

SUCAFINA
SUSTAINABILITY
REPORT 2022

**MAKING
AN IMPACT**



SUCAFINA

CONTENTS

INTRODUCTION

About This Report	1
A Word from the CEO	2
2022 Highlights	4
2022 Sustainability Scorecard	6
Sustainability Strategy & Governance	7

ABOUT SUCAFINA

Summary	8
History of Sucafina	10
Locations	11

OUR APPROACH TO SUSTAINABILITY

Our Sustainability Journey	12
Building Our Sustainability Capacity	13
Introducing IMPACT, Sucafina's Responsible Sourcing Program	14
Together We Can Make an IMPACT	16

INVESTING IN FARMERS

Brazil, the First IMPACT-Verified Supply Chain	18
IMPACT Goals in Depth: Regenerative Agriculture	20
Our Agronomy & Regenerative Agriculture Programs	21
Promoting Income Diversification & Supporting Communities in Rwanda	22
Putting Soil Health in the Limelight	23
IMPACT Goals in Depth: Living Income	24
Certifying Farmers in Papua New Guinea	25

CARING FOR PEOPLE

Transparency & Accountability in Human Rights	26
IMPACT Goals in Depth: Human Rights	27
Promoting Gender Equity	29
Ensuring Health & Safety at Work	32
Enhancing Employee Satisfaction & Career Development	33
Supporting Our Communities	34

PROTECTING OUR PLANET

Reducing Carbon Emissions	35
IMPACT Goals in Depth: Carbon Emissions	37
Preventing Deforestation in Our Supply Chains	38
IMPACT Goals in Depth: Deforestation	40

Conserving Water Resources	44
Compostable Coffee Pads at Beyers Koffie	46

APPENDIX

Project List	47
GRI Content Index	48
KPI Summary Data	53
Sucafina Policies	58
Membership of Associations	61



INTRODUCTION

ABOUT THIS REPORT

This sustainability report covers Sucafina’s operations from January to December 2022 and has been prepared with reference to the Global Reporting Initiative (GRI) Standards.

We followed this framework where possible, making a number of disclosures that are listed on pages 53 to 57. Additionally, we have reported on the topics most material to us and our stakeholders; these are outlined on page 7. The boundaries for our material topics are disclosed throughout the report.

Sucafina is a commodity merchanting company trading exclusively in coffee. Coffee procurement and trading, from farm gate to shipment, are the essential expression of the company’s activities. The company’s activities in producing countries and its management practices in relation to suppliers are therefore the main drivers of sustainability.

Although Sucafina has sales offices in several consumer markets, unless otherwise mentioned, the scope of this report focuses primarily on the company’s activities in coffee-producing countries where sustainability challenges are more pressing – namely Brazil, Burundi, China, Colombia, Ethiopia, India, Indonesia, Kenya, Papua New Guinea, Rwanda, Tanzania, Uganda, and Vietnam.

We employed the services of Emperor, who helped with the design of this report, but the report was not externally reviewed.

Please contact Justin Archer, Head of Sustainability, [by email](#) with any questions or comments.



A WORD FROM THE CEO

A WORD FROM THE CEO



Nicolas A. Tamari
CEO, Sucafina SA

Every year when I write this foreword there is a temptation to start with the obvious statement: that last year was unique in some way.

And while the COVID-19 pandemic waned, 2022 will be remembered as a year of conflict and humanitarian crisis in Ukraine, high energy costs, and the return of inflation – with an ensuing cost-of-living crisis that is affecting the most vulnerable members of society. I am thankful that our employees and their families are safe, and we will continue to do what we can to support them.

With its heavily inverted market structure and high cost of carry, 2022 was also a year that seriously challenged the traditional model of coffee merchandising. Thanks to our risk management, adaptability, and diversified revenue streams, I am happy that Sucafina emerged unscathed. The acquisition of TB Brown at the end of 2022, consolidating our footprint in the value-added soluble market, is a good example of how a diversified business is making Sucafina more resilient.

While we had to apply some cautionary brakes in 2022, we continued to invest in sustainability and supply chain innovation. Sustainability has become completely synonymous with the business of coffee trading. The ESG environment continues to demand more leadership from companies on sustainability. New regulations are raising the stakes and creating barriers to entry in some markets.



IMPACT sets a standard for how we will engage with suppliers going forward and provides assurance to our clients that coffee is sourced according to sustainable principles.

Navigating these changes requires a lot of work and flexibility – you can read, for example, on page 46 how we converted the entire production of coffee pads at Beyers Koffie to compostable filter paper. Those of you in the green coffee sector might not be aware that the European Union plans to phase out or enforce recyclability for single-use aluminum and plastic within a few years. Imagine what a shift this could create!

I am proud that Sucafina is firmly on the right journey. Not only did we greatly expand our sustainability capacity in 2022 (see pages 14 to 15) and take steps to further embed sustainability throughout the company, but we also unveiled our own responsible sourcing program, IMPACT. The launch of IMPACT (see page 16) was undoubtedly the sustainability highlight of the year. IMPACT sets a standard for how we will engage with suppliers going forward and provides assurance to our clients that coffee is sourced according to sustainable principles. As this report was going to press, we were very pleased to learn that IMPACT has been recognized by the Global Coffee Platform as equivalent to the Coffee Sustainability Reference Code, 2nd party assurance. This recognition provides confidence that IMPACT coffees are produced and processed in accordance with global sustainability standards.



**OUR VISION:
BE THE LEADING
SUSTAINABLE FARM
TO ROASTER COFFEE
COMPANY IN THE
WORLD**

**OUR PURPOSE:
CREATE
OPPORTUNITIES
FOR PEOPLE TO
IMPROVE LIVES**

A WORD FROM THE CEO

However, IMPACT is much more ambitious. We intend to assess all our supply chains for carbon emissions, deforestation, the living income of farmers, regenerative agricultural practices, and human rights. By gathering baseline data, we will be better placed to implement appropriate interventions per region, origin, or supply chain – and collaborate with stakeholders who share our desire to move the needle on these important issues. We are understandably excited to see what happens when we marry IMPACT with the blockchain capabilities of farmer connect – imagine creating an immutable ESG record of our supply chains!

Sucafina remains committed to existing certification schemes and we will continue to expand capacity with all of them. However, we expect to see a lot of private-sector innovation in IMPACT and other proprietary schemes in the coming years – which can only strengthen the sector’s overall commitment to sustainability. In the long term, our hope is that other stakeholders will adopt IMPACT and make it a truly open-source collaboration.

This report showcases some of the important contributions Sucafina employees are making up and down our value chain. But there are many others who deserve credit – not least the sales teams who connect the market with our supply chains around the world. To help these teams understand the commitments we are making with IMPACT and how they can support our mission in sustainability, we ran several engagement sessions in 2022. These sessions were well received and more are planned in 2023.

Ultimately, our goal is to have all 1,400 employees of the company acting as ambassadors for our vision of being the leading sustainable Farm to Roaster coffee company in the world. We also want to ensure that Sucafina is an employer of choice for young talents who prioritize working for a sustainable company. On the subject of engagement, we launched our first employee satisfaction survey at the end of 2022. The overall feedback was very positive and I invite you to read more about the results on page 35. A great company needs great people and I really feel we have that at Sucafina.

More than 400 years ago, Japanese merchants established the business principle of Sanpo Yoshi, or ‘success through responsibility’. It resonates just as strongly today and this report is a reminder to me of just how far our industry has come. Our efforts will never be enough, but I believe coffee has the potential to become the first truly net positive commodity – setting an example to other sectors. As a CEO and a passionate participant in many industry forums, I will continue to highlight everything that our industry does well, while mobilizing for the things we need to be better at.

It is my pleasure to launch this third edition of our annual sustainability report, and I look forward to your feedback.

Nicolas A. Tamari
CEO, Sucafina SA



Our efforts will never be enough, but I believe coffee has the potential to become the first truly net positive commodity – setting an example to other sectors.

94%

OF EMPLOYEES UNDERSTAND THEIR ROLES AND HOW TO CONTRIBUTE TO SUCAFINA’S VISION AND PURPOSE.



2022 HIGHLIGHTS

OUR 2022 SUSTAINABILITY HIGHLIGHTS



We have been building our internal sustainability capability.

→ Read more on pages 14 to 15

26%

of coffee sales certified to a recognized sustainable standard.

159,484

bags of green coffee sourced at guaranteed minimum price for delivery in 2023-4.

US \$6,659,885

credit made available to smallholders in 2022.

10,150,257

coffee seedlings distributed to farmers.



We were thrilled to launch IMPACT – Sucafina’s new responsible sourcing program.

→ Read more on page 16



183,907

farmers supported (28% women).



2022 HIGHLIGHTS

US \$9,924,920

Sucafina and Kahawatu co-funding of projects to train and support farming communities.



We carried out our first employee engagement survey – overall satisfaction score of 4.02/5.

→ Read more on page 35

12,771

total hours of training for employees.

9

origins with carbon monitoring in place: Brazil, Colombia, Indonesia, Kenya, PNG, Rwanda, Tanzania, Uganda, and Vietnam.

>150,000

farms in our direct supply chain are being assessed for deforestation.

→ Read more on page 42

In Rwanda, our Farmer Hub program is promoting income diversification and supporting farming communities.

→ Read more on page 23

We have been developing a new, more robust approach to human rights due diligence.

→ Read more on page 29

We opened an innovative new wet mill in Yunnan, China.

→ Read more on page 44



2022 SUSTAINABILITY SCORECARD

→ For further details see the KPI Summary Data page 58.



INVESTING IN FARMERS

BUILD CAPACITY TO IMPROVE FARMERS' PROSPERITY	INCREASE TRACEABILITY IN OUR SUPPLY CHAINS	INCREASE OUR PROPORTION OF RESPONSIBLY SOURCED COFFEE PRODUCTION BY TRAINING FARMERS
Source at least 1m bags of coffee annually under a price stabilization scheme by 2025 ●	Double our 'direct to farmer' network to 350,000 growers by 2025 ●	Increase the proportion of Sucafina's certified coffee sales by 50% by 2023 ●
Establish a dedicated fund of US \$30m by 2023 to improve farmers' access to credit ●		Increase the amount of coffee produced under regenerative agricultural standards by training farmers ●
Continuously improve farmers' living income ●		
Promote gender equity in the production and commercialization of coffee ●		

CARING FOR PEOPLE

ENHANCE EMPLOYEE HEALTH & SAFETY, WELLBEING, AND CAREER DEVELOPMENT	RESPECT AND PROMOTE HUMAN RIGHTS	SUPPORT OUR COMMUNITIES
Ensure 100% of origins have a clear EHS governance structure and complete an annual internal audit ●	Ensure 100% of origins carry out biennial human rights risk assessments ●	Implement projects to help develop rural communities in regions where we work ●
Continuously invest in training and safe practices for all staff and operations ●	Implement and act upon a human rights mitigation plan ●	
Increase employee satisfaction ●	Ensure 100% of our facilities are covered by our grievance mechanism ●	
Continuously nurture talent ●		
Foster internal mobility as a way to expand and share knowledge ●		

PROTECTING OUR PLANET

CONSERVE WATER RESOURCES	REDUCE CARBON EMISSIONS	PREVENT DEFORESTATION IN OUR SUPPLY CHAINS
Reduce the amount of water needed to wash 1kg cherry to less than 3L in all our operated CWS by 2023 ●	Map the farm-to-port carbon footprint of 100% of our supply chains by 2023 ●	Gather data to understand the scale of the deforestation challenge ●
Ensure zero contamination of water sources within the proximity of each CWS ●	Implement emissions reduction programs at 100% of origins by 2023 ●	Ensure that we follow up on 100% of serious deforestation incidents ●
		Distribute 10 million tree seedlings by 2030 ●

PROGRESS KEY

● ACHIEVED ● ON TRACK ● BEHIND SCHEDULE

Sucafina supports the objectives of the UN Sustainable Development Goals. We are directly contributing to 15 of the 17 SDGs through all of our sustainability actions and initiatives.



SUSTAINABILITY STRATEGY & GOVERNANCE

Sucafina’s Head of Sustainability reports quarterly to the group Executive Committee comprising the CEO, COO, CFO, and Head of Trading, who are the ultimate owners of the company’s sustainability strategy.

