

JDE Peets

Compliance Checker Company Profile

Six likely noncompliance case studies potentially linked to JDE Peet's (future) coffee operations in Brazil



Executive summary

This sustainability risk profile - on coffee company JDE Peet's - is part of a series of reports on key commodities' producing, trading, and buyer companies that will serve as input for AidEnvironment's Compliance Checker, an interactive case studies' Dashboard. This sustainability risk profile analyses JDE Peet's links to forest-risk commodities in the scope of the EU regulation on deforestation-free products (EUDR). The analysis maps JDE Peet's coffee sourcing areas, its link to deforestation hotspots, and the location of assets and infrastructure linked to the company's commodities' imports into the European market. Key element of the report is the demonstration of six case studies of coffee farms with likely forest clearing since the EUDR cutoff date, potentially linked to JDE Peet's, that might be noncompliant with the EUDR if the coffee beans produced on the cleared plots would enter the EU market from January 2026. The report's case studies have been shared with JDE Peet's for further engagement on 6 March 2025, and the company's response has been integrated into the report.

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JDE Peet's: Deforestation-risk commodities

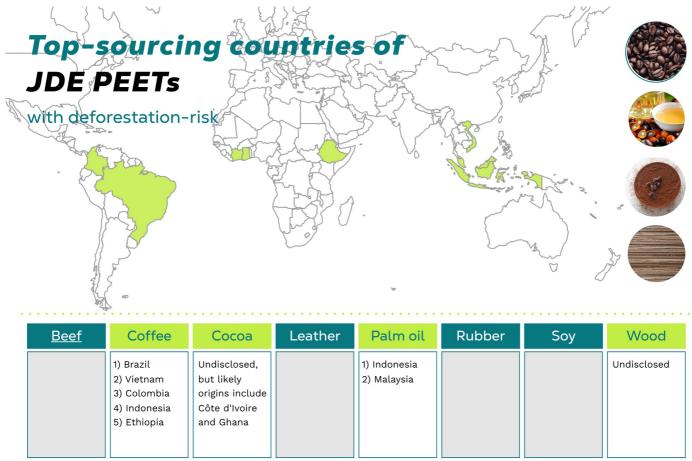
JDE Peet's: the second largest global coffee company

JDE Peet's (JDEP.AS), is one of the worlds biggest coffee companies, and the maker of brands including Douwe Egberts, Jacobs, Peet's Coffee, L'OR, and Senseo. In 2023, JDE Peet's generated total sales of EUR 8.2 billion and employed a global workforce of more than 21,000 employees.

JDE Peet's forest-risk commodities in scope of the EUDR

The <u>CDP - Climate Change 2023</u> and <u>2024 CDP corporate</u> questionnaires highlight that JDE Peet's sources green coffee beans, tea leaves, palm oil products (crude palm kernel oil and its derivatives, palm oil derivatives, and refined palm oil), pulp & paper for packaging, cocoa powder, dairy and milk powder. Of these, **coffee, palm oil, cocoa, and pulp & paper** are particularly relevant as forest-risk commodities, given their inclusion within the scope of the EU regulation on deforestation-free products (EUDR).

JDE Peet's sources green coffee beans from approximately 30 countries worldwide, but the company does not publicly disclose a ranking of its top coffee-supplying countries by volume. Available information in company reports and the CDP reports suggest the following top five suppliers: Brazil, Vietnam, Colombia, Indonesia, and Ethiopia, although the ranking order may be different. JDE reports to source palm oil predominantly from Malaysia and Indonesia through selected suppliers. The company does not disclose further on cocoa and palm oil, as it considers the volumes, spend and revenue bases as negligible compared to coffee. Therefore, the origins of its cocoa sourcing remain unclear, although likely the company will receive cocoa from the major cocoa producing countries Côte d'Ivoire and Ghana. Also, the origins of its pulp & paper sourcing remain unclear.



Source: AidEnvironment, based on <u>JDE Peet's CDP 2024</u>

Figure 1. JDE Peet's involvement (sourcing, processing) in forestrisk commodities under the scope of the EUDR. JDE does not disclose the origins of its cocoa and pulp and paper sourcing.

JDE Peet's: Deforestation-risk commodities



Coffee and tea are JDE Peet's two primary raw materials sourced. Reportedly, the company sources approximately **8**% of the world's green coffee and less than **1**% of the world's tea. Moreover, the company reports to purchase less than **0.1**% of worldwide production of palm oil. Overall, the company's procurement spent on palm oil and cocoa is less than **1**%.

More than 80 % of JDE Peet's revenue is tied to coffee sourcing. JDE Peet's <u>says</u> that green coffee is its most material commodity by volume, and accounts for approximately 50% of the company's overall GHG emissions (including Scope 3), while over 98% of the water footprint of JDE Peet's is associated with coffee. These insights underscore the significant role coffee plays in JDE Peet's business, as well as the company's need to address sustainability challenges, particularly concerning deforestation risks associated with coffee production.

JDE Peet's does not disclose on its cocoa, palm oil, and pulp & paper operations and sourcing origins, nor do available shipment records reveal any insights on palm oil, cocoa, and pulp & paper trading linked to JDE Peet's. Therefore, the remainder of this report will focus on the company's coffee operations.

The numbers reported by JDE Peet's in the CDP questionnaires show that:



JDE Peet's procurement spent on coffee was **51-60** % in 2023. Reported total volume imported in 2023: **660,629 metric tons (MT)**.





Tea represented less than **10** % of JDE Peet's total sales in 2022. Total volume imported in 2023: **not reported**.



JDE Peet's procurement spent on Palm Oil is less than 1 % in 2023. Reported total volume imported in 2023: 6,208 MT.





JDE Peet's spent **1-5** % of its procurement on pulp & paper for primary packaging in 2023. Reported total volume imported in 2023: **77,000 MT.**





JDE Peet's spent less than 1 % of its procurement on cocoa powder in 2023. Reported total volume imported in 2023: 969 MT



JDE Peet's: Relevant sustainability policies

JDE's Peet global commitment: 100% responsibly sourced coffee, tea, and palm oil by 2025



JDE Peet's <u>committed</u> to working towards 100% responsibly sourced coffee, tea and palm oil by 2025. The company has a deforestation-free commitment that <u>covers</u> all its forest-risk sourced products, including coffee, pulp & paper, palm oil, and cocoa, and for all its direct and indirect suppliers, with a target date of December 31st, 2025.



