Strengthen Demand

2025 TARGET: Ensure at least **50% of global coffee** purchased by roasters and retailers is sourced according to sustainable practices.

INDICATOR OF SUCCESS	CORE METRIC	RATIONALE
Total volume purchased according to sustainable sourcing practices	**# of metric tons (MT) of Green Bean Equivalent (GBE) coffee** sourced via recognized voluntary sustainability standards (VSS)	When aggregating individual volume sourced as sustainable, the Challenge will be able to share the total % of global production that is sourced according to sustainability efforts.

The Scope and Evolution of Sustainable Sourcing: The success and increase in adoption of voluntary sustainability standards (VSS) – at farm level as well as by supply chain actors – over the past decades has shaped the concept of 'sustainable sourcing' across the coffee sector. As such, sustainably sourced coffee is commonly defined as those coffees that are grown in compliance with recognized voluntary sustainability standards. The main standards at the international level in coffee include Fairtrade, Rainforest Alliance/ Utz, 4C, Organic, and Bird Friendly. This list is often complemented with company-owned verification programs such as Nespresso's AAA and Starbucks' C.A.F.E. Practices.

In 2016, the Global Coffee Platform developed the 'Equivalence Mechanism' – a benchmark tool that assesses VSS according to a set of basic principles and practices for sustainable coffee production known as the 'GCP Baseline Coffee Code' (GCP BCC). In recent years, the GCP has widened the scope and range of sustainability schemes that are assessed and deemed as 'equivalent', to allow for the inclusion of more private sector programs (e.g., 2nd party verified) beyond the traditional VSS (3rd party verified).

Pending current revision of the GCP Baseline Coffee Code as well as the Equivalence Mechanisms – provided that the need for improved framing of these tools as well as increased transparency in the benchmark approach and results are being addressed – the Sustainable Coffee Challenge is keen to explore alignment with the GCP's approach by including those programs that are 'recognized' as equivalent (3rd party or 2nd party) to the GCP's BCC in the Challenge' definition of what counts towards our 2025 target to *"Ensure at least 50% of global coffee purchased by roasters and retailers is sourced according to sustainable practices".* Currently, the schemes (2nd and 3rd party) programs that are considered equivalent to the GCP's BCC include: 4C, Starbucks' C.A.F.E. Practices, Certifica Minas, Fairtrade International, Rainforest/UTZ, ECOM's SMS Verified, Nespresso AAA, Olam's AtSource Entry Verified and AtSource Plus.

However, in recent years, there has been a growing interest in non-standard based approaches to sustainable sourcing, because while there is a broad recognition that VSS are a critical component of sustainable sourcing, companies have also begun devising ways to reach beyond assurance in order to address systemic and fundamental challenges in coffee production and sourcing. In this context, coffee roasters and retailers explore innovative business models and associated themes (e.g. direct trade, value distribution, landscape or jurisdictional sourcing, transparency and traceability, payment for ecosystem services, etc.) with the ultimate aim to incentivize sustainable production practices and increase the uptake of sustainable sourcing by buyers. In addition, companies are increasingly pressured – by customer expectations as well as regulatory measures – to put rigorous accountability in place to provide backing to supply chain due diligence as well as fair business conduct.

While in our 2025 target we primarily track the quantitative progress towards our target of '50% of global coffee purchased', we are keen to also capture the wide range of innovative but (often) qualitative strategies and approaches to sustainable sourcing and business conduct. As such, we provide a secondary 'tier' of metrics, which will help us demonstrate how sustainable sourcing is evolving, and which suggest the shape that future commitments by sustainability leaders will take.

PROXY METRICS: no proxy metrics have been identified around our 'Strengthen Demand' collective 2025 target.

ADDITIONAL METRICS: To help tell the story of industry progress related to sustainable sourcing, the Challenge will monitor a set of additional indicators beyond the core metric noted above. Even though these are supplemental metrics that won't directly track progress towards the 50% quantitative target, we encourage partners to use these additional metrics to track their effort and share data on progress so that the Challenge may begin to understand the breadth of efforts around sustainable sourcing. While only the following indicators will be formally tracked, CI encourages partners who are capturing additional, relevant data to 'write-in' their metric when stating and reporting on efforts. It is only with this type of knowledge that we will be able to expand, evolve and innovate our collective understanding of sustainable sourcing.

METRIC	RATIONALE	WHEN IT WOULD COUNT
# of new commitments made to sustainable sourcing	New commitments indicate that there is growing interest in sustainable sourcing, using both traditional (i.e. VSS at minimum equivalent to GCP BCC) approaches as well as new innovative approaches.	When aggregated and analyzed by CI on an annual basis for the Commitments Hub Report
# of new commitments focused on increasing % of total value across the supply chain returned to origin	Transparency on revenue sharing indicates that a company is keen to ensure that the distribution of wealth across the supply chain is fair.	When paid and reported in the Commitments Hub
# of new commitments focused on the increase of volume of coffee or % of a company's supply chains fully traceable to farm	Traceability of coffee back to the farm sets the conditions for supply chain engagement – and enables long-term relationships, focused investments, premiums, impact monitoring, etc.	When reported in the Commitments Hub on an annual basis

DATA COLLECTION PLAN: Below is an overview of the proposed data collection plan for each metric. This serves as guidance for Sustainable Coffee Challenge partners who are interested in understanding the where, how and when behind the various metrics. The sources, frequency and reporting party could change based on the needs of the entity stating the commitment.

METRIC	UNIT	SOURCE	DATA CAPTURE FREQUENCY	RESPONSIBLE PARTY	REPORTING FREQUENCY
# of MT of green coffee sourced via recognized voluntary sustainability standards (VSS)	MT (kg) green coffee	Corporate analysis + sector reporting (e.g. Coffee Barometer)	Annual	Reporting entity	Annual
# of new commitments made to sustainable sourcing	Number	Commitments Hub	N/A	CI	Annual
% of total revenue returned to origin	Percentage	Corporate analysis + Commitments Hub	Annual	Reporting entity	Annual
% of coffee fully traceable to farm	Percentage	Commitments Hub	Annual	Reporting entity	Annual