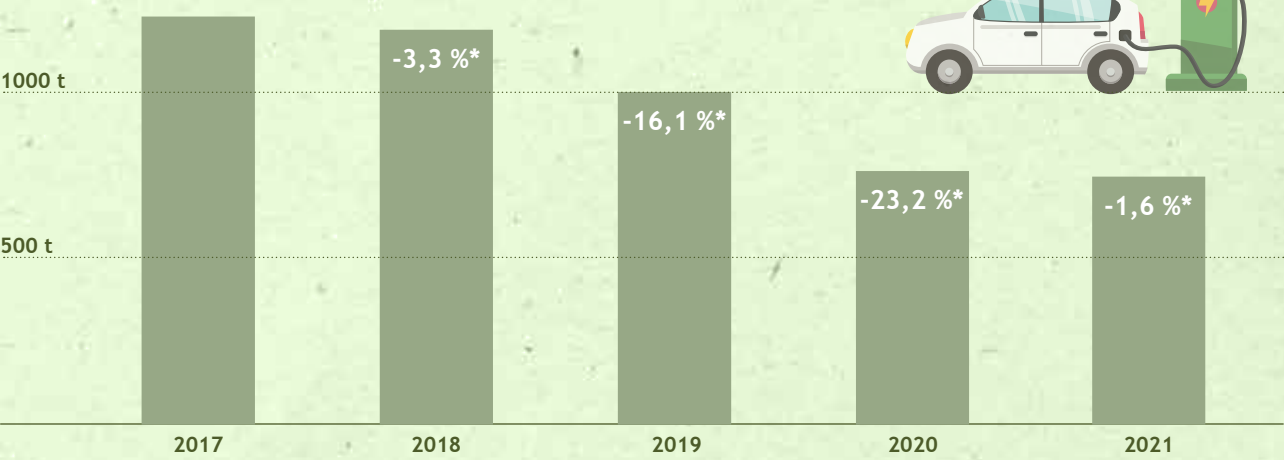
Commitment up, emissions down

In our actions as a supplier to the restaurant and retail sectors, we are aware that the production and transport of goods consumes energy and generates greenhouse gases. But even if we will not reach “Zero” in the foreseeable future, J.J. Darboven is still doing everything in its power to look for potential savings and effective means of reducing emissions further. A comparison with previous years reveals that we have succeeded. Since 2019, for example, we have been able to reduce CO₂ emissions at our sites in Hamburg and Sauerlach by approximately 13.5 percent to the current level of 5,477 tonnes of CO₂. This has been accomplished for one by our rethinking of mobility. In our vehicle fleet, more and more combustion engines have been replaced by electric or hybrid vehicles. We are also in the process of gradually shifting the transport of our products from road to rail.

Development of CO₂ emissions at our locations



CO₂ emissions caused by our vehicle fleet

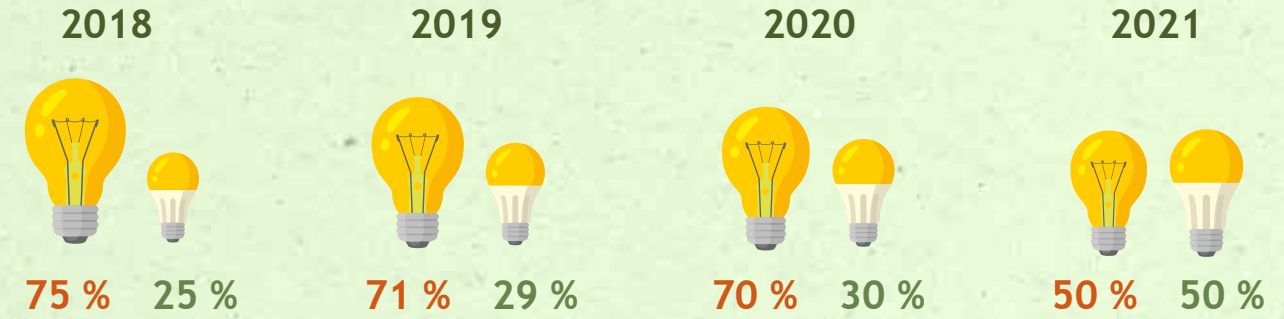


*The coronavirus pandemic also led to a substantial reduction in CO₂ emissions owing to the restrictions on business trips and travel and the obligation to work from home.