Key Stakeholders and Material Topics

Sucafina’s most important sustainability stakeholders are employees, coffee farming households, communities, roasters, banks, and NGOs. We interact with them constantly on sustainability topics and collect ongoing feedback about our programs and actions.

We review and update Sucafina’s risk assessment at group level every year according to the following process:

1. Material topics are collected from our stakeholders through dialogue and internal feedback with our origin management teams. Each topic represents a risk to be assessed and/or an opportunity. See [Sucafina’s 2021 Sustainability Report](#) (pages 60-61) for further details.
2. A prioritization is assigned after considering the likelihood of a risk or missed opportunity and the severity of its consequences.
3. Relevant topics are integrated into our organizational process, including our sustainability action framework and organization-wide risk management plan. We monitor the efficiency of our actions and projects with KPIs.

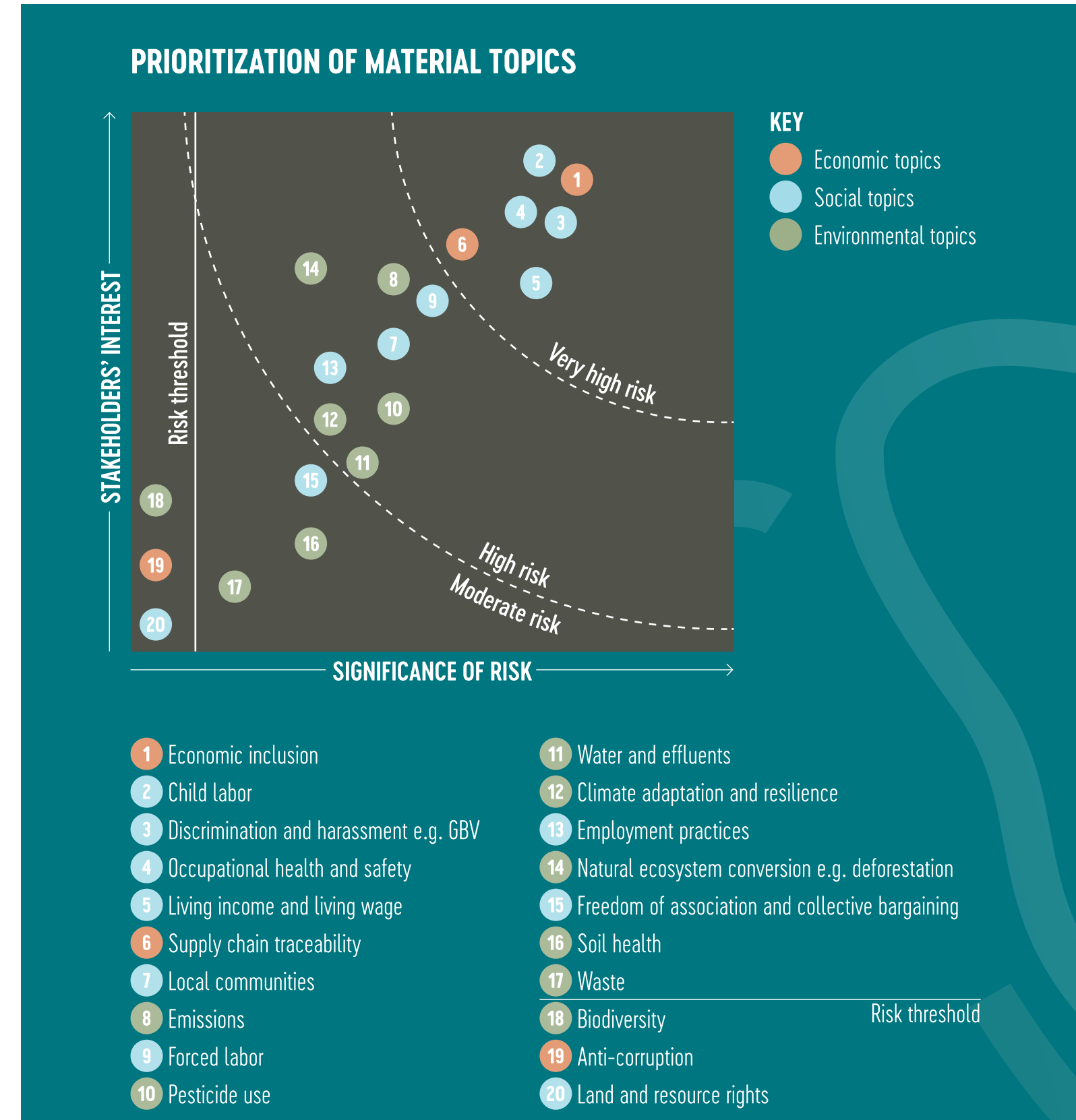
Following this process, the issues deemed most material are outlined in our Materiality Matrix. See page 53 for more details on our management of these issues.

Development of Our Sustainability Strategy

Sucafina’s 2030 sustainability strategy was released in 2021, setting out a roadmap to target three key action pillars: Investing in Farmers, Caring for People, and Protecting Our Planet.

The strategy was developed by a cross-functional team, who collected extensive feedback from our key stakeholders to understand their perception of Sucafina’s environmental and social impacts and the issues at stake for our industry.

To accompany the strategy, we created an action framework with a series of main goals and actions, with key performance indicators to show our progress. The action framework is summarized on page 6, with more detailed results for our KPIs on page 58.



ABOUT SUCAFINA



Summary	9
History of Sucafina	10
Locations	11

ABOUT SUCAFINA

SUMMARY

Sucafina is the leading sustainable Farm to Roaster coffee company, with a family tradition in commodities that stretches back to 1905.

The group is active in the sourcing, processing, and merchandising of coffee (Arabica, Robusta, soluble, and roasted coffee) from different coffee producing regions and countries (South America, East Africa, and Asia). Today, with around 1,400 employees in 36 countries, the group is one of the leading coffee trading houses in the world and one of the few focused entirely on coffee.

At the top level, the entire corporate structure is consolidated under a single entity – Sucafina Holding S.A., a privately owned company headquartered in Luxembourg. The company operates through these entities: Sucafina SA (main trading arm of the group, based in Geneva); Sucafina NA (trading green coffee, including specialty, to North American roasters); Sucafina HK (Asian sales); Sucafina Ingredients SA (trading instant coffee); Sucafina NV (European specialty coffee merchandising division of Sucafina); Beyers Koffie (one of the largest private label coffee roasters in Europe); Sucafina UK Limited (previously Complete Coffee Limited, green and soluble coffee trading in the UK market); and TB Brown (developing, sourcing, blending, and packing of private label instant coffee products for B2B

customers). The group owns numerous subsidiaries in origin producing countries from which it sources coffee as a raw commodity.

Sucafina has a vertically integrated structure, with extensive supply chains that span from producer-facing export operations to destination sales offices around the world. Sucafina sources directly from farmers whenever possible to create sustainable market opportunities; our direct sourcing network covers an estimated 183,907 smallholders, many of whom receive technical support and services from our local operations. By facilitating access to seedlings, fertilizers, and other inputs, and teaching basic agronomic and financial skills, we help to optimize farming businesses and build capacity in the communities we source from.

Sucafina is globally recognized as the premier supplier of East African coffee and has a growing footprint in Brazil, Colombia, and the Asia-Pacific region, including China, India, Indonesia, Papua New Guinea, and Vietnam.



CORE BUSINESS PILLARS

GREEN COFFEE MERCHANT
Trading activity with a commercial client base.

SPECIALTY GREEN COFFEE MERCHANT
Trading activity with a specialty client base.

GREEN COFFEE TRADER
Coffee derivative activity.

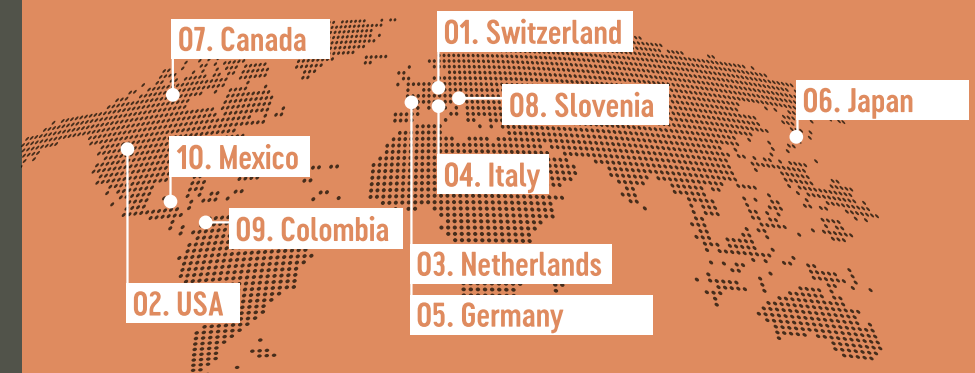
INDUSTRIAL COFFEE
Instant coffee and roasting activities.

FOCUSED INNOVATION
Investment in early-stage food and agritech companies at the forefront of sustainability and innovation.

SUCAFINA BY THE NUMBERS IN 2022

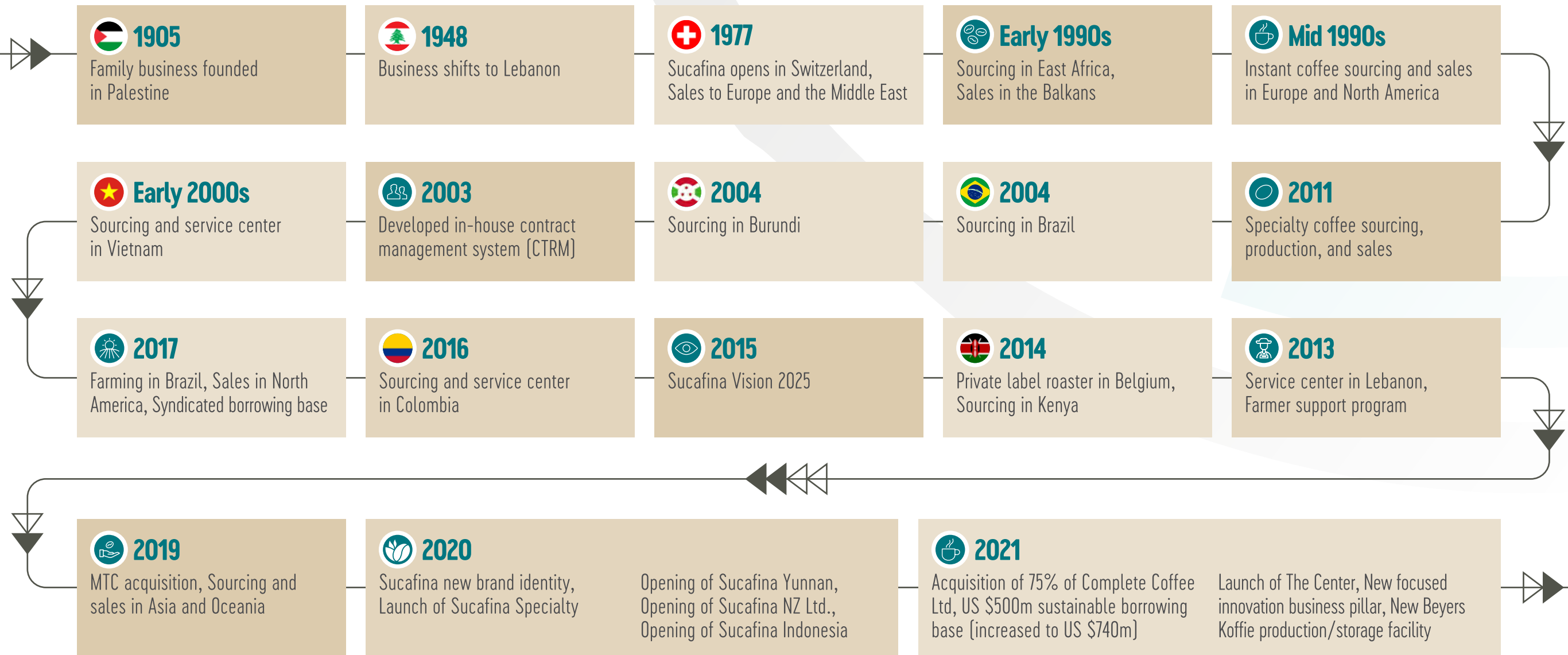


Top 10 countries of sales by volume:



ABOUT SUCAFINA

HISTORY OF SUCAFINA



SIGNIFICANT CHANGES TO THE ORGANIZATION IN 2022

US \$51.5M US PRIVATE PLACEMENT FUNDING SECURED

LATAM SUSTAINABILITY-LINKED BORROWING BASE

ACQUISITION OF MAJORITY STAKE IN TB BROWN

INVESTMENT IN PROFILEPRINT & AGROSMART

NEW MILLS IN BRAZIL & INDONESIA

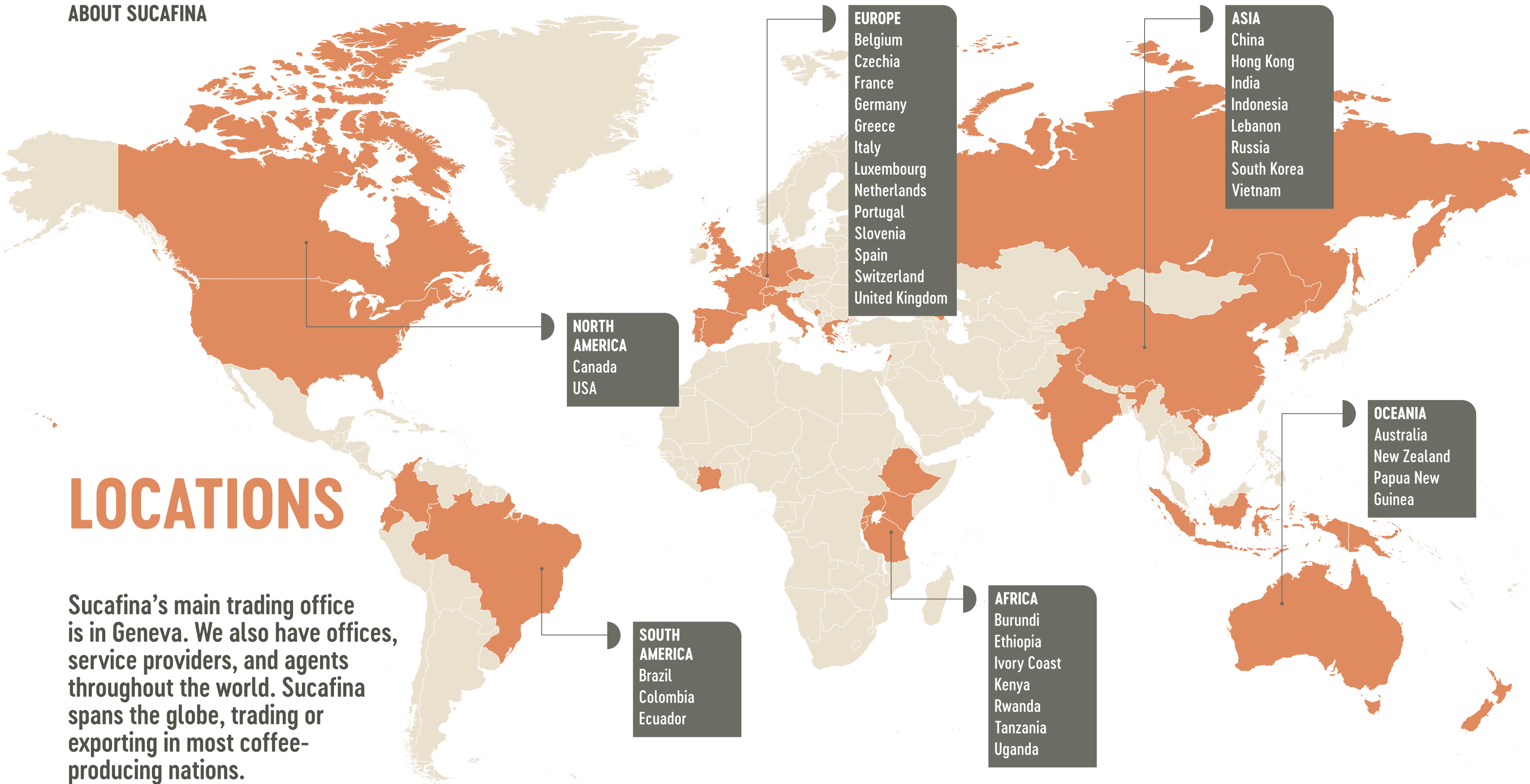
SHARED SERVICE CENTER IN GREECE

NEW BEYERS KOFFIE PRODUCTION LINES FOR CAPSULES & PADS

ABOUT SUCAFINA

LOCATIONS

Sucafina's main trading office is in Geneva. We also have offices, service providers, and agents throughout the world. Sucafina spans the globe, trading or exporting in most coffee-producing nations.



OUR APPROACH TO SUSTAINABILITY



Our Sustainability Journey	13
Building Our Sustainability Capacity	14
Introducing IMPACT, Sucafina's Responsible Sourcing Program	16
Together We Can Make an IMPACT	17

OUR APPROACH TO SUSTAINABILITY

OUR SUSTAINABILITY JOURNEY



In 2013, Sucafina initiated the Kahawatu Foundation, an independent foundation whose mandate is to provide technical support to smallholder farmers in East Africa. By partnering with donors and companies, Kahawatu ['people's coffee' in Swahili] has implemented various projects in Burundi, Rwanda, and Uganda.

Kahawatu Foundation registered in Switzerland.

Kahawatu Foundation Burundi.

2013

2015

Launch of Sucafina 2025 vision and strategy.

Kahawatu Foundation Rwanda.

2016



Sucafina becomes a founding member of farmer connect, an agritech software company that uses blockchain technology to connect farmers digitally to the agricultural supply chain.

Kahawatu Foundation Uganda.

2018

farmer connect is incorporated.

First sustainability-linked borrowing base facility with 11 banks.

Sucafina launches the Farmer Hub initiative in East Africa.

2019

Launch of Sucafina's 2030 sustainability strategy.



2021

We released our first public sustainability report for the year 2020.

We joined the Global Coffee Platform.

We successfully closed a two-year sustainability-linked borrowing base facility, securing US \$500 million – we were proud to win the 2021 TXF Best Commodity Finance Deal of the Year for the second time for this landmark facility.

and in 2022...

- Partnership with Geneva Chamber of Commerce, Industry and Services.
- Latam sustainability-linked borrowing base secured (awarded 2022 TXF Soft Commodities Finance Deal of the Year).
- Launch of IMPACT, our new responsible sourcing program.



OUR APPROACH TO SUSTAINABILITY

BUILDING OUR SUSTAINABILITY CAPACITY

We released our 2030 sustainability strategy in 2021, sharing our roadmap to target three key pillars: Investing in Farmers, Caring for People, and Protecting Our Planet. We also made public commitments on key topics such as human rights, traceability, deforestation, and carbon emissions.

In 2022, we followed this up by launching our new responsible sourcing program – IMPACT – which contains a set of practices designed to embed those commitments in our supply chain.

We have also been expanding our sustainability team at the global level.



Suzanne Uittenbogaard joined Sucafina in a new role as Sustainability Program Manager in June 2022. We spoke to her about her role, Sucafina’s sustainability ambitions, and the challenges ahead.

Suzanne has a long experience of soft commodity supply chains, having worked at a senior level in cocoa sustainability for a large multinational, and is primarily responsible for operationalizing our IMPACT program and supply chain commitments at origin. To do this she leads a team of subject matter experts and origin sustainability coordinators who are responsible for designing and implementing new practices in our supply chain.



1. How have you found the transition from cocoa to coffee?

Suzanne Uittenbogaard: There are a lot of similarities in the issues the sectors are facing, including low adoption of good agricultural practices (GAPs), low incomes, and high deforestation rates.

One big difference relates to consolidation. 70% of the volume in cocoa comes from two origins, Ivory Coast and Ghana, which has paved the way for various pre-competitive platforms working on a range of issues as well as heavy investment in supply chain transparency.

Coffee feels more diverse in terms of origins and supply chain actors, and there are many ways to create additional quality premiums for clients. Installing washing stations and different drying and fermentation techniques can really improve quality, for instance. This diversity requires more nuance in approach, which in turn allows for creativity in solutions and interventions.

It’s been great to move to a company like Sucafina with dynamic MDs at each origin, all embracing innovation and driving their sustainability ambitions.

2. How would you sum up Sucafina’s sustainability ambitions?

Suzanne: Sucafina takes a bottom-up, origin-led approach to sustainability. We’re now building on that to create a more harmonized global approach by leveraging innovations, creating efficiencies, and aligning methodologies and capabilities.

We are implementing our 2030 sustainability strategy, including through the roll-out of our IMPACT program. IMPACT features a sustainability standard at its core. It also goes beyond compliance by driving positive, measurable change across five key areas of sustainability: carbon emissions, deforestation, human rights, living income, and regenerative agriculture see page 16.

Technology and digitization are also key – a data-driven approach is pivotal for meeting upcoming regulatory requirements and supporting clients with their sustainability ambitions.

3. What are likely to be the biggest sustainability challenges for the coffee sector in the long term?

Suzanne: Ensuring farmers are not forgotten is crucial. For solutions to be successful and have good long-term adoption, they need to be farmer centric and take a holistic, rather than one-dimensional, approach. The success of farmers is the success of the supply chain.

Collaboration between the private sector, NGOs, and governments will be needed to address key challenges. This can be complex given the variety of origins and supply chain actors – effective platforms and landscape approaches will be pivotal for finding effective solutions.

OUR APPROACH TO SUSTAINABILITY BUILDING OUR SUSTAINABILITY CAPACITY CONTINUED

Regulations and due diligence requirements are an important tool for supply chain transparency and accountability. When appropriately designed, they can raise the bar and reinforce ways for companies to develop solutions together. Regulations need to go hand-in-hand with government-led initiatives at origin, such as national traceability systems – this requires huge investment beyond private sector-led approaches.

4. Why is compliance a challenge?

Suzanne: Sustainability starts with knowing the origin of coffee and the conditions under which it is grown. Traceability is still limited in the coffee sector and it will require heavy investment and the ability to collect large volumes of high-quality verifiable data. At Sucafina, we are dedicated to expanding our direct-sourcing network but equally, it's important to work together with third-party suppliers.

The ability to segment farmers and provide services at scale is also really important. With around 12.5 million coffee farmers across so many origins, these services need to be diverse. Many supply chains rely heavily on intermediaries, many of whom are informal business operators or small and medium-sized enterprises; they must remain part of the equation.

The implementation of certification standards over the past decade has taught us that we cannot rely on standards alone to address structural issues. Issues such as child protection require a myriad of tools, moving from zero-tolerance to ensuring we

have the right systems in place to address the risks. We need to continually assess and have an evidence-based approach of what works.

5. What are some examples of actions that Sucafina is taking to prepare itself?

Suzanne: We are working on a lot of different things! Of course, we've been busy rolling out our IMPACT program, starting in Brazil see page 20. We are investing in data and technology, such as deforestation monitoring with Trade in Space see page 42; partnering with Save the Children on human rights due diligence see page 29; and developing our carbon methodologies see page 40.

We've also been ensuring we have motivated and dedicated boots on the ground. Our field teams are the ones liaising with farmers day in, day out – they need to be equipped with the right tools and be part of the design. Innovation will come from those closest to the farmers.



Another new face in the sustainability team in 2022 is May Putman Cramer, who joined as Change Manager for Sustainability in April. She explained why change management is important for sustainability and highlighted some of our initiatives to further engage our employees around sustainability.



1. What is the purpose of having a Change Manager for Sustainability at Sucafina?

May Putman Cramer: There are a number of different elements to my role, including:

- Embedding sustainability across all aspects of our business.
- Humanizing sustainability and breaking down the message into bitesize pieces.
- Ensuring internal stakeholder groups feel part of the change and empowering employees to take ownership of sustainability.
- Creating an internal movement and reducing hesitation to engage with sustainability.
- Strengthening ties between sustainability teams on the ground and other departments.

2. How would you sum up our change strategy for sustainability?

May: We started by developing a visual to clearly showcase how all elements of our sustainability strategy and IMPACT program fit together. Then we focused on three stages in employees' sustainability journey: 'understand it' >> 'believe it' >> 'live it'. Ultimately, we want our teams to apply our sustainability strategy in their daily work and be active ambassadors for it.