JDE Peet's claims to have achieved in 2023 83.8% responsibly sourced green coffee globally, including 97% responsibly sourced green coffee into Europe. Apart from the No-Deforestation and (severe or sustained) degradation commitment, the company also includes respecting free, prior and informed consent (FPIC) of indigenous peoples and local communities in its Forest Policy (March 2024). For its coffee supply chain, JDE Peet's runs 'supplier self-assessments', and for palm oil, cocoa and paper & pulp the company also relies on third-party certifications (e.g. FSC, PEFC, RSPO) and third-party verification. In response to a draft version of the case studies covered in this report, JDE Peet's further shared that the company "continues efforts in preparation for EUDR compliance inclusive of integrating Human Rights and Environmental Due Diligence process (HREDD). For EUDR compliance, we have assessed our risk based on an existing deforestation database, engaged with our suppliers to validate their preparedness and in the instance of risk, we will conduct remediation actions such as additional polygon verification. Since 2023, we have also actively engaged to stop future deforestation in the coffee sector. Thanks to our jointed effort with our technology partner, NGOs and origin governments, we have succeeded in 2024 to eradicate deforestation post 2020 in 7 countries. Our leading effort has been critical to ensure that coffee production doesn't contribute to deforestation and its direct impact on climate change and biodiversity loss which are a critical threat to the entire sector. Thus, we are taking steps not only to be compliant, but also to address the underlying problems that the EUDR legislation tries to address: global deforestation, biodiversity loss and climate impact, which threaten the future of the coffee industry. We currently work with smallholder farmers in more than 70 active projects in 24 countries to continuously improve sustainable and regenerative farming practices, farmer livelihoods and labour practices."



The company <u>states</u> that 100% of the palm oil used in JDE's products is certified under RSPO. RSPO certified palm oil also includes mass balance palm oil, which can be mixed with unsustainable sources of palm oil and therefore is not a guarantee on deforestation-free products. JDE Peet has a solid <u>NDPE commitment</u>, with reference to no deforestation in primary forest, HCV, and HCS forests since 2015, no use of fire in plantation operations, no development on peatlands, respect for FPIC, a grievance mechanism, and no exploitation.

RESPONSIBLE SOURCING		TARGET
Working towards 100% responsibly sourced green coffee by 2025	83.8%	100%
Working towards 100% responsibly sourced tea in 2025	40%	100%
Working towards 100% responsibly sourced palm oil by 2025	100%	100%
Directly reaching 500,000 smallholder farmers by 2025 (since 2015)	700,900	500,000

Figure 2. JDE Peet's reported progress on targets till December 2023. Source: JDE Peet's website, viewed in January 2025.



JDE Peet's high-risk sourcing origins and assets for coffee

JDE Peet's <u>does not own</u> or manage any land dedicated to agriculture/forestry directly, but sources green coffee globally via commodity traders and importers, such as Olam, Cofco, and Louis Dreyfus. Therefore, the company does not manage any coffee farms. Focusing on forest-risk countries, the vast majority of coffee JDE Peet's sources originate from coffee producing giants like **Brazil, Vietnam, Indonesia, Colombia, Uganda, and Ethiopia.** JDE Peet's does not publicly disclose a ranking of its top coffee-supplying countries by volume, but based on various data sources including shipment data, Brazil seems to be the largest coffee supplier to JDE Peet's.

JDE Peet's in Brazil

While not publicly disclosed, based on <u>warehouses location</u> research, JDE Peet's owns at least three coffee warehouse facilities in Brazil: two smaller capacity ones in Jundiaí municipality in São Paulo (capacities 6.8 and 3.3 million metric tons), and the largest one (capacity 710 million metric tons) in Salvador, Bahia (Figure 3).

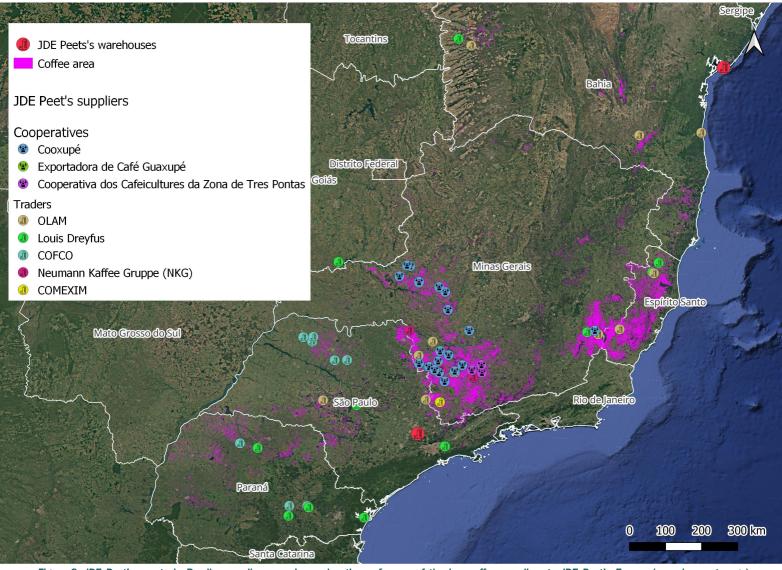


Figure 3. JDE Peet's assets in Brazil, as well as warehouse locations of some of the key coffee suppliers to JDE Peet's Europe (see also next page). Warehouses of the largest commodity traders (e.g. Olam, Cofco, Louis Dreyfus) do not necessarily only store coffee, and can also contain other commodities (e.g. soy). However, only warehouses in the largest coffee producing states are included. The cooperatives supplying to JDE Peet's are only focused on coffee. Source: AidEnvironment, based on warehouse data (SICARM, 2024), Mapbiomas coffee production area (2023)

JDE Peet 's: reputational risk destination

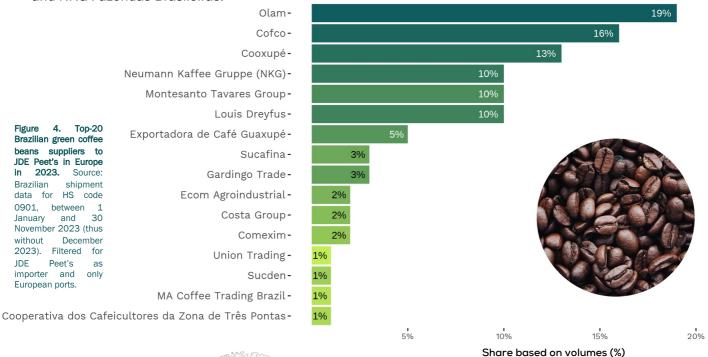
JDE Peet's supplied USD 14.6 million in value of green coffee beans from Indonesia to Russia between 1 January 2024 and 30 November 2024, according to Indonesian shipment data, through suppliers PT Asia Makmur, Intra Niaga Mulya, Sarimakmur Tunggalmandiri, PT Asal Jaya, Antara Saudara. While there seems to be no direct <u>sanctions</u> on coffee exports to Russia, selling to the Russian market may entail reputational risks for companies, as it remains <u>unclear</u> where the margins end up.