Thinking outside the box

The ongoing optimisation of our processes to reduce pollutant emissions is important, but for us as a company in times of a global climate crisis, it represents “merely” the compulsory programme. It is always possible to do more – even aside from production chains and company locations. We have also implemented various measures and supported projects aimed at driving forward environmental protection at the regional level this year, and we would like to present some of them here.

Proportion of energy-saving LED luminants



Vocational trainees turn into Energy Scouts

The Hamburg Chamber of Commerce has been organising the “Energy Scout” qualification for vocational trainees from the Hanseatic City since 2016. Our two commercial trainees also participated in the workshops on energy efficiency and received a clear assignment for their return to J.J. Darboven: Identify and exploit energy-saving potential in companies. In collaboration with their supervisors in the company, they were asked to create their own energy efficiency project and to apply their newly acquired expertise to the identification of energy-saving potential and to provide orientation to future Energy Scouts relating to their responsibilities in this sector.



MAY WE INTRODUCE OUR ENERGY SCOUTS – Liv-Merit Johansson and Katharina Lutz

Wonderful and wonderfully sustainable



ENGAGEMENT FOR BIODIVERSITY: our employees seeding the dykes

The Loki Schmidt Foundation has set for itself the task of caring for nature and landscape. The non-profit association campaigns for the protection of endangered plants and biotopes in Hamburg with its own practise-oriented projects or public relations work. We took an active role in the “Cooperation Nature” project for Hamburg companies and planted large areas of the dyke on the J.J. Darboven company premises with a bee-friendly, regional flower mix in December. The result was impressive: in the following spring, swarms of bees enjoyed a fresh habitat and a variety of new food sources. Our efforts made yet another small contribution to the preservation of biodiversity.

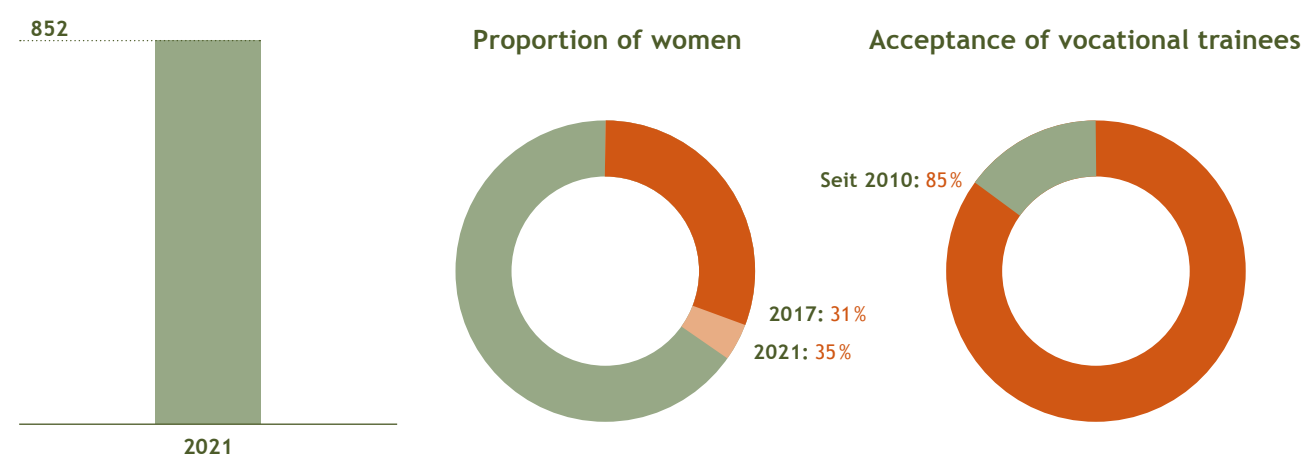
Social responsibility

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Giving everything for the team