3. What initiatives are you working on?

May: We have been delivering intensive 'pressure cooker' training courses on IMPACT to our sales teams. We're also working on capacity building at our destination offices and running education sessions to help employees at these locations to learn more about our origin operations.

We will soon be launching a Sustainability Champions program, as well as sustainability engagement programs for origin teams and farmers, and looking at ways to drive sustainability activation across the company.

4. What do you find most fulfilling in your work?

May: It's hard to choose just a few examples, but I would say:

- Designing and facilitating learning journeys tailored to different stakeholder groups.
- Experiencing that 'eureka moment' when people start to understand what we're doing in sustainability.
- Commercializing sustainability; helping people understand that we can combine sustainability with business.

OUR APPROACH TO SUSTAINABILITY

INTRODUCING IMPACT

SUCAFINA'S RESPONSIBLE SOURCING PROGRAM

Sustainability has long been at the heart of Sucafina's ambitions. For some time, we explored how we could push the needle further and create even greater difference. The result? **IMPACT: Sucafina's responsible sourcing program that benefits farmers, traders, and roasters to create a fairer, more resilient coffee industry.**

 [Find out more about IMPACT on our website.](#)

IMPACT SUSTAINABILITY STANDARD

10
Critical Indicators

70
Improvement Indicators

3
year external audit cycle

COMPLIANCE

The IMPACT Sustainability Standard ensures compliance with a set of social, environmental, and economic standards. IMPACT is based on the Coffee Sustainability Reference Code (Coffee SR Code) and has been recognized by the Global Coffee Platform as Coffee SR Code equivalent, 2nd party assurance.

To be classified as 'responsibly sourced,' all farmers and facilities in a supply chain must comply with:
all of the mandatory Critical Indicators – designed to eliminate human rights abuses;
the required number of Improvement Indicators – covering other sets of sustainable practices; must be improved over time.

Supply chains will be audited by a third-party verification body every 3 years, during harvest season to properly test the adoption of best practices.

IMPACT GOALS

IMPACT also goes beyond compliance by promoting measurable, positive change in 5 key areas of sustainability.

Local teams can prioritize IMPACT Goals depending on local risks, opportunities, and goals.

The program will become one of the most important tools in achieving Sucafina's purpose of sustainably reshaping our industry to create stakeholder value.

5 IMPACT GOALS OUR APPROACH



CARBON EMISSIONS

- Calculate carbon emissions in our supply chains
- Identify key improvement areas
- Co-design & implement projects to reduce emissions



DEFORESTATION

- Map our supply chains (traceability to farm level)
- Conduct deforestation risk assessment



HUMAN RIGHTS

- Embed responsible business conduct
- Identify risks at the origin level
- Eliminate, prevent, & mitigate human rights risks
- Track results, investing in digitization & technology
- Communicate the results



LIVING INCOME

- Identify living income benchmark
- Estimate current farmer income
- Define living income gap
- Co-design & implement projects to increase farmer living income



REGENERATIVE AGRICULTURE

- Define the concept & practices for coffee
- Assess adoption of practices
- Identify areas for improvement
- Co-design & implement and/or integrate into projects

WE WILL COLLECT BASELINE DATA FROM 10 ORIGINS FOR ALL 5 IMPACT GOALS DURING 2023



OUR APPROACH TO SUSTAINABILITY

TOGETHER WE CAN MAKE AN IMPACT

In 2022, we launched IMPACT, Sucafina's responsible sourcing program that promotes positive, measurable change in our industry. IMPACT is designed to ensure that the most pressing sustainability needs are met at coffee's origin while enabling other stakeholders to achieve their sustainability goals.



The sustainability landscape has shifted considerably in recent years. Consumers are becoming increasingly aware of the need to tackle urgent sustainability issues and are applying pressure through their buying preferences. At the same time, regulation is accelerating in many markets – the upcoming European Union legislation that will ban the import of goods linked to deforestation is just one example of this. The expectation today and in the future is that businesses and corporate actors need to lead by example and drive change.

At Sucafina, farmers are at the heart of everything we do. It is only when farmers thrive that our business can be sustained. But it is also important to balance coffee production with efforts to address some of the biggest issues that face the coffee industry, such as responsible resource management and human rights. The unique characteristics of the coffee industry – many smallholders with predominantly mixed farming systems and frequent intercropping with several crops – mean that we believe that coffee can become the first truly net positive commodity.

At the heart of IMPACT is a sustainability standard that ensures compliance with a set of social, economic, and environmental practices modeled on the [Coffee Sustainability Reference Code](#). To be classified as 'responsibly sourced,' all farmers and facilities in a supply chain must comply with all the mandatory Critical Indicators, which are designed to eliminate human rights

abuses and environmental degradation. They must also meet the required number of Improvement Indicators, which cover all other sets of sustainable practices and must be improved on over time. Supply chains will be audited by a third party every three years, during harvest season to properly test the adoption of best practices.

But we wanted to go beyond compliance with IMPACT by also providing data-driven insights that can be shared with stakeholders. We know, for example, that increasing numbers of roasters are making their own sustainability commitments; we believe that IMPACT will be an important tool for helping them to achieve *their* goals. That is why IMPACT also incorporates five ambitious goals designed to address some of the biggest sustainability issues in our industry: lowering carbon emissions, reducing deforestation, monitoring human rights, improving farmers' living income, and encouraging the adoption of regenerative agriculture.

As a result, we will be able to collect measurable data about the health of our supply chains for the first time. Analyzing this data will enable us to design tailored interventions in specific supply chains and regions. By sharing this data with buyers of IMPACT coffee we will, in turn, drive conversations with our clients about how to move the needle even further when it comes to addressing these critical issues.

IMPACT also gives Sucafina the opportunity to support coffee growers in making sustainable and profitable choices. We work hand-in-hand with farmers in the IMPACT program to improve practices on farms of all sizes, in line with the IMPACT requirements. Farmers receive support, periodic training, and access to farm services, such as inputs and tools.

IMPACT has been recognized by the Global Coffee Platform [GCP] as equivalent to the Coffee Sustainability Reference Code, 2nd party assurance. The GCP Equivalence Mechanism is a tool that allows the coffee industry to compare and navigate among different sustainability programs and to have assurance that they all meet certain minimum standards of social, economic, and environmental sustainability.

We have already started rolling out IMPACT in our supply chains. You can read about the roll-out in Brazil on page 20. Our goal is for all of Sucafina's direct supply chains to be IMPACT verified by 2025 and to then to have as much of our global supply chain as possible under IMPACT by 2030. There's a lot still to do and a long way to go but we are excited about the progress we have already made.

Together we can build a more sustainable future. Together we can make an IMPACT.



INVESTING IN FARMERS



Summary	19
Brazil, the First IMPACT-Verified Supply Chain	20
IMPACT Goals in Depth: Regenerative Agriculture	21
Our Agronomy & Regenerative Agriculture Programs	22
Promoting Income Diversification & Supporting Communities in Rwanda	23
Putting Soil Health in the Limelight	24
IMPACT Goals in Depth: Living Income	25
Certifying Farmers in Papua New Guinea	26

INVESTING IN FARMERS

Farmers are at the heart of our business. That's why it's critical for them to be at the center of all of our sustainability goals and practices.

MAIN GOALS	ACTIONS	PROGRESS
BUILD CAPACITY TO IMPROVE FARMERS' PROSPERITY	Source at least 1m bags of coffee annually under a price stabilization scheme by 2025	●
	Establish a dedicated annual fund of US \$30m by 2023 to improve farmers' access to credit	●
	Continuously improve farmers' living income	●
	Promote gender equity in the production and commercialization of coffee	●
INCREASE TRACEABILITY IN OUR SUPPLY CHAINS	Double our 'direct to farmer' network to 350,000 growers by 2025	●
INCREASE OUR PROPORTION OF RESPONSIBLY SOURCED COFFEE BY TRAINING FARMERS	Increase the proportion of Sucafina's certified coffee sales to 50% by 2030	●
	Increase the amount of coffee produced under regenerative agricultural standards by training farmers	●

PROGRESS KEY

● ACHIEVED
 ● ON TRACK
 ● BEHIND SCHEDULE

ASSOCIATED UN SDGs



INVESTING IN FARMERS

BRAZIL, THE FIRST IMPACT-VERIFIED SUPPLY CHAIN

Brazil is the world’s largest coffee producer, producing around one-third of all coffee. It is also the fifth largest country in the world. Sucafina has been operating in Brazil since 2004. We have three offices, including a head office in Santos, and a new dry mill that recently opened in Varginha. In 2022, Brazil was selected to be the first origin to roll out Sucafina’s IMPACT program.

Diego Bellotti Inagaki, General Manager at Sucafina Brasil, shared his insights about the roll-out.



Why Brazil?

Diego Bellotti Inagaki: Brazil is the largest exporter of green coffee beans and its coffee can be found in most blends around the world. We work with all grades and qualities, from commercial Conilon (as Robusta is generally known in Brazil) to single estate, high-quality, specialty microlots.

Customers have been placing growing importance on responsible consumption – this is a factor that is reshaping the whole market into a new business model for coffee. Traditionally, we have relied on intermediaries and agents who represent producers and producer organizations in Brazil. IMPACT is based on 100% traceability and, therefore, gives us the opportunity to shift our business model towards ‘direct to farmer’ sourcing. Thus, it makes perfect sense to be the first IMPACT origin for Sucafina. IMPACT guarantees compliance with key ethical and sustainable practices – many of which will soon become decisive for the continuity of the business.

Engaging and signing up farmers

Diego: Farmers are at the heart of our business and farmer engagement is critical to the success of IMPACT. We want farmers to feel involved throughout and to have opportunities to share their ideas, risks, and opportunities.

When we started to talk to farmers in Brazil about IMPACT, we highlighted the potential benefits for them. For example, they can receive advice and training on best practices and be rewarded over time with better prices and incentives for acting sustainably. We also explained that responsible sourcing is likely to become a business requirement in the near future; IMPACT provides an avenue for achieving the sustainability standards required by the market with our support.

Challenges during implementation

Diego: Brazil is already a country that has many sustainable practices in place. One major challenge will be to reduce pesticide use. In Brazil, coffee is grown at a large scale, often on large estates, with the use of phytosanitary (plant protection) products.

Additionally, some producers had recently gone through other certifications or verifications and found the KPIs required to be quite challenging. This meant some producers were more cautious when it came to signing up to another program.

Benefiting from external expertise

Diego: The IMPACT program was designed with the support of Peterson and Control Union. We valued the experience they already had with large companies. Having an external partner to challenge and guide the process was important for the credibility of the program.

What’s next?

Diego: In 2023, Sucafina Brasil will be implementing some of IMPACT’s methodologies to assess carbon emissions, regenerative agricultural practices, and human rights gaps.

KEY NUMBERS

In the pilot project in Brazil, Sucafina carried out 3 external audits, covering a total of:

165
farms and

17,267
hectares of coffee.