JDE Peet's exports of coffee products from Brazil and imports to the EU27

According to Brazilian shipment data, between 1 January 2023 and 30 November 2023, JDE Peet's imported, under the name of Koninklijke Douwe Egberts, nearly **90,000 metric tons (MT)** of green coffee beans (HS 0901) from Brazil into Europe. These volumes should be seen as a representative sample, which does not necessarily cover all traded volumes (a methods document can be shared on request). Nearly 20 % of these volumes are supplied by **Olam Group**. Olam Food Ingredients (Ofi) reports to be the second worldwide green coffee supplier. The company has a vertically integrated coffee supply chain, processing over 90% of our volumes in its own mills. An estimated 6-10% of revenue of Ofi is dependent on coffee, an estimated 1-5% of procurement is spent on coffee. The company operates coffee plantations in Laos (2,365 ha), Tanzania (1,929 ha), and Zambia (5,404 ha). There are no reports on own land managed in Brazil.

The largest suppliers of JDE Peet's (Figure 4) next to Ofi are several known commodity traders such as **Cofco** (16%) and **Louis Dreyfus Commodities** (10%), as well as coffee companies and cooperatives such as **Cooxupé** (13%); the **Montesanto Taveres Group** (10%), which includes volumes traded under Atlantica Coffee, Cafebras, and Ally Coffee; and the **Neumann Kaffee Gruppe** (NKG), which includes volumes traded under NKG Stockler and NKG Fazendas Brasileiras.





The shipment data sample further reveals that 62% of JDE Peet's European imports are entering the EU through **Germany** (Hamburg, Bremerhaven, and Bremen), followed by the Netherlands (14%), Belgium (9%), Sweden (7%), Greece (6%), and Spain (2%) (Figure 5). Under the EUDR, the competent authorities in these EU Member States will be responsible for the compliance checks of the imported coffee by JDE Peet's.

Figure 5. Main European ports of entry of JDE Peet's green coffee beans imports in the EU. Source: Brazilian shipment data for HS code 0901, between 1 January and 30 November 2023 (thus without December 2023). Filtered for JDE Peet's as importer and only European ports.



JDE Peet's exports of coffee products from Indonesia, Vietnam, Colombia

Indonesia

According to the Indonesian shipment sample, between 1 January and 30 November 2024, JDE Peet's imported 17,431 MT of green coffee from Indonesia to Europe, of which nearly 70% ends up in Germany, followed by 23% in the Netherlands. Its largest suppliers are PT Asia Makmur and Antara Saudara (Figure 6 below).

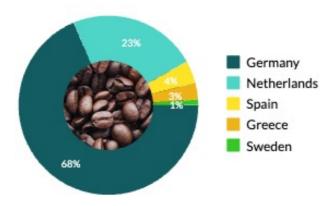


Figure 6. Destination countries of JDE Peet's green coffee imports in Europe from Indonesia. Source: Indonesian shipment data for HS code 0901, between 1 January and 30 November 2024 (thus without December 2024).



Vietnam

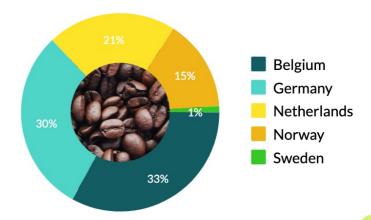


In 2024, Vietnam exported Robusta green coffee beans at a value of USD 207 million to JDE Peet's in Europe, of which 97 % to the Netherlands and 2% to Switzerland. In the Netherlands, JDE Peet's largely imported coffee from Vietnamese exporter Intimex Group (57% share of coffee exports to the Netherlands), followed by Vinh Hiep (23%), and Daklak (9%). Intimex Group is a leading Vietnamese agricultural exporter specializing in coffee, rice, pepper, and cashew nuts. Intimex's former Board Chairman was arrested in 2014, reportedly for fake coffee purchase contracts among others.

Colombia

Colombian shipment records of 1 January – 30 September 2024 indicate that the top-5 Colombian suppliers of green coffee to JDE Peet's are La Meseta (25%), Louis Dreyfus (18%), Cofco (16%), Integra (13%), and Laumayer (12%). Imports from Colombia by JDE Peet's in Europe, are mainly through Belgium, Germany, and the Netherlands (Figure 7 below).

Figure 7. Destination countries of JDE Peet's green coffee imports in Europe from Colombia. Source: Colombian shipment data for HS code 0901, between 1 January and 30 September 2024.





Six likely noncompliant coffee case studies potentially linked to JDE Peet's

This section covers **six case studies** of coffee farms with likely forest clearing since the EUDR cut-off date, potentially linked to JDE Peet's, that might be noncompliant with the EUDR if any coffee beans produced on the cleared plots would enter the EU market from January 2026. The report's case studies have been shared with JDE Peet's for further engagement on 6 March 2025, and the company's response has been integrated into the report.

The case studies cover case studies of deforestation and legality issues on various Brazilian coffee farms since the EUDR cut-off date (31 Dec 2020). AidEnvironment has connected these farms to various coffee traders/buyers that might buy coffee from these farms now and in the near future. One of them is JDE Peet's. If coffee would be planted on those cleared plots, it will take several years before any coffee beans will be produced and sold to buyers such as JDE Peet's. There is therefore a potential risk that the buying of coffee beans from these farms might pose a noncompliance risk to EU legislative initiatives such as the EUDR in the near future based on the clearing we detect today.