There are so many great people working at J.J. Darboven, and new ones are joining us all the time; despite the pandemic, we have been able to keep the size of our workforce almost unchanged at 852 in recent years. It is remarkable that more and more of them are women and that our vocational trainees regularly receive employment contracts when their training ends. Moreover, many of our employees stay with the company far longer than is average — undoubtedly in no small part owing to our attractive fringe benefits.

Total number of employees



A pleasant atmosphere and respect in our interaction with one another are a matter of course at J.J. Darboven. However, our employees also enjoy further perks such as contributions to the company pension scheme or insurance covering accidents that occur during their free time. We also offer to them a canteen, discounted staff shopping and a wide range of sports activities in cooperation with the Urban Sports Club.

Starting in 2022, we also plan to cooperate with JobRad and to offer to our employees another environmentally friendly alternative alongside the Hamburg public transport ticket for their commute to work. Speaking of being well received — the opportunity of mobile working (e.g. working from home) is also gratefully accepted by our administrative staff.

Together through the pandemic — to emerge even stronger than before

The coronavirus pandemic has hit almost all industries hard. We at J.J. Darboven reacted quickly and set up our coronavirus crisis staff back in March 2020. Its members were entrusted with handling the numerous tasks that the new situation brought with it. Thanks to their efforts, we were able to continue our roasting operations at both locations. The actions taken by the crisis staff included driving the creation of mobile workplaces, regular consultations with the health department and the implementation of the related occupational health and safety regulations.

Moreover, construction work began on the new roaster at our Hamburg site at the height of the pandemic — so dealing with the workers on the premises was a challenge. Other implemented measures included support for people with disabilities, the coordination of shift work in production and the canteen and compliance with the mask requirement.

IDEE Promotional Award

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Sustainability has its prize

The presentation of the Darboven IDEE Promotional Award on 25 November 2021 in the concert hall of Hamburg's Besenbinderhof was a small anniversary. For the 15th time since 1997, J.J. Darboven's award recognised female company founders whose innovative business cases made an important contribution to strengthening Germany internationally as a business location. The logical focus of this event was on sustainability.



Albert Darboven originally created the IDEE Promotional Award, which is endowed with €65,000, to encourage women from all economic sectors to realise their business ideas and bring a breath of fresh air to the German entrepreneurial landscape with their startups. The response continues to grow every year; a total of 144 applications were received for this year's promotional award, proving that Germany's women will always be a force to be reckoned with in the future.



THE GRAND FINALE: Six truly innovative female founders at the announcement of the results

Five concepts made it to the final of the Darboven IDEE Promotional Award. Ultimately, three startups were able to convince the seven-member jury under the patronage of Professor Dagmar Schipanski of the value of their ideas. First place, and with it €50,000 in prize money, went to Dr Anne Lamp and Johanna Baare, whose traceless materials GmbH has succeeded in producing a sustainable alternative to plastic. The materials they have developed are derived from agricultural residues; they are compostable and produce around 87 percent less CO₂ during production. They are an attractive solution for industry because they have the same qualitative and functional properties as fossil plastic. The goal of traceless materials GmbH is to scale up operations further and to begin production on an industrial scale by 2025.



DELIGHTED TO RECEIVE A PRIZE OF €50,000:
Dr Anne Lamp and Johanna Baare and their company traceless materials GmbH

Our best idea: promoting women with ideas

Runner-up Dr Beatrix Förster made a strong impression with an innovative biotechnological approach for which she received €10,000; her company Doderm GmbH has developed a process that isolates antibodies from cow's milk. In contrast to antibiotics, they can be applied locally to the skin to fight bacteria. The extraction process is simple and inexpensive so that they can be substituted for traditional antibiotics in the future, hindering the development of resistant strains. Third place and €5,000 were awarded to Dr Katrin Schuhen, who with her team from Wasser 3.0 gGmbH developed the world's first filter-free process for the removal of microplastics from water.