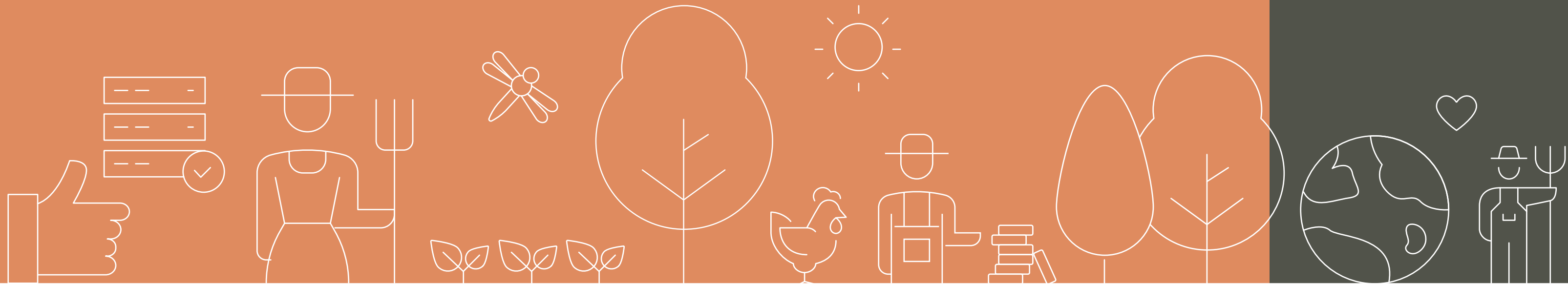
ARABICA:
40
farms [5,605 hectares]
in Cerrado

66
farms [6,197 hectares]
in Sul de Minas

CONILON:
59
farms [5,465 hectares]

INVESTING IN FARMERS
IMPACT GOALS IN DEPTH:

REGENERATIVE AGRICULTURE



OUR APPROACH

- Develop Sucafina’s Regen Ag Assessment Tool
- Assess farmers for Regen Ag implementation at farm level
- Identify improvement areas
- Co-design interventions

THE CONCEPT

- **6** core principles
- **15** Regen Ag practices
- **1** assessment tool to assess compliance (survey + scoring)

CORE PRINCIPLES:

- Keep soil covered
- Maintain living roots
- Minimize soil disturbance
- Increase plant diversity
- Integrate livestock if present
- Optimize/reduce synthetic fertilizers & pesticides

KEY PRACTICES INCLUDE:

- Erosion management
- Integrated pest & weed management
- Renovation & rehabilitation of coffee
- Agroforestry (planting trees)
- Training on Regen Ag

RESULTS

- Improved soil health
- Water conservation
- Enhanced biodiversity
- Carbon reduced & sequestered
- Increased farm efficiency & resilience

Our actions to promote regenerative agriculture also directly support our carbon & living income IMPACT Goals.

INVESTING IN FARMERS

OUR AGRONOMY & REGENERATIVE AGRICULTURE PROGRAMS



Leon Sanchez Blanco is Sucafina's Global Agronomy Manager. We interviewed him about his role, Sucafina's agronomy priorities, and the projects he is working on.

1. Please introduce yourself and tell us about your background.

Leon Sanchez Blanco: I'm a Spanish agricultural engineer, currently living in Madrid, Spain; I've also lived in Africa and South America. My profession reflects my big passion for agriculture and farmers. Everything started when I was a child in a small village in Spain and I enjoyed helping my father, who managed a cooperative of olive oil and wine farmers. My motto is, "everything starts in the field, and no farming, no future."

I have worked for 20+ years at international level in the agri-food and retail sectors along the whole supply chain (from farm to fork), with special focus on sustainable agriculture. During this journey I enjoyed developing and managing agro-programs (crop management, varieties, harvest and post-harvest, storage, certification, processing, and logistics) with different types of farmers and suppliers across different crops and regions to make agricultural production more efficient and sustainable. I'm now continuing this journey in coffee at Sucafina.

2. Why does a coffee trading company need an agronomist?

Leon: First, I am not the only agronomist at Sucafina. We have many others working closely with farmers and suppliers in different origin countries. This is one of the ways Sucafina walks the talk of being a leading sustainable Farm to Roaster coffee company, and it's one of the main reasons why I joined Sucafina.

As I said earlier, everything starts in the field, and you can't have a good cup of coffee without good-quality coffee grown by farmers. We need to go upstream in the supply chain to partner with farmers and support them with different agricultural programs and interventions to help them to become more efficient and sustainable. For this we need tools, like our IMPACT program, to identify the needs of farmers and customers and engage with them to design and implement the best programs. But our "boots on the ground" approach goes beyond farmers. Having sound and reliable partners at field level can enhance our sustainability initiatives and better satisfy our customers' needs and current and future regulations.

3. You are still relatively new at Sucafina – what are you already working on?

Leon: Sucafina works in many origins, with different types of farmers and growing systems. This means there are diverse agricultural challenges and opportunities, making the decisions about where to focus more complex, but there are some key common challenges. For example, how to improve yields sustainably, how to be more circular and efficient with coffee waste, and how to comply with customer and regulatory needs – such as reducing carbon footprint and improving soil health.

On yields, I am promoting the adoption among smallholders of simple, key agricultural practices, like rejuvenating and rehabilitating coffee trees and helping to improve farmers' fertilization plans.

Did you know that the correct stumping of old trees, supported by fertilization, can double or even triple yield?

Every ton of fresh coffee cherry produces around 400 kg of fresh coffee pulp. So, can we turn this waste into an opportunity? I am working with a couple of origins to run trials on how to valorize this coffee pulp by turning this waste into fertilizer for farmers.

Carbon is my current main focus. I am working on systems and tools to establish carbon baselines in different origins and helping to design and implement agricultural programs to reduce carbon footprint at farm level. To support this work, I am developing a simple standard on regenerative agriculture, which includes a set of agricultural practices that have a positive impact on carbon, biodiversity, and soil and water health. For example, did you know that intercropping coffee with some legume crops (a regenerative practice) can sequester carbon and improve soil health and coffee yields?

4. What is your vision for IMPACT?

Leon: I see IMPACT as a great tool to structure our decision making as to where and how to engage and act in key areas relevant to farmers (like regenerative agriculture and living income) and to customers and regulatory requirements (such as carbon emissions, deforestation, and human rights). IMPACT provides data on where farmers are (baselines) and what they need (gaps and opportunities), so we can set up programs that benefit farmers and customers.

The beauty of IMPACT is that it follows a bottom-up approach, starting with baselines in these key areas, which are built using farmer data to better design successful sustainable agricultural programs. IMPACT also tracks the progress of the interventions, so by measuring the adoption of practices and improvements attained by farmers the programs can be re-shaped over time, becoming more effective.

INVESTING IN FARMERS

PROMOTING INCOME DIVERSIFICATION & SUPPORTING COMMUNITIES IN RWANDA

In Rwanda, many coffee households have low incomes of around US \$400 per year. Smallholder coffee farmers produce various other crops as well as coffee but often struggle with access to market. That's where Sucafina's Farmer Hub program has been making a difference.

Launched in East Africa in 2019, Farmer Hub aims to create value for farmers beyond coffee and support wider farming communities. Rwacof, our sister company in Rwanda, operates 30 coffee washing stations (CWS) across Rwanda's coffee growing districts.

During the off-season, trading activity at these CWS has historically come to a halt. Through the Farmer Hub program, Rwacof is operating two initiatives at its CWS, which support year-round business activities and create value for both farmers and Sucafina:

1. Purchasing non-coffee crops from farmers

Rwacof purchases various agricultural products from farmers and sells them directly to customers across Rwanda. Through this off-taking program, we purchased nearly 1,000 tons of non-coffee crops in 2022, including maize, beans, soybeans, and eggs. In the past, cassava and banana were also purchased and

FARMER HUB IN RWANDA 2022

Nearly 1,000 tons of non-coffee crops purchased from farmers.	1,500 tons of food sold at fair prices to farming communities at 22 retail hubs at coffee washing stations.	97,000 children provided meals at 100 schools.
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avocado and chili peppers are also being explored as additional crops to buy. Rwacof also has a small maize mill, which is used to process purchased maize into consumer products.

2. Supplying fairly priced basic goods to farmers and schools

Rwacof has set up 22 retail hubs at its CWS to supply basic goods to local farmers and schools. In 2022, we sold more than 1,500 tons of food and other basic goods, including maize flour, beans, sugar, cooking oil, salt, rice, and soap at fair prices just above cost. Most of the 1,000 tons of crops purchased from farmers are thus recirculated in the local economy after some basic grading and processing, and supplemented by processed goods that are not locally available.

By participating in local tenders, our 22 retail hubs supplied over 100 schools across Rwanda in 2022, providing meals to over 97,000 children. Schools in Rwanda receive federal funding to provide food to school children. With its competitive prices and high-quality products, Rwacof is offering a better deal to schools. They test the maize and flour they sell and plan to introduce a more nutritional fortified flour. Many schools don't have great cash liquidity and Rwacof is often willing to take payment after goods are received – flexibility most distributors don't offer.



What's next?

“We want to continue serving our network of schools and shops with better quality, more nutritious, and competitive products,” says Tom Swinkels, Head of Strategic Projects at Rwacof. “Expanding the program would not only improve the lives of our beneficiaries but also strengthen the Rwacof brand by building better relationships with local communities. More income for farmers could also contribute to the growth of coffee production since farmers would have more income to invest in their farms that could improve coffee volumes and quality.”

INVESTING IN FARMERS

PUTTING SOIL HEALTH IN THE LIMELIGHT

Rwacof has been rolling out an ambitious, data-driven soil health program in Rwanda, with the aim of optimizing soil conditions, boosting coffee production, and enhancing farmers' income.

The three-year project kicked off in 2021 with a soil testing program where 20,000+ farmers had their coffee plots analyzed using portable soil scanners. The data collected was used to map the soil profiles of Sucafina's CWS and identify coffee farmers whose soil had very high levels of acidity and who could benefit from applying lime.

The next step was to distribute lime – 1,000 tons in 2022 – specifically to the 2,000 farmers whose soil was identified as being too acidic. Each CWS has agronomists available to provide training and offer technical support to farmers. To support the distribution and encourage engagement, Rwacof organized a series of farmer parties at its CWS, where there was food and conversation, celebration of the farmers, and opportunities for farmers to consult with agronomists about their farm. Over 10,000 farmers attended the parties.

“Farmers were asking for the soil-testing results, so the parties gave us the perfect space to sit down one-on-one with them and go over the results,” says Maryann Wanja, R&D Officer/ Agriculture Scientist at Rwacof. “Farmers were grateful for Rwacof’s continued support and for this gesture of gratitude towards them and their contribution to the coffee supply chain. We also had positive reception from the local government, who appreciated our efforts to invest in farmers’ lives.”

The next phase of the project involved distributing over 400 tons of organic fertilizers to farmers to help them increase the fertility of their soil.

What's next?

The plan is to scale up the project over three years. In 2022, lime distribution was free to identified farmers. In 2023, lime will be subsidized and offered at a nominal rate to ask farmers to claim ownership of the inputs they're applying to their farms.

“Creating a mindset shift is a vital part of our initiative,” Maryann says. Rwacof also hopes to work with new partners to expand the program to additional beneficiaries and supply a greater volume of lime to more farmers in the future.



KEY FACTS

10,000

farmers attended 'lime parties' at CWS.

1,000

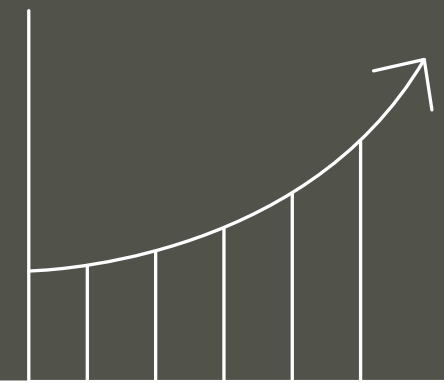
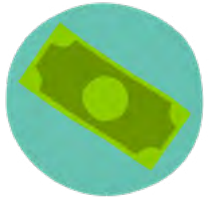
tons of lime distributed to 2,000 farmers with high soil acidity across 17 CWS.

400

tons of organic fertilizer distributed to farmers to improve soil fertility.

INVESTING IN FARMERS
IMPACT GOALS IN DEPTH:

TOWARDS A LIVING INCOME



OUR APPROACH

- Assess current farmer income & the living income gap
- Analyze best options for increasing farmer income
- Co-design & implement projects with clients

OPTIONS FOR INCREASING FARMER INCOME

- Increasing coffee yields
- Improving quality
- Price premiums
- Payment for environmental services
- (Conditional) direct cash transfer
- Income diversification
- Training on Regen Ag

ADOPT APPROPRIATE SOLUTIONS FOR EACH FARMER SEGMENT

- | | | |
|---------------------------|---|--------------------|
| • Large areas, low yields | > | • Increase yields |
| • Large areas, OK yields | > | • Improve quality |
| • Small areas | > | • Diversify income |
| • Training on Regen Ag | | |

RESULT

- Implementing targeted interventions for moving towards a living income.

We developed an in-house living-income-gap index tool that can be applied across origins.

INVESTING IN FARMERS

CERTIFYING FARMERS IN PAPUA NEW GUINEA

Alongside the launch of IMPACT, Sucafina remains committed to expanding traditional certification schemes in our supply chains.