Figure 8. Overview of coffee case studies potentially linked to JDE Peet's in this company profile

Coffee case	Name property	Owner	Location (all in Brazil)	Page
1	Fazenda Sucuri	D'Barbosa	Coromandel, Minas Gerais	10
2	Fazenda Rio de Janeiro	Q045 Negocios Imobiliarios	Barreiras, Bahia	12
3	Fazenda Grande Leste I, II, III, IV, V	Joan Olivio Sibin, Jose Gilberto Sibin, Luiz Silvestre Sibin, Paulo Roberto Sibin, and Antonio Segio Sibdin (SIGEF)/ Daniel Franciosi (Inema)	São Desidério, Bahia	14
4	Fazenda Planalto	Jacob Lauck	Barreiras, Bahia	16
5	Fazenda Paraiso	Jose Vicente do Nascimento (SIGEF, 2019) Francisco Jurandir Araujo Wanderley & Adeleide de Araujo Wanderley (SNCR 2021) Mara ***** (SNCR, 2024)	Barreiras, Bahia	18
6	Fazenda Marrecos	MG-3156403- 69B7634AE8234BB3A19AB781C362E E2D (João Nunes De Souza) MG-3156403- C0C47B44239E4FE48090F7131BCFA B1D (Marcelo José De Oliveira) MG-3156403- C786291046C54D8CBF2DEBB19F306 C5E (Frederico Donisete Lima Da Silva)	Romaria, Minas Gerais	20



Fazenda Sucuri e Araujos



Location: Coromandel, Minas Gerais

Area property (ha): 1,714

Biome: Cerrado

Coordinates property: -18.5178, -46.8977

	Cleared Area				
42	hectares	Period clearance:	Type of vegetation:		
829	tons of CO ₂	August to December 2024	Savanna Park		

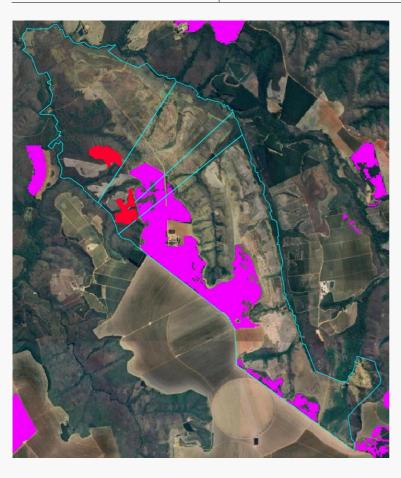


Figure: Fazenda Sucuri e
Araujos (marked with blue line, divided in several parcels). The deforestation (in red) is adjacent to the coffee production area (in purple), based on
Mapbiomas (2023). About 6.5 ha of the clearing falls into the definition of FAO Forest. Source:
AidEnvironment

About 6.5 ha of the native vegetation cleared area falls into the FAO Forest definition and is non-compliant with the EUDR

August 2024



December 2024



Imagery: Fazenda Sucuri, before and after clearing. Source: AidEnvironment. Imagery ©2024 Planet Labs Inc.



Coffee Case (February 2025)

Fazenda Sucuri e Araujos



Ownership & Business relationship

Owner:

D'Barbosa Coffee / RQ Participações

Company response:

JDE Peet's: In response to these six (February 2025) coffee cases shared with JDE Peet's in March 2025, the company responded that "since the plots in question have undergone deforestation that precludes any possibility of coffee harvesting before 2026, these cases could not be linked to JDE Peet's operations". In turn, AidEnvironment pointed the fact that any clearing of forest after the EUDR cut-off date may involve future risks for coffee companies if coffee beans of the cleared plots would enter the European market from January 2026. Moreover, JDE Peet's indicated that "one of the cases you label as deforested actually relates to restoration of coffee plants" but does not further clarify which case this concerns.

Environmental sanctions

Embargoes:

No

Environmental fines:

Yes

On 28 November 2024, Danilo Barbosa, owner of D'Barbosa Coffee, received a fine of BRL 42,000 for clearing flora in Coromandel (Minas Gerais). This is likely linked to the detected clearing in this case study. Status of the process (in February 2025) is "for approval/defense deadline".

Case description

Fazenda Sucuri in Coromandel (Minas Gerais) cleared 42 hectares of native vegetation between August and December 2024, of which 6.5 ha of the vegetation can be classified as forest under the EUDR.

While in the official Brazilian land management system (SIGEF, 2019) the farm parcels are registered under ownership of company RQ Participações (a holding company of non-financial institutions), the company website of D'Barbosa Coffee clearly links Fazenda Sucuri to company Barbosa Café Exportação LTDA, under leadership of Danilo Barbosa (1). Other than the Sucuri farm in Coromandel municipality, the company also operates coffee farms in Carmo do Paranaíba municipality, under the names of Bravinhos, Cachoeira, Paraíso Morcego, Santa Maria, and Chapadão, as well as the Joia Rara farm in Patrocínio, and the Esperança farm in Campos Altos, all in Minas Gerais state. Two Barbosa farms, Cachoreira and Chapadão, in Carmo do Paranaíba (MG), have been certified under Rainforest Alliance (RA) (2). The Rainforest Alliance's 2020 Sustainable Agriculture Standard emphasizes the conservation of all natural ecosystems, including forests, wetlands, savannas, grasslands, and shrublands (3). While the farm under investigation Fazenda Sucuri is not RA certified, the reported clearing in this case would be likely noncompliant with the RA standard, highlighting that farm owners can be sustainably certified in one farm, while clearing native vegetation in another farm by the same owner.

Based on online research, AidEnvironment found a supplier-buyer relationship between Barbosa coffee and Montesanto Tavares Group (through Ally Coffee) (4), with Sucafina (5), and with Starbucks (based on logo on company's website, see source (1)). According to the information on the sale of coffee from Fazenda Sucuri (6), the property has 4C, C.A.F.E. Practices (Starbucks) and Cerrado Mineiro Region Designation of Origin certifications (7). Between 3 January 2021 and 18 November 2023, Barbosa Café Exportação exported 750 metric tonnes (MT) of green coffee beans, mainly to consignees Orange Brown in Toronto (Canada), to logistical company Southhampton Freight Services in the UK, and Dubai Tea Trading Centre in the United Arab Emirates (8). Sucafina Belgium imported 13 MT of coffee beans from D'Barbosa in January 2021, while another 19 MT was exported and imported by D'Barbosa from Brazil to Portugal in February 2023. Montesanto Tavares Group and Sucafina are confirmed suppliers (9) of the world's second largest coffee producer JDE Peet's. The CEO of RQ Participações and former congressman Romeu Queiroz, has been six years in prison for Criminal Action 470 (10).