In short, the Darboven IDEE Promotional Award 2021 was a great success — for the participants, the business community and ultimately for us all.

#AllHandsOnDeck

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Helping is (not) an art

The financial and economic consequences of the coronavirus pandemic have been felt by many people, including those in the arts sector: cancelled performances, lack of planning security, massive loss of income — many artists have had to fear for their existence, but the staff they employ are no less at risk.

The lack of support for the artist sector was reason enough for us and other companies to become “supporters” ourselves: together with Café Intención, our pioneer brand for sustainable engagement, we supported both live stream fundraising jams #AllHandsOnDeck in 2021. Using the streaming service Twitch.tv, artists had the opportunity to perform in front of an audience, at least virtually. The first stream took place on 7 April in the unique artist location “Das Hausboot” and was an immediate success. The second event followed on 14 December

— straight from the Barclays Arena, a venue for large events. Spectators could enjoy a line-up of newcomers alongside well-known bands and singers. During the concert, which lasted more than six hours, donations were collected on betterplace.org. The donated funds amounted to more than €100,000 and were distributed via the initiatives #coronakuenstlerhilfe, #handforahand and “Ohne Kunst und Kultur wird’s still e.V.” to artists who had been hit especially hard by COVID. A fantastic event that is scheduled for another repeat performance in 2022 ...



Café Intención Christmas action

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Doubly fair means more funds

The same procedure every year — we once again conducted a Christmas campaign in 2021. This time, fittingly enough, with the objective to change the world. We supported four social projects along the full length of our supply chain by appealing for donations and matching the funds received.

Project 1:

Café Intención’s homeland Peru suffers from a high incidence of child poverty. Our support of fair trade itself represents a small contribution to improving the future prospects of families. During our Christmas campaign, we provided additional support to the AYUDAME Kinderhilfswerk Arequipa/Peru e.V., which works locally to promote the education and nutrition of children and young people.



FIRST STOP OF OUR FUNDRAISING CAMPAIGN:
Support for children in Peru

Project 2:

Green coffee has to somehow move from South and Central America to Germany, and so it is transported across the Atlantic by freighter — regrettably, the ships sail past large quantities of

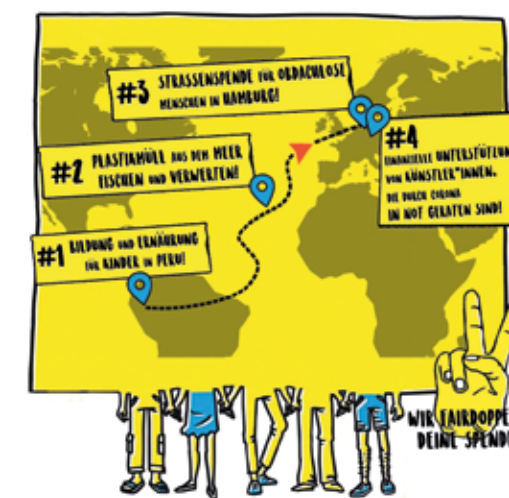
plastic waste today. The non-profit organisation One Earth — One Ocean e.V. has launched the “Maritime Garbage Collection” with the goal of gradually removing this material. Special waste collection ships fish the plastic waste out of bodies of water all over the world and subsequently recycle it. The more donations that are collected, the more plastic can be collected from the oceans.

Project 3:

The supply chain eventually delivers the coffee to Hamburg, home to J.J. Darboven and almost two million people. But not everyone here has a home. Seeking to change this, StrassenBLUES e.V. collects donations under the motto #HomesforHomeless; the association wants to use the funds to rent or, in the best case, buy residences that can be provided to homeless people in Hamburg. A tremendous project that began with accommodation in simple hostels and more than deserves every support.