Many coffee farmers in Papua New Guinea are organic by default, meaning the lack of access to synthetic fertilizers, pesticides, and herbicides has forced them to farm in a non-conventional way. Organic coffee farmers tend to achieve lower yields, but by earning a premium as organic farmers, they can off-set some of the shortfall in earnings.

Delma concluded: “We are seeking help to diversify our offerings globally. We would like our partners to gain access to new global clients to put ourselves on the map. Then we will be able to design even more projects to contribute to Sucafina’s global sustainability strategy.”



GLOBALLY

149,987
farmers certified in 2022.

18.5%
increase compared to 2021.

We work with all the major verification and certification standards in the coffee industry: 4C, C.A.F.E. Practices, Fairtrade, NESPRESSO AAA, Organic, and Rainforest Alliance – as well as our own IMPACT program.

An example of our commitment is the work undertaken in Papua New Guinea, where our team added new 4C, Rainforest Alliance, and Organic supply chains during 2022.

Sucafina Coffee Niugini operates as a representative office, working with local partners and their farmers to help them become exporters and provide access to market. The focus on capacity building means we empower suppliers to continue doing what they do best while supporting them to improve the traceability, quality, and handling of coffee.

Our PNG Managing Director, Alex Casserly, commented: “Certification is often the first building block to creating a stickier relationship with clients. But it’s the first stepping stone to truly adding value and leaving this planet better than we found it. The whole sustainability team have done such a good job in such a small window of time.”

Delma Farokave, Sustainability Manager for Sucafina Coffee Niugini, leads a team of 18 field officers strategically located throughout PNG’s coffee districts. Delma believes in building relationships and connections between farmers and local partners. In 2022, her team introduced 740 farmers to 4C certification in Morobe Wau and 800 farmers to RFA in Lamari and Wapenamanda. However, her team’s greatest achievement was to help 700 farmers in Morobe and the Eastern Highlands to obtain Organic certification.

CARING FOR PEOPLE



Summary	28
Transparency & Accountability in Human Rights	29
IMPACT Goals in Depth: Human Rights	32
Promoting Gender Equity	33
Ensuring Health & Safety at Work	34
Enhancing Employee Satisfaction & Career Development	35
Supporting Our Communities	37

CARING FOR PEOPLE

Coffee is a people business and we believe in putting people first – by respecting and promoting human rights across our supply chains; investing in the development and wellbeing of our employees; and supporting the coffee communities that surround our operations.



MAIN GOALS

ACTIONS

PROGRESS

ENHANCE EMPLOYEE HEALTH & SAFETY, WELLBEING, AND CAREER DEVELOPMENT

- Ensure 100% of origins have a clear EHS governance structure and complete an annual internal audit
- Continuously invest in training and safe practices for all staff and operations
- Increase employee satisfaction
- Continuously nurture talent
- Foster internal mobility as a way to expand and share knowledge



RESPECT AND PROMOTE HUMAN RIGHTS

- Ensure 100% of origins carry out biennial human rights risk assessments
- Implement and act upon a human rights mitigation plan
- Ensure 100% of our facilities are covered by our grievance mechanism



SUPPORT OUR COMMUNITIES

- Implement projects to help develop rural communities in regions where we work



PROGRESS KEY

● ACHIEVED
 ● ON TRACK
 ● BEHIND SCHEDULE

ASSOCIATED UN SDGS



CARING FOR PEOPLE

TRANSPARENCY & ACCOUNTABILITY IN HUMAN RIGHTS

In his foreword, our CEO, Nicolas A. Tamari, highlighted the significant efforts that our industry is making in order to be more inclusive. We know that some would like us to work faster and harder, but given where our industry was 15 years ago, it's important to note the progress already made.

Consider, for example, how coffee traders and roasters today have incorporated into their capabilities a wide array of expertise on subjects as complex as living income, climate adaptation, soil carbon, biodiversity protection, microfinancing, and agroforestry, to name but a few.

However, one area where our industry is still justifiably challenged is human rights. With over 12 million farming families in more than 70 countries, and with coffee often changing hands many times before it reaches the consumer, the sheer scale and reach of the global coffee trade means that we have a considerable blind spot when it comes to identifying producers and understanding the social and economic conditions of coffee production. Global certification schemes – sometimes maligned as being too superficial – have contributed by bringing much more traceability and transparency. But certified coffee accounts for only a portion of what is produced annually around the world and those schemes don't go deep enough in some cases.

New directives on corporate social responsibility are demanding more from all of us. This is welcome. But to transform, the coffee industry needs massive accompanying support from governments, regional authorities, and civil society. Farmers – especially smallholders – have relationships with many coffee



buyers and service providers at the same time both in formal and informal networks. The complexity of managing relationships with hundreds of thousands of households spread around the world, without the capacity to be everywhere at once, has to be balanced with the industry's requirement for accountability, and an individual company's duty to support and respect human rights within their sphere of influence, according to international standards.

As we partner with civil society organizations to learn more about human rights in complex rural supply chains, we are constantly challenged by what we find – and the solutions are not obvious. For an individual company every small step forward can often feel like it is followed by two steps backwards. But while accountability rests with individual companies, landscape approaches and partnerships are the only means of tackling systemic issues. So, while humility – and a commitment to continuous learning – are the order of the day, active engagement with relevant stakeholders has to be a priority.

SUCAFINA'S HUMAN RIGHTS DUE DILIGENCE APPROACH

Respecting and promoting human rights is one of the main goals of Sucafina's sustainability strategy and our Caring for People

pillar. In 2022, we partnered with Save the Children and The Centre for Child Rights and Business, who supported us in the design of a robust due diligence approach to align with the major international human rights frameworks. These include the ILO Declaration on Fundamental Principles and Rights at Work and Conventions, the UN Guiding Principles on Business and Human Rights, and the OECD guidelines for Responsible Business, as mentioned in our Human Rights and Labor policy.

We are moving forward with humility on a complex path that requires learning and co-operation between different stakeholders.

Our aim is to harness our strategic position in the supply chain to shed light on the human rights practices and challenges faced by coffee-producing communities in the countries where we operate and to be accountable, together with our supply chain partners, for remaining compliant and acting where appropriate.

Our achievements in 2022

The project initiated with Save The Children and The Centre for Child Rights and Business aims to establish bottom-up communication structures to better identify, assess, and tackle

CARING FOR PEOPLE TRANSPARENCY & ACCOUNTABILITY IN HUMAN RIGHTS CONTINUED

human rights issues in the coffee supply chain. This ‘Community Facilitators’ approach focuses on building a bond of trust with the community. Community Facilitators are active members of the community who are selected by the community itself to ensure human rights protection. Trained in human rights and country-specific labor regulations, they become Sucafina’s eyes and ears on the ground. Customized toolkits will enable them to carry out their mission: meeting community members, raising awareness, observing, reporting on challenges and abuses, and supporting the implementation of mitigation and remediation activities when appropriate.

The Community Facilitators approach differs from traditional monitoring approaches, such as audits and self-assessment questionnaires. It will help us to connect more efficiently with local stakeholders and continuously monitor human rights risks, identifying the real needs of local communities, gathering feedback on mitigation and remediation actions, and monitoring their implementation and success.

This project was piloted in three countries in 2022 – Brazil, Uganda, and Vietnam – and our aim is to expand it to other regions and countries in 2023, by building on what we have learned and how we can improve.

Case Study: THE COMMUNITY FACILITATORS APPROACH IN PRACTICE IN UGANDA

A prior risk assessment, based on secondary data analysis, allowed us to pre-identify the human rights risks likely to be present in rural communities in Uganda. Most salient issues are: child rights, civil liberties, living income, labor rights & conditions, and gender rights [source: Fairtrade Risk Map for Uganda]. The risks of child and forced labor

are identified as high, particularly in the coffee and tea sectors [source: Rainforest Alliance child labor and forced labor sectoral risk maps].

Understanding the severity and the prevalence of these risks in our supply chains is a crucial first step.



Engaging with Rights-Holders to Better Understand the Risks and Challenges They Face

We reached a total of **160** people during the consultation in the Greater Masaka area of Uganda, including

6 community engagement sessions with coffee farmers, leaders of farmer cooperatives, local authorities, teachers, out-of-school youth, and children in primary and secondary schools.



The human rights challenges and risks in the area were better understood and validated through discussions and experience sharing. The issues of child labor, forced labor, and gender-based violence have been prioritized.

Specific guidance on each human rights issue that was prioritized, and toolkits (visual aids to help disseminate crucial messages) were introduced to key local stakeholders.



16 Community Facilitators were selected through a rigorous consultation and discussion process.



CARING FOR PEOPLE TRANSPARENCY & ACCOUNTABILITY IN HUMAN RIGHTS CONTINUED

Implementing on the ground,
an interview with Aisha Kimuli
Naseem, Sustainability Project
Manager at Ugacof (Sucafina's
sister company in Uganda).



1. How did the project start?

Aisha Kimuli Naseem: We kicked off our human rights awareness campaign with the on-site engagements, meetings, and visits with the district leadership representatives. Coffee cooperative leaders, lead coffee farmers, and champion farmers were also invited, followed by field visits to primary and secondary schools.

At the end of the on-site engagement sessions, 16 Community Facilitators (CoFas) were selected, who will work with the Sembabule and Mateete communities. The CoFas received training on their roles and responsibilities when it comes to community sensitization, and on capturing and recording data, especially in potential cases of child labor, worker violations, and gender-based violence issues.

2. What are the next steps?

Aisha: After this first on-site engagement, we adapted the toolkits for the CoFas to use during training and data collection to better reflect the reality on the ground. CoFas were trained on giving training and engaging key stakeholders in the community. Our sustainability officers in the field follow up with the CoFas regularly to check in on their assigned actions and targets and make sure data is being collected accurately.

3. How do you ensure the success of this approach?

Aisha: It's really important for the CoFas to have clear roles and responsibilities and know how to act when issues are identified. This means having a target in terms of number of farmers to visit, using the toolkits to raise awareness, monitoring and reporting on any abuse, and recording all tasks, as well as the implementation and success of remediation activities.

4. How has the approach been perceived by community members?

Aisha: It has been a really eye-opening experience for many people as they come to have a better understanding of human rights practices and protections for children, women, and workers. We've received positive feedback from members of the community who feel they are being supported as a member of the Ugacof community.

5. What do you consider to be the major strength of this approach?

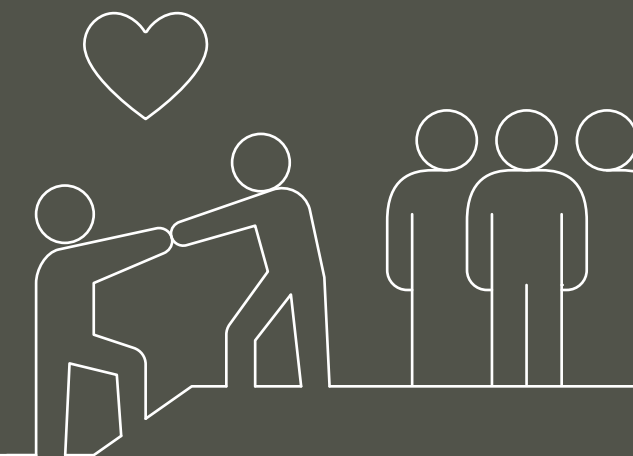
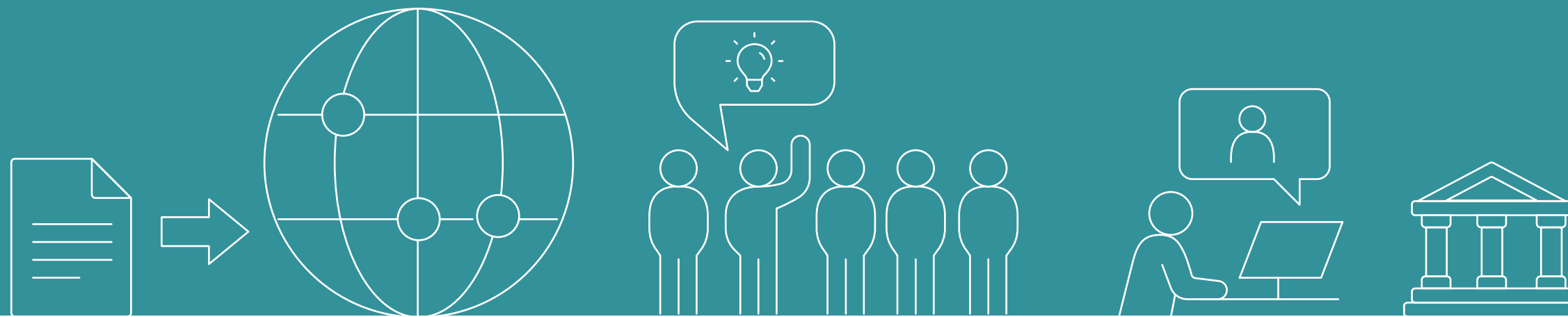
Aisha: It's key for us to get the community's perspective on human rights issues while conducting awareness-raising activities. It opens up the discussion around how best to involve decision makers in the community and the leadership structure, and how we can support them to do their work. This approach also complements Speak Up, Sucafina's dedicated Grievance & Whistleblowing Mechanism, allowing us to be alerted to any abuses in our supply chain and to immediately set up appropriate solutions thanks to a better understanding of the issues by the community.