- (1) Website D'Barbosa, online: https://www.dbarbosacoffee.com.br/en/producao, viewed in January 2025.
- (2) Website Rainforest Alliance, online: https://www.rainforest-alliance.org/business/certification/certificate-search-and-public-summaries/, viewed in January 2025.
- (3) https://www.rainforest-alliance.org/resource-item/guidance-m-natural-ecosystems-and-vegetation/
- (4) https://www.allycoffee.com/coffees/fazenda-santa-maria-danilo-barbosa-yellow-catuai-natural/
- (5) https://sucafina.com/na/offerings/d-barbosa-cerrado-natural
- (6) https://expocacer.com.br/produto/edicao-especial-cafe-campeao-danilo-barbosa-250g-grao/
- (7) https://expocacer.com.br/certificacoes/
- (8) Brazilian shipment data.
- (9) Ibid.
- (10)Agência Brazil, online (published 5 August 2014): https://agenciabrasil.ebc.com.br/politica/noticia/2014-05/barbosa-suspende-trabalho-externo-de-condenado-no-mensalao, viewed in February 2025.

Fazenda Rio de Janeiro



Location: Barreiras, Bahia Biome: Cerrado (Brazil)

Area property (ha): 10,095 Coordinates property: -11.88, -45.99

	Cleared Area				
1,554	hectares	Period clearance:	Type of vegetation:		
14,872	tons of CO ₂	August to December 2023	Woody grass savanna, forest		

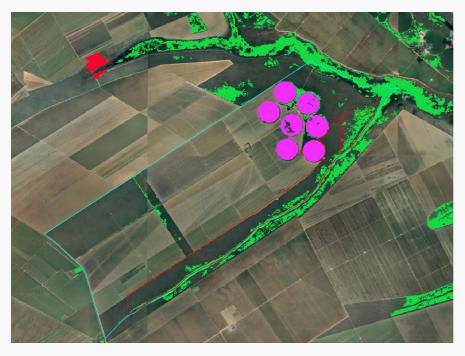


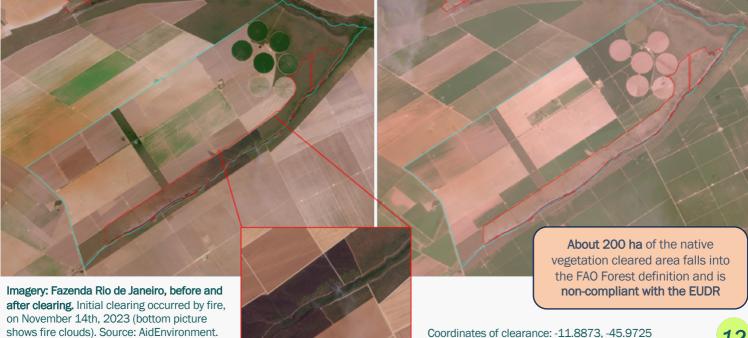
Figure: Fazenda Rio de Janeiro (marked with blue line). Source: AidEnvironment. In purple the coffee area (MapBiomas, 2023), in green the EU Forest Observatory classification of forest, and in red the deforested area. Not on this map, but cotton is largely grown in the southwest part of the farm, while soy is grown on all other locations, except from the coffee area.



Photo: Screenshot of entry of farm Fazenda Rio de Janeiro, indicating a link with Schmidt Agrícola. Source: Google maps, coordinates: -11.94510, -46.09966.



Imagery ©2024 Planet Labs Inc.



Fazenda Rio de Janeiro



Ownership & Business relationship

Owner:

Q045 Negocios **Imobiliarios**

Company response:

JDE Peet's: In response to these six (February 2025) coffee cases shared with JDE Peet's in March 2025, the company responded that "since the plots in question have undergone deforestation that precludes any possibility of coffee harvesting before 2026, these cases could not be linked to JDE Peet's operations". In turn, AidEnvironment pointed the fact that any clearing of forest after the EUDR cut-off date may involve future risks for coffee companies if coffee beans of the cleared plots would enter the European market from January 2026. Moreover, JDE Peet's indicated that "one of the cases you label as deforested actually relates to restoration of coffee plants" but does not further clarify which case this concerns.

Environmental sanctions

Embargoes:

No

Environmental fines: No

Case description

Fazenda Rio de Janeiro, located in Barreiras municipality (Bahia) is owned by Q045 Negocios Imobiliarios (headquartered in Sâo Paulo), a company economically active in land investment/leasing as well as whole trade of (unspecified) agricultural raw materials. One of the <u>administrators</u> of the company is Radar Propriedades Agrícolas (Radar), a Brazilian company established in 2008, resulting from of a partnership between Cosan, a Brazilian conglomerate with businesses in the areas of sugar, alcohol, energy, and Nuveen. Fazenda Rio de Janeiro is mentioned in the portfolio of real estate investments of Nuveen, Radar is part of a complex web of companies through which the Teachers Insurance and Annuity Association of America (TIAA) invests in global farmland assets. Radar is an intermediary company structured to comply with Brazilian land ownership law. Radar properties may be linked to land-grabbing and conflicts with local communities in the Matopiba region. At least 22,834 ha on six Radar's properties in Maranhão and Piauí were bought from companies linked to the known (and now deceased) land grabber Euclides de Carli. AidEnvironment could not identify links between De Carli and Fazenda Rio de Janeiro. Radar and Q045 Negocios Imobiliarios are represented by Henrique Americano Carvalho de Freitas, who owns at least 100 active companies in Brazil. He is active in real estate and land investment companies and heads Nuveen Natural Capital - Latam. He was also Brazil Export Director at Minerva Foods. The previous owner of Fazenda Rio de Janeiro (until early 2021) was Adeco Agropecuária Brasil, subsidiary of publicly listed company Adecoagro. which operates among others in grains, rice, peanuts, sugar/ethanol, and land transformation.

Part of the farm seems to be operated by Schmidt Agrícola (see photo previous page). The company is active in the production of fibers, grains, and fruits, specifically soy, cotton, corn, beans, and bananas. This might be one of the companies that leased (part of) the Fazenda Rio de Janeiro farm from land investment company Q045. Schmidt Agrícola reportedly planted 429 hectares with cocoa recently, fully irrigated, but it remains unclear if this was done in Fazenda Rio de Janeiro and when it was planted. If the location is in Fazenda Rio de Janeiro, the cocoa plants may have replaced part of the planted coffee areas (coffee area in 2022 was about 700 hectares), which can only be validated in the field. Cocoa is also one of the commodities covered under the EUDR. Since the company Schmidt Agrícola is not clearly associated with coffee production, part of the coffee producing area may be/may have been leased by a different company.