Project 4:

Our coffee finds its way from Hamburg to all corners of Germany — just like excellent live entertainment at the largest musical streaming event #AllHandsOnDeck from the Barclays Arena. The project, organised by 1st Class Session — Artist Support e.V., was not only sponsored by Café Intención, but was included as part of our Christmas campaign to generate even more attention — and donations — for concert workers and music artists whose livelihoods are at risk.



ALWAYS ALONG THE SUPPLY CHAIN:
Helping from the source to Hamburg

Product and supply chain

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If Fairtrade is on the inside, Fairtrade is also on the outside

Some 90 percent of all consumers are familiar with the Fairtrade label. And their trust in the label is completely justified because the social and ecological requirements to which we commit in obtaining the seal are strict and audited regularly.



The Fairtrade label is the indicator at the POS for fair wages and better working conditions in the countries of origin. Interested consumers also have the opportunity to track our products transparently from the very beginning of the supply chain by entering the Fairtrade code found on the packaging and to learn more about the cooperatives in each of the countries of origin.

We become fairer and fairer and fairer



Our goal is to raise steadily the share of our Fairtrade-certified products, and we succeeded in doing that yet again in 2021. In addition to the broad Café Intención line, J.J. Darboven now offers EILLES TEA and COCAYA drinking chocolate with the Fairtrade seal.

Fairtrade products

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A win for everybody

The demand for sustainable products in this country is on the rise, and in the producing countries, the producers have better prospects for the future – Fairtrade benefits everybody. And this is also thanks to Fairtrade pioneer J.J. Darboven.

Share of Fairtrade products in Germany
J.J. Darboven vs. competition



Fair trade attracts

The calculation is simple: the more Fairtrade products we sell, the more support the people in the countries of origin receive. In addition to fair wages, training and improved working conditions, support for the producers also takes the form of a so-called Fairtrade premium – a surcharge that is paid on top of the sales price. In 2021, despite COVID, J.J. Darboven was able to generate a Fairtrade premium of more than €1.6 million, which was distributed among the various small-farmer cooperatives. They themselves determine where the funds will be invested.

How the cooperatives benefit

Every cooperative invests the Fairtrade premium differently. Our partner cooperative COMSA in Honduras, for example, invests in environmental protection and improving productivity, but also supports education and social projects. Twenty-seven percent of the Fairtrade premium is used to increase the price of the produced coffee: farms are expanded, debts are reduced and the expenses of the producing families are covered. The premium revenue was also used for the procurement of organic fertiliser for even more environmentally friendly production and enhanced quality.

The cooperative has also put a part of the money into a technical assistance unit. Its task: to help producers to create management plans for broader diversify of production and greater efficiency.



COFFEE BECOMES EDUCATION: Pupils in front of the COMSA INTERNATIONAL SCHOOL

The lion's share of the premium was invested in securing their own future – by providing children of poorer members with a good basic school education and offering a wide range of sports. Since 2012, more than 600 students have been supported by the programmes.



H.E.L.P.

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Good things returned to their origin

We launched the H.E.L.P. funding project in 2015. The acronym stands for Honduras Education Life Project – and represents economic, ecological and social support. Thanks to the funding, producers at the origin can improve their living conditions for their families year after year.

A country like Honduras does not offer many opportunities for people to break out of the cycle of poverty. Coffee cultivation, however, is such an opportunity – one that is actively promoted by J.J. Darboven. Agricultural education and advanced training programmes teach local producers the basics of business management, enabling them to work more efficiently and ecologically and to generate better prospects for women and children. Successfully: the number of farmers in the project has increased from 239 to 253.