One of our priorities for 2023 and the years to come is to initiate or join collaborative initiatives in specific areas spanning multiple sectors – to build a coherent intervention at a landscape scale to secure and implement common projects with our partners to ensure that we address the root causes of the issues revealed through our approach.



CARING FOR PEOPLE
IMPACT GOALS IN DEPTH:

PROTECTING & PROMOTING HUMAN RIGHTS



RISK ASSESSMENT



PRIORITIZED RISK LIST FOR EACH COUNTRY

COMMUNITY FACILITATORS APPROACH

- Selected by the community

Community Facilitators are selected and trained on human rights & labor laws to:

- Raise awareness on prioritized risks
- Identify human rights risks & violations
- Support protection activities & potential remediation

ADDRESSING THE ROOT CAUSES

- Women's empowerment
- Access to education
- Sensitization
- Income diversification

Through landscape approaches and cross-sectoral collaboration.

RESULTS

- Empowered communities
- Gender equity
- Preventing child and forced labor

GRIEVANCE MECHANISM

Speak Up is Sucafina's dedicated Grievance & Whistleblowing Mechanism. It's a confidential and safe space for all stakeholders to raise concerns.

CARING FOR PEOPLE

PROMOTING GENDER EQUITY



Promoting gender equity in the coffee supply chain is a key part of Sucafina’s sustainability strategy. Robinah Najjingo, Gender Lead for Sucafina East Africa and the Kahawatu Foundation, told us more about her role and why work to address gender inequity and inequality is so vital.



1. What does your role as Gender Lead involve?

Robinah Najjingo: I design all gender-related materials including policy, strategy, training, and communication materials; advise the management team on all work related to gender in the coffee value chain; and, with support from management, solicit partnerships and engagement. I also train staff and coffee farmers on gender equity and equality; support other Sucafina offices with training and advice on gender-related work; and support project implementation.

2. Why do we need to address gender equity and equality in our supply chain?

Robinah: Gender cuts across all sectors. It’s about enhancing human rights and social inclusion. Many women within coffee communities don’t have equal access to resources such as land, credit, or loans. This negatively impacts coffee productivity and farmer income and can lead to increased poverty amongst women.

Training in gender equity and equality increases transparency in family and farm management, encourages collaboration in the use of family resources, and builds lasting relationships, trust, and shared values. These trainings play a key role in reducing gender-based violence (GBV), by increasing awareness in the community and openness to speak out, especially among women.

According to the International Labor Organization, increasing diversity helps to increase productivity: having diverse talent on board translates into different ideas and innovations. If more organizations like Sucafina were to tackle gender inequality, run gender analyses for programs, and provide the tools for men and women to improve together, I truly believe a higher quality of coffee would be produced.

3. What is the difference between gender equity and gender equality?

Robinah: Gender equality means providing equal opportunities for all people and eliminating discrimination based on gender. According to the International Coffee Organization, women do up to 70% of the labor in coffee production – harvesting and grading, for example. But when it comes to trading, women make up as little as 10% of the workforce, so much more needs to be done to promote the inclusion of women.

Gender equity refers to fair and just treatment for everyone, regardless of their gender, in terms of needs, responsibilities, and resources. We have to consider how and when women are getting involved in the coffee sector and what aid they are given to support them and help them progress in their work. Ultimately, gender equity is a practice and a way of thinking to achieve the goal of gender equality.

4. What are you working on at the moment?

Robinah: At Rwacof (Sucafina’s sister company in Rwanda), we’re developing gender-responsive infrastructure, like building a safe room where women seasonal workers can rest during their breaks. I’m also training our staff on gender issues and policy frameworks provided by the government; designing a gender training module for our staff; running trainings on gender equity and financial literacy; and educating communities on sexual reproductive health, together with local health centers.

4. What do you like most about your job? What is the hardest part?

Robinah: I like the way my job impacts people’s lives in terms of promoting human rights – ensuring no one is left behind and that everyone’s needs are met. It’s about caring for people, because people are the most valuable asset of any organization.

The most challenging part is changing mindsets. We live in a patriarchal system where men are the dominant players, which is difficult to change. That shift requires continuous mobilization, raising awareness, engagement with men, and monitoring the implementation of our gender equality policy.

CARING FOR PEOPLE

ENSURING HEALTH & SAFETY AT WORK



As part of the Caring for People pillar of our sustainability strategy, Sucafina has pledged to invest in the health, safety, wellbeing, and development of our employees. We have full-time EHS (Environment, Health, & Safety) Coordinators in each of our largest origins, including Faith Gathoni Weru, our EHS Coordinator for Kenya.

Faith is passionate about building a positive health and safety culture. Her EHS motto is: “Think safety: it’s everyone’s job. It starts with you and me, through changing our behaviors by looking at what matters most in our lives.”

Faith explained that Sucafina has an EHS plan in place, which focuses on the following objectives:

- Monitoring and measuring regional EHS performance and putting corrective action plans in place.
- Assessing the risks to employees and others and preventing or reducing them to an acceptable level.

- Keeping up-to-date EHS records for each country and sharing monthly updates with key stakeholders.
- Continuously improving our EHS management by making sure that best practices are always followed in the workplace.

Faith also highlighted some of the other ways we drive the health and safety agenda within and beyond Sucafina:

- Creating EHS committees in every origin to support in addressing EHS matters.
- Instituting clear policies and procedures for different tasks, and implementing our Environment & Social Management System (ESMS) manual.
- Conducting monthly site inspections and yearly internal audits.
- Ensuring the timely reporting and investigation of any incidents or accidents.
- Carrying out continuous training for employees.
- Engaging with stakeholders, especially suppliers, to ensure they understand and are adhering to our policies.

At Sucafina, we use a 5x5 risk matrix to rank all the risks. Every origin has a risk register, which is reviewed in the quarterly ESMS committee meetings. Risks are classified in terms of likelihood and severity. We also categorize them as a health, safety, environment, quality, social, security, or a reputational risk – this helps us when it comes to prioritization.

Nhu Le, Senior Sustainability Coordinator and EHS Coordinator in Vietnam, shared his insights on managing EHS at Sucafina Vietnam.



1. Describe your primary role at Sucafina Vietnam, and your role in coordinating EHS in Vietnam?

Nhu Le: I am the Senior Sustainability Coordinator for all supply chain projects in Vietnam; I also act as the local EHS Coordinator. I assist the country Managing Director and the ESMS committee in implementing action plans related to EHS in Vietnam. I am also the contact for Sucafina employees in Vietnam and I support departments and employees to take actions to reduce EHS risks identified by the ESMS committee. I join weekly EHS meetings with the Group to update origin EHS information and communicate major EHS incidents to the Group Sustainability Manager.

2. What are the main tools or processes you use to implement Sucafina’s ESMS in Vietnam?

Nhu: We have a complete system of EHS management tools, including manuals, procedures, and policies. We hold weekly meetings and issue monthly reports to raise awareness of EHS compliance and share experiences from other origins.

In Vietnam – like all main origins – we have an ESMS committee and an annual EHS plan covering topics like work safety, health, environment, quality, and security. We use annual online and physical training plans to improve awareness and EHS practices.

Weekly meetings help us to take quick measures to mitigate any EHS risks encountered during operations. Managers are tasked with playing a visible leadership role, upholding safety issues in our operation. We also have security systems in place to quickly detect EHS-related problems.

3. What is the biggest challenge you face in implementing EHS practices in Vietnam?

Nhu: The biggest risks are associated with upstream supply chain partners and farmers who lack adequate facilities, management, and knowledge to develop and implement international EHS standards. This is why certification schemes – and our own IMPACT program – are so important, as they help to provide basic training on important topics.

4. What have been the benefits of EHS for our Vietnam team?

Nhu: The first benefit is to keep Sucafina’s employees, assets, and reputation safe. Having a well-defined EHS system also helps us to fulfill government and certification program requirements and helps us to deliver a strong EHS message to our partners in the supply chain.

CARING FOR PEOPLE

ENHANCING EMPLOYEE SATISFACTION AND CAREER DEVELOPMENT

SUCAFINA VALUES




Integrity
Always deal fairly and honestly.



Entrepreneurship
See challenges as opportunities to be profitable.



Expertise
Know your job, be brilliant in execution, and strive to learn continuously.



Humility
One team, one family, no arrogance, no rock stars.



Adaptability
Be quick and reactive to change.



Passion
Make your work challenging and fun.

EMPLOYEE ENGAGEMENT

In December 2022, we conducted the first annual Sucafina employee engagement survey, covering topics such as working conditions, company awareness, employee development and engagement, and diversity and inclusion. We received 630 responses [79% response rate]. We have highlighted some of the key findings below:

4.02 out of 5
overall satisfaction score.

95%
are aware of the company vision and values.

95%
of employees are proud to work for Sucafina and passionate about their jobs.

94%
understand their roles and how to contribute to Sucafina's vision and purpose.

84%
are satisfied with their physical working conditions.

82%
believe they are growing professionally.

89%
agree or strongly agree that Sucafina looks after safety in the workplace.

81%
believe Sucafina offers an inclusive, positive, and productive work environment for all.

26%
of surveyed employees were not satisfied with their compensation package.

The management team is working on action plans to identify and implement opportunities for improvement based on the survey results. We will report back on our progress in next year's sustainability report.

CARING FOR PEOPLE ENHANCING EMPLOYEE SATISFACTION & CAREER DEVELOPMENT CONTINUED

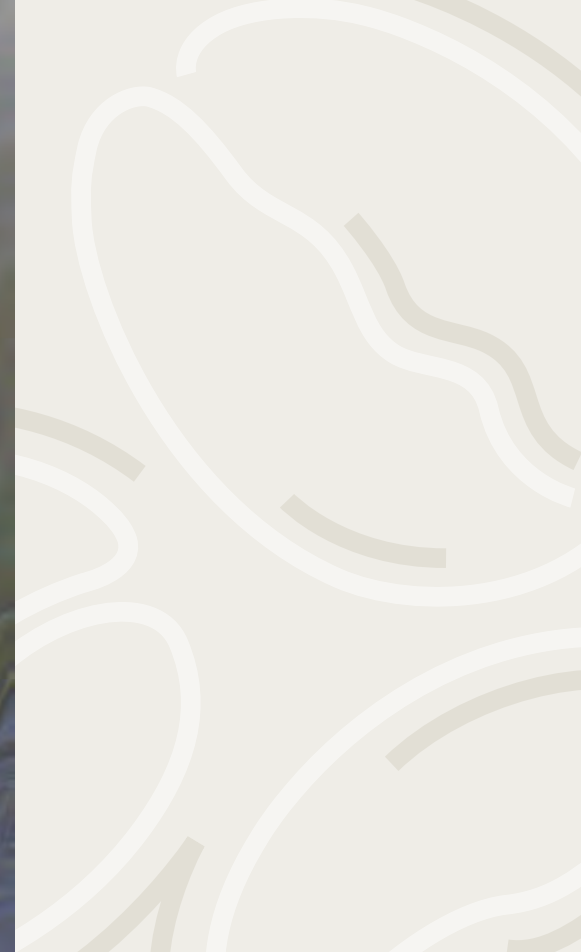
LEARNING & DEVELOPMENT

Career Development & Internal Mobility Programs

Preparing the next generation of leaders is essential for us to achieve our vision, and one of the ways we do this at Sucafina is through two talent programs. The Spark Program is a three-year leadership development program for high-potential employees. The Talent Club is a two-year development program designed to equip talented individuals with the technical and behavioral competencies they need to assume higher responsibilities.