Since the EUDR cut-off date (31 December 2020), Q045's farm Fazenda Rio de Janeiro has cleared 1,554 hectares of native vegetation, of which about 200 hectares is classified as forest under the EUDR. Fazenda Rio de Janeiro is partially inside the Environmental Protection Area (APA) Rio de Janeiro, a state Conservation Unit (CU) where agriculture is permitted under environmental rules. The area under deforestation alert is fully within the APA. MapBiomas' assessment of vegetation types on the farm in 2023 reveals that the farm mainly produces soy, cotton, and coffee. While the northeastern part of the farm has a history in coffee production, according to MapBiomas, all seven circles (see map previous page) were covered with coffee since 2011, compounding an area of about 700 hectares. The coffee was planted in areas that previously produced soy. Part of the cleared area is adjacent to the coffee plot of land, therefore, there are substantial concerns that the area where the clearing was detected, and which occurred after the EUDR cut-off date, will be used for coffee production in the near future. In January 2025, no new planted areas were detected remotely.

Fazenda Grande Leste I, II, III, IV, V



Location: São Desidério, Bahia Biome: Cerrado (Brazil)

Area property (ha): 5,292 Coordinates property: 12.7482, -45.2219

	Cleared Area				
2,228	hectares	Period clearance:	Type of vegetation:		
286,417	tons of CO ₂	March - July 2022	Forested savanna		



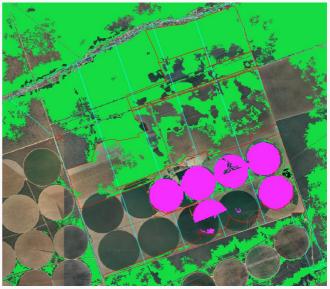


Figure: Fazenda Grande Leste I, II, III, IV, V (marked with blue line). Source: AidEnvironment. In purple the coffee area, in green the EU Forest Observatory classification of forest, and in red the deforested area. From 2002, MapBiomas assessed that coffee was grown in the southern part of the farm, covering the purple circles. Prior to that, these areas were covered with 'other temporary crops".



Imagery: Fazenda Grande Leste I, II, III, IV, V (marked in blue) before and after clearing. Coordinates of clearance: -12.7205, -45.2163. The last satellite photo points to a recent expansion of irrigation circles to the cleared areas. Source: AidEnvironment. Imagery ©2024 Planet Labs Inc.

Dec 2024

Fazenda Grande Leste I, II, III, IV, V



Ownership & Business relationship

Owners:

Joan Olivio Sibin, Jose Gilberto Sibin, Luiz Silvestre Sibin, Paulo Roberto Sibin, and Antonio Segio Sibdin (SIGEF)/ Daniel Franciosi (Inema)

Company response:

JDE Peet's: In response to these six (February 2025) coffee cases shared with JDE Peet's in March 2025, the company responded that "since the plots in question have undergone deforestation that precludes any possibility of coffee harvesting before 2026, these cases could not be linked to JDE Peet's operations". In turn, AidEnvironment pointed the fact that any clearing of forest after the EUDR cut-off date may involve future risks for coffee companies if coffee beans of the cleared plots would enter the European market from January 2026. Moreover, JDE Peet's indicated that "one of the cases you label as deforested actually relates to restoration of coffee plants" but does not further clarify which case this concerns.

Environmental sanctions

Embargoes:

No

Total of BRL 5,649,100 in fines between 2008-2022 linked to owner for polluting, for activities in embargoed areas, and for deforestation without authorization.

Case description

Between March-July 2022 Fazenda Grande Leste I, II, III, IV, V cleared 2,228 hectares of forested savanna, of which large part is classified as forest under the EUDR. The deforestation occurred in parts of the farm adjacent to the coffee production area. Since the existing coffee planted area in the farm is nearing 22 years of existence (coffee has been <u>planted since 2002</u>), there is substantiated concern under the EUDR that the recent deforestation may link to an expansion of coffee area, for instance to replace the old coffee trees.

Owners of the Fazenda Grande Leste farm parcels, the Sibin family, are originally from São João da Boa Vista (SP) and are active in coffee production in Bahia. Companies linked to the coffee producing family in Bahia include Cafeeira dos Gerais LTDA, Agropecuaria Grande Leste LTDA, and Bahia Trading Coffe Consultoria em Agronegocios E Participacoes LTDA. None of these companies can be found in recent shipment data, therefore, it is likely they market coffee through other exporting groups (e.g. Montesanto Tavares Group), cooperatives (e.g. Cooxupé), or commodity traders (e.g. Olam). In turn, these companies and cooperatives supply major coffee buyers, for instance JDE Peet's in Europe. While in the official Brazilian land management system (SIGEF, 2019) the farm is registered under ownership of the Sibin Family, official documents from the Bahia environmental state agency, Inema, link the property to Daniel Franciosi. Associated company Franciosi Agro Group is one of the largest agribusiness companies operating in Matopiba, allegedly producing soy and cotton in 70,000 hectares in Bahia and Piauí states.

In March 2022, Fazenda Grande Leste I, II, III, IV and V obtained an authorization (available upon request) for the deforestation of 2,542 hectares valid until March 2024. Nevertheless, forest loss since 31 December 2020, which is considered authorised and legal under Brazilian law, will be illegal under the EUDR, and therefore would be noncompliant with the Law if coffee of this farm would enter the European market from January 2026.

Fazenda Planalto



Location: Barreiras, Bahia Biome: Cerrado (Brazil)

Area property (ha): 1,962 Coordinates property: -12.0532, -45.4121

Cleared Area				
854	hectares	Period clearance:	Type of vegetation:	
16,847	tons of CO ₂	February – June 2022	Savanna Park	

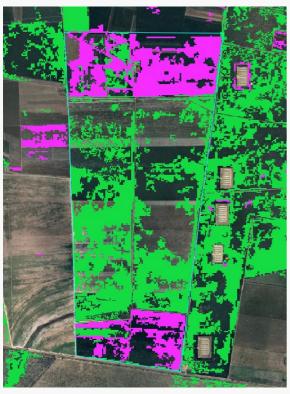
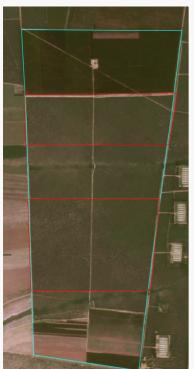




Figure: Fazenda Planalto (marked with blue line). In purple the coffee area (MapBiomas, 2023), in green the EU Forest Observatory classification of forest, and in red the deforested area. Other than coffee and eucalyptus, the farm was largely covered with native vegetation which has been cleared after the EUDR cut-off date. Source:





Imagery: Fazenda Planalto (marked in blue) before and after clearing. Coordinates of clearance: -12.0684, -45.4127. Source: AidEnvironment. Imagery ©2022 Planet Labs Inc.