A new generation

Last year's focus of H.E.L.P. was on the promotion of children and young people. As part of a school campaign, for example, the H.E.L.P. agronomists visited five schools to deliver the needed school materials to about 260 pupils along with a booklet for each one entitled "Ana en la Finca". The comic explains clearly and understandably for children how coffee is grown and what needs to be

considered to arouse children's interest in coffee cultivation. Obviously with the aim of giving them the knowledge that will allow them to follow in their parents' footsteps and to support their future families by growing coffee themselves. We may be able to report a few of the success stories in a later sustainability report.



H.E.L.P. PROJECT PARTICIPANTS FROM SANTA BÁRBARA, HONDURAS

Measures during production

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Gradually expanding the scope of sustainability

A supply chain always has two ends. And our own sustainability can be promoted at both. That is why J.J. Darboven is committed not only to the people at the origin of the product, but also constantly optimises its own production.

Less plastic is more

Plastic was long used as a raw material in many areas of our production. In the meantime, there are alternatives that we are constantly testing for feasibility so that we can reduce the use of plastic even further. This is what happened in 2021 when we dispensed with film lamination on the outside packaging of our Café Intención and EILLES brands. The switch to sustainable paper wrapping saves about 0.8225 grammes per 500 g package. The sale of 3,540,000 Café Intención packages sold every month translated into savings of about 2.9 tonnes of plastic annually. As 6,000,000 packages of EILLES are sold, the annual plastic reduction was even higher: approximately 4.9 tonnes a year. In total, the use of 7.8 tonnes of plastic is avoided every year because of the change. For us, this was incentive enough to switch to paper wrappings for all 500 g filter products in 2022, reducing the use of plastic by about 20 tonnes a year.

If disposable, then the right way



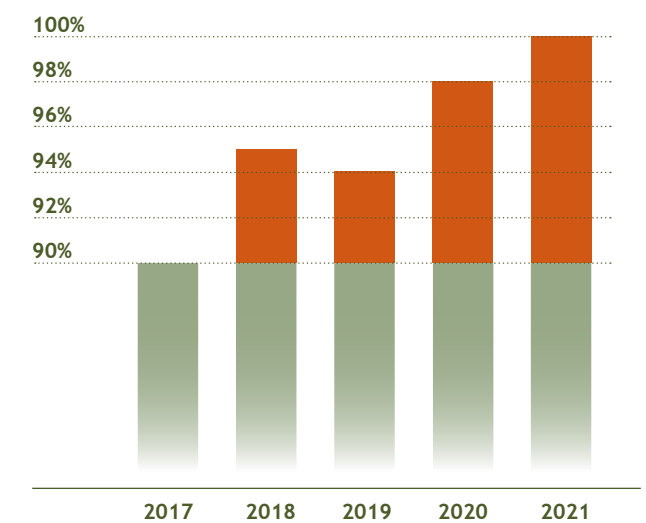
As a partner for hot beverages, we have long been supplying our customers in the restaurant business with take-away cups. We cannot prevent their being

thrown away. But we can make sure that the rubbish is less harmful to the environment. This is precisely why we have been producing solely disposable cups made of FSC-certified paper for our brands Alfredo Espresso, Café Intención, J.J. Darboven Classics, Burkhof, Sansibar Caffè and J. Hornig since 2021. The use of an environmentally-friendly dispersion coating ensures that they can hold both hot and cold drinks, eliminating the need for plastic coatings. A contribution that makes it easier for our customers to achieve their own sustainability goals.

Full package sustainability

Switching from plastic to the renewable raw material paper is always a good decision.

Recycled content of purchased cardboard packaging



However, it is really a sustainable solution only if recycled paper is used. This is precisely where we have a genuine milestone to report, because in 2021, we were able to increase further the recycled share of our purchased cardboard at our Hamburg and Sauerlach sites compared to the previous year. By exactly the 2 percent that was still missing to achieve finally 100 percent recycling in our outer packaging. We look forward to achieving numerous additional sustainability milestones in 2022!

“Good coffee is when everyone has
something from it.”

Albert Darboven

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