February 2022

June 2022

Fazenda Planalto



Ownership & Business relationship

Owner:

Company response:

Jacob Lauck

JDE Peet's: In response to these six (February 2025) coffee cases shared with JDE Peet's in March 2025, the company responded that "since the plots in question have undergone deforestation that precludes any possibility of coffee harvesting before 2026, these cases could not be linked to JDE Peet's operations". In turn, AidEnvironment pointed the fact that any clearing of forest after the EUDR cut-off date may involve future risks for coffee companies if coffee beans of the cleared plots would enter the European market from January 2026. Moreover, JDE Peet's indicated that "one of the cases you label as deforested actually relates to restoration of coffee plants" but does not further clarify which case this concerns.

Environmental sanctions

Embargoes:

No -

Environmental

No

fines:

Case description

Fazenda Planalto in Barreiras (Bahia) has cleared 854 hectares of native vegetation between February and June 2022, of which large part is classified as forest under the EUDR. Records from the Bahia environmental agency show that the farm's owner obtained authorization in 2022 to deforest 854 hectares on Fazenda Planalto, valid until 2026. Nevertheless, forest loss since 31 December 2020, which is considered authorised and legal under Brazilian law, will be illegal under the EUDR, and therefore would be noncompliant with the Law if coffee of this farm would enter the European market from January 2026.

In 2011, <u>MapBiomas</u> hardly <u>registered</u> any coffee plantations in the Planalto farm, but from 2013/2014, coffee was planted in northern and southern parts of the farm. Apart from coffee vegetation <u>coverage</u> and other perennial crops (unspecified), Fazenda Planalto also <u>cultivates</u> eucalyptus trees. Other than coffee and eucalyptus, the farm was largely covered with native vegetation which has been cleared after the EUDR cut-off date. With the clearing right next to the coffee plantation areas, there is substantial concern under the EUDR that the area will be used for coffee production in the near future. In January 2025, it was still unclear which crop was planted on the cleared areas.

Owner of the farm Jacob Lauck is <u>recognised</u> as one of the larger coffee growers in Western Bahia region. In the 2000s, he was deputy mayor from the municipality of Luís Eduardo Magalhães, a municipality close to the Paraíso farm.

Originally from Santo Ângelo (RS), he started soybean planting in the region about 30 years ago and planted 900 hectares of coffee by 2004. In addition to coffee, Lauck also invests in hotels in Luís Eduardo Magalhães municipality. Among his <u>owned companies</u> are JL Empreendimentos Agropecuarios Ltda, Paraiso Hoteis e Turismo Ltda, Lauck e Chiodi & Cia Ltda, Hotel Premium Norte Ltda, Imobiliaria J Lem Ltda, Copal Concretos Paraiso Ltda, and Cerealista Paraiso Ltda. He seems also to be involved in wood production. Jacob Lauck was the beneficiary of a federal subsidy in the acquisition of agricultural insurance from the Spanish company <u>Mapfre</u> in 2022 for commercial forestry at Fazenda Planalto.

Other farms of Jacob Lauck, either in São Desidério or in Luís Eduardo Magalhães municipalities in Bahia include: Fazenda Paraíso, Fazenda Paraíso III, Fazenda Bepi, and Chácara JLEM (likely all involved in soy production), whereas particularly Fazenda Johá (Agrícola Joha) in Luís Eduardo Magalhães produces coffee.

17



Location: Barreiras, Bahia Biome: Cerrado

Area property (ha): 445 ha Coordinates property: -11.8345, -45.1779

	Cleared Area				
101	hectares	Period clearance:	Type of vegetation:		
4,896	tons of CO ₂	2022-2024	Wooded Savanna		

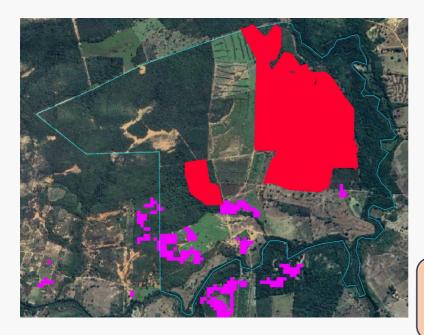


Figure: Fazenda Paraiso (marked with blue line). In purple the coffee area (MapBiomas, 2023), in red the cleared native vegetation area based on Prodes. Source: AidEnvironment.

About 91 ha of the native vegetation cleared area falls into the FAO Forest definition and is non-compliant with the EUDR

March 2021



Imagery: Fazenda Paraiso, before and after clearing. Source: AidEnvironment. Imagery ©2024 Planet Labs Inc.

August 2024



Fazenda Paraiso



Ownership & Business relationship

Owner:

Jose Vicente do Nascimento (SIGEF, 2019)

Francisco Jurandir Araujo Wanderley & Adeleide de Araujo Wanderley (SNCR 2021)

Mara ***** (SNCR, 2024)

Company response:

JDE Peet's: In response to these six (February 2025) coffee cases shared with JDE Peet's in March 2025, the company responded that "since the plots in question have undergone deforestation that precludes any possibility of coffee harvesting before 2026, these cases could not be linked to JDE Peet's operations". In turn, AidEnvironment pointed the fact that any clearing of forest after the EUDR cut-off date may involve future risks for coffee companies if coffee beans of the cleared plots would enter the European market from January 2026. Moreover, JDE Peet's indicated that "one of the cases you label as deforested actually relates to restoration of coffee plants" but does not further clarify which case this concerns.

Environmental sanctions

Embargoes: No Not in 2024

EnvironmentalUnknown

Owner name is needed to identify environmental

fines: sanctions

Case description

Fazenda Paraiso cleared 101 hectares of wooded savanna vegetation between March 2021 and August 2024. Of this amount, 91 hectares are noncompliant with the EUDR, as the clearing is in forest vegetation according to the EU Forest Observatory map (1). The clearing occurred in close vicinity to the farm plot part covered with coffee plants based on Mapbiomas (2023) (2), therefore, there is a risk that these areas will be converted to coffee in the near future. Fazenda Paraíso is located almost fully within the Área de Proteção Ambiental (APA) Bacia do Rio de Janeiro (document available upon request), a statelevel Unidade de Conservação (UC), where deforestation is allowed but must comply with zoning rules and other environmental criteria.

Very little further information can be found on this farm case study and its owners. This case highlights some challenges with the identification of farm ownership under the different (and sometimes overlapping) cadaster systems that exist in Brazil (e.g. SIGEF, SNCR, CAR). For this farm, ownership has changed over the past years (see above), and for the latest owner, only the first name (Mara) can be identified, which provides too little information for further identification combined with the very common Fazenda Paraiso farm name in Brazil. Moreover, based on publicly available data sources one can only access linked ownership names in the Rural Cadaster Registry (CAR) in Mato Grosso, Pará, and Tocantins, but not in Bahia. Therefore, also the CAR does not clarify the ultimate ownership of the cleared farm.

⁽¹⁾ EU Forest Observatory map, online: https://forest-observatory.ec.europa.eu/forest

^{(2) &}lt;a href="https://plataforma.brasil.mapbiomas.org/">https://plataforma.brasil.mapbiomas.org/ (latest map 2023)

Coffee Case (February 2025) Fazenda Marrecos

Location: Romaria, Minas Gerais Biome: Cerrado

Area property (ha): 120 Coordinates property: -18.8996, -47.5916

	Cleared Area					
3	hectares	Period clearance:	Type of vegetation:			
132	tons of CO ₂	March to July 2024	Wooded savanna			

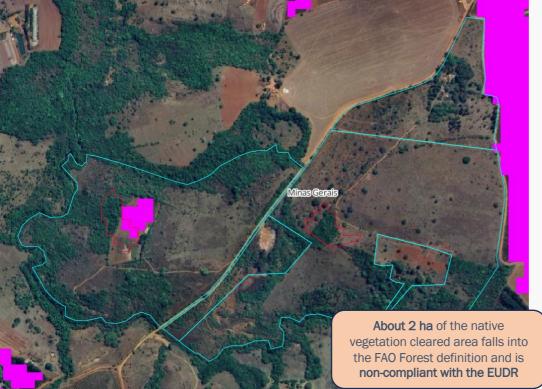
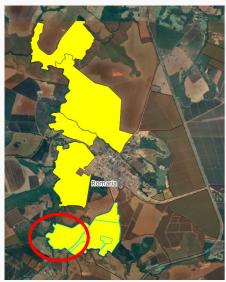
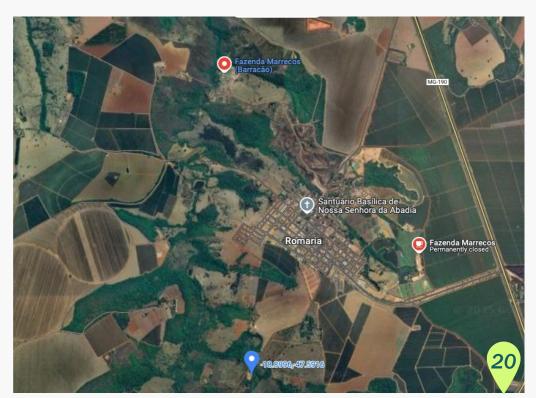


Figure: Fazenda Marrecos (marked with blue line). In purple the coffee area (MapBiomas, 2023), in red the deforested area. Part of the cleared area overlaps with the coffee production area. Source:
AidEnvironment.

Photo: Google Earth screenshot around Fazenda Marrecos, highlighting ownership similarities. The blue pin is the location of the deforested farm, but in the north and northeast of this property, other farms with similar names (Fazenda Marrecos) exist. It is unclear if they also have similar ownership.



Map above: In yellow all farms dubbed Fazenda Marrecos. In the red circle the farm with clearance. All farms are in Romaria in Minas Gerais and might have similar or different ownership. In red the cleared farm.



Ownership & Business relationship

Owner (based on CAR numbers):

MG-3156403-

69B7634AE8234BB3A19AB781C362EE2D (João Nunes De Souza)

MG-3156403-

COC47B44239E4FE48090F7131BCFAB1D (Marcelo José De Oliveira)

MG-3156403-

C786291046C54D8CBF2DEBB19F306C5E (Frederico Donisete Lima Da Silva)

Company response:

JDE Peet's: In response to these six (February 2025) coffee cases shared with JDE Peet's in March 2025, the company responded that "since the plots in question have undergone deforestation that precludes any possibility of coffee harvesting before 2026, these cases could not be linked to JDE Peet's operations". In turn, AidEnvironment pointed the fact that any clearing of forest after the EUDR cut-off date may involve future risks for coffee companies if coffee beans of the cleared plots would enter the European market from January 2026. Moreover, JDE indicated that "one of the cases you label as deforested actually relates to restoration of coffee plants" but does not further clarify which case this concerns.

Environmental sanctions

Embargoes: No Not in 2024

Environmental

fines:

No -

Case description

Fazenda Marrecos cleared three hectares of wooded savanna in Romaria municipality in Minas Gerais, between March and July 2024. About two hectares of these would be noncompliant with the EUDR, since it represents forest under the FAO definition of forest (1). The cleared part of the farm is in the coffee producing area according to MapBiomas vegetation maps (2023) (2).

This case highlights some of the challenges with identification of ownership. At least 3-5 properties with the name Fazenda Marrecos exist in the near surroundings of the cleared farm (see image previous page), and they show different ownership possibilities. Names that are associated with Fazenda Marrecos in this area include Antonio Gomes de Souza (3), Joao Nunes de Souza, and Baltazar Batista (4), but based on this, it remains unclear if the cleared farm in this case is part of the same ownership.

Moreover, there are three Rural Environmental Registry (CAR) declared registrations that overlap with the cleared property (see CAR numbers above). These CARs are registered in the names of Frederico Donisete Lima Da Silva, Marcelo José De Oliveira and João Nunes De Souza. In the Selo Verde programme it is possible to validate environmental and social violations linked to CAR declarations. Based on the three CAR numbers, two of the CAR properties show overlap with deforestation areas according to the Selo Verde monitoring system, those linked to the declared property areas of João Nunes De Souza and Frederico Donisete Lima Da Silva (5). Little is stated about the type of crops/plantations grown, but one of the three CARs seem to produce "plantation forest". Coffee is not mentioned, although Mapbiomas has validated coffee production in the farm. In the Sel Verde programme, ownership names are not provided.

- (1) EU Forest Observatory map, online: https://forest-observatory.ec.europa.eu/forest
- (2) https://plataforma.brasil.mapbiomas.org/ (latest map 2023)
- (3) https://revistas.fucamp.edu.br/index.php/getec/article/view/2573/1605, viewed in February 2025
- (4) Based on Brazilian cadaster data SIGEF and SNCI
- (5) https://seloverde.meioambiente.mg.gov.br/en/consult-car/

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