New Learning Management System

In line with our company value 'Expertise' and creating a culture of continuous learning, we have been building the foundation for a new training and education portal within our HR Management System, with roll-out in 2023. The platform will allow all Sucafina employees to access internally created learning content, as well as over 19,000 courses from an external training provider. The portal will help employees and their managers to better plan learning activities, enroll in courses to fulfill their development objectives, and better track their training record.



In 2022
56 participants in the
two programs

We also offered placements on
our internal mobility program to
42 employees

12,771 hours of training delivered to
Sucafina employees in 2022

38%
women

50%
women

62%
men

50%
men

24
nationalities represented

14
nationalities represented



CARING FOR PEOPLE

SUPPORTING OUR COMMUNITIES

In 2022, Sucafina and the Kahawatu Foundation participated in numerous co-funded projects with donors worth in excess of

US \$9,924,920

→ See page 48 for further details.



Our livestock solidarity project with the Kahawatu Foundation in Burundi is improving household wealth and resilience by adding an extra source of income from livestock breeding.



Rwacof (our sister company in Rwanda) completed a project with Kahawatu Foundation, the Swiss Agency for Development and Cooperation (SDC) and a key stakeholder. The project impacted 10,000+ coffee farming households in Rwanda through income diversification, improved access to cash and loans, and gender equality trainings.



Ugacof (our sister company in Uganda) worked with Sawa World to support coffee farmers in Uganda, especially women and young people, as they build their own new microbusinesses and improve their livelihoods.

PROTECTING OUR PLANET



Summary	39
Reducing Carbon Emissions	40
IMPACT Goals in Depth: Carbon Emissions	41
Preventing Deforestation in Our Supply Chains	42
IMPACT Goals in Depth: Deforestation	43
Conserving Water Resources	44
Compostable Coffee Pads at Beyers Koffie	46

PROTECTING OUR PLANET

We recognize our responsibility to minimize our environmental footprint and to protect and restore natural resources across our supply chains, with a particular focus on reducing carbon emissions, preventing deforestation, and conserving water resources.



MAIN GOALS	ACTIONS	PROGRESS
CONSERVE WATER RESOURCES	Reduce the amount of water needed to wash 1kg cherry to less than 3L in all our operated CWS by 2023	●
	Ensure zero contamination of water sources within the proximity of each CWS	●
REDUCE CARBON EMISSIONS	Map the farm-to-port carbon footprint of 100% of our supply chains by 2023	●
	Implement emissions reductions programs at 100% of origins by 2023	●
PREVENT DEFORESTATION IN OUR SUPPLY CHAINS	Gather data to understand the scale of the deforestation challenge	●
	Ensure that we follow up on 100% of serious deforestation incidents	●
	Distribute 10 million tree seedlings by 2030	●

PROGRESS KEY

● ACHIEVED ● ON TRACK ● BEHIND SCHEDULE

ASSOCIATED UN SDGS



PROTECTING OUR PLANET

REDUCING CARBON EMISSIONS

Reducing carbon emissions is one of the main goals of Sucafina’s sustainability strategy and our responsible sourcing program, IMPACT. Since mid-2020 Sucafina has been working with an international consultant to map carbon emissions from its global supply chains.

The project started in Rwanda before gradually expanding to nine Sucafina origins (Brazil, Colombia, Indonesia, Kenya, PNG, Rwanda, Tanzania, Uganda, and Vietnam). A 10th (Burundi) will be added in 2023.

For a coffee trading company, as much as 95% of emissions come from the upstream supply chain (so-called Scope 3 emissions). For this reason, Sucafina decided to delay setting

targets for Scope 1 and 2 emissions so as to more quickly focus on the farming practices of coffee farmers – the part of our supply chain that can potentially yield the most gains in terms of emissions reductions.

The initial focus of the project was to measure only the total emissions of carbon from farm to FOB, and ensure that all business units had access to a basic customized calculator to assess their emissions.

In late 2022 the team decided to add an additional dimension to its modeling by trying to account for land-use change as well as activities that are contributing to emissions reduction and sequestration. For example, if farmers are practicing agroforestry or planting cover crops, these activities should account for a reduction in overall emissions. Conversely, if farmers are clearing land to plant crops, then land-use change needs to be considered as an emissions factor.

Modeling carbon removal and reduction requires more data and a deeper understanding of the supply chain. We have had to strengthen our technical team and work much harder with our consulting partners to improve our customized calculators. However, we are confident that by the second half of 2023 we will have updated metrics for the 10 origins listed above.

Here are some of the key take-homes so far:

- In some origins with poor yields, it’s clear that the carbon footprint could be reduced simply by improving productivity and plant husbandry.
- In other regions, agroforestry – the intercropping of coffee with shade or fruit trees – is a practical option; while in others there might be scope to reduce fertilizer usage.
- It is also clear that wet processing – the practice of using water for pulping and fermentation – is a big emissions factor that needs to be optimized.

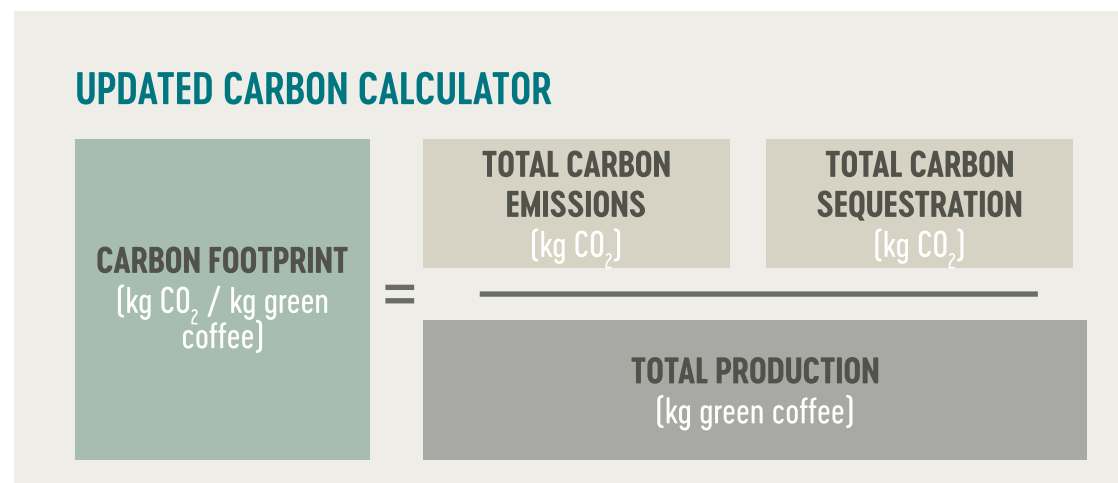
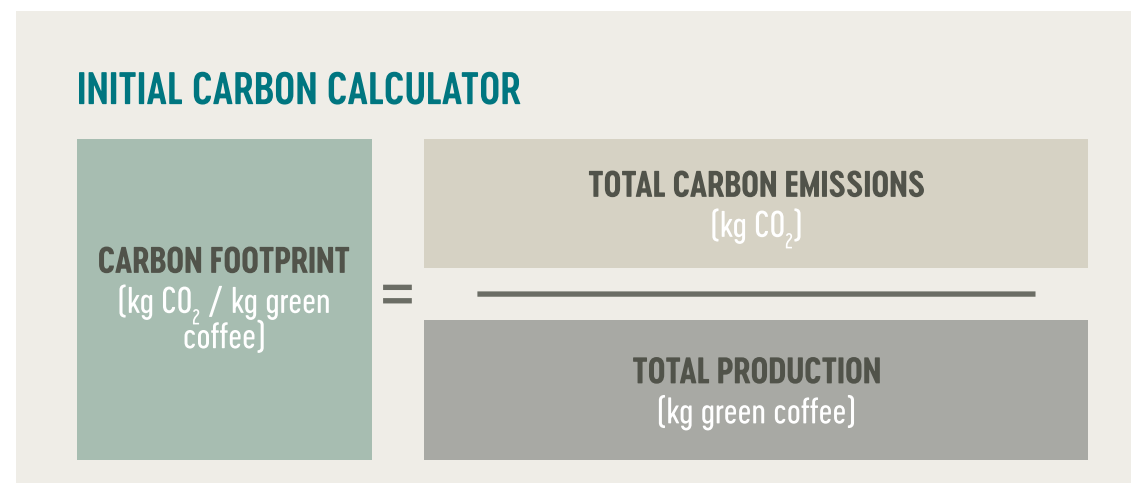
- Finally, there are obvious overlaps between reducing carbon emissions and practices that promote regenerative agriculture, and trying to tackle deforestation.

These insights have already allowed us to start implementing projects to reduce carbon emissions in some origins. In 2022, 2 large projects were launched with one of our brand partners in Kenya and Rwanda, alongside a few smaller initiatives. With these existing projects we will be planting 600-700,000 trees in the next 5 years and introducing other beneficial practices to almost 40,000 farmers. Additional large projects will be announced in 2023 in Africa and Asia. Now that our business units have a better understanding of the sources of emissions in their supply chain, we can develop and deliver targeted agricultural interventions at farmer level with clearer goals in mind.

Case Study: Mapping Emissions Beyond Origin

One exciting initiative is the ability to link emissions data we collect from origins with the emissions for international freight. Our partner for this exercise is CarbonChain (www.carbonchain.com), which specializes in assessing carbon emissions from global logistics supply chains. The aim is to communicate to our clients a complete carbon footprint from the farm to whatever the Incoterms are on their purchase contract. This means that a roaster taking delivery of a container of green coffee at the gate of their factory can know how their emissions are split between the fertilizer used on a farm in Colombia and the road transport emissions from the port of Hamburg to their plant.

We have now built such a database for all our Brazil and Colombia shipments since 2021, and will soon be expanding to other origins. The mapping of carbon emissions in this way is one of the commitments Sucafina made to its banks as part of its sustainable borrowing facility.



PROTECTING OUR PLANET
IMPACT GOALS IN DEPTH:

REDUCING CARBON EMISSIONS



OUR APPROACH

- Calculate carbon footprint
- Identify opportunities for improvement
- Co-design projects
- Develop a carbon tool

ONE OUTCOME DIFFERENT PATHWAYS

VIETNAMESE ROBUSTA FARMER

- 2.11kg CO₂ per kg of coffee

- 95% emissions from farm
- Fertilizer > 77% farm emissions
- Much higher yield



OUR ACTIONS

- Optimize fertilizer application
- Agroforestry

UGANDAN ARABICA FARMER

- 1.92kg CO₂ per kg of coffee

- 54% emissions from farm, 39% from coffee washing stations
- Fertilizer > 76% farm emissions
- Lower yield



- Increase yields
- Reduce emissions from wastewater & pulp
- Agroforestry

RESULT

- Reduction of CO₂ per kg of coffee

PROTECTING OUR PLANET

PREVENT DEFORESTATION IN OUR SUPPLY CHAINS

In 2022 Sucafina took up the challenge of establishing the first deforestation-free supply chain for our one of our brand partners in East Java.

In East Java farmers grow coffee in high-density shade tree areas. In many cases, farmers obtain licenses to intercrop coffee on government forestry plantations – but with strict requirements not to cut forests. However, this makes remote satellite monitoring difficult as many farms appear to be operating inside protected forests, which usually excludes them from the supply chain. Historically, the communities and local government have not cooperated well with demands to act against farmers who are legitimately farming coffee inside protected lands without damaging forests. The farmers themselves have often been reluctant to engage with traders out of fear that they could be removed from their coffee plots.

What did Sucafina do?

We first deployed our Trade in Space remote sensing technology to map all suppliers in our anticipated supply chain. Trade in Space creates traceable sustainability insights for agricultural supply chains by combing the global reach of satellite data and

the power of distributed ledger technology. Thanks to being able to review eight years of historical data in Trade in Space, we were able to segregate farmers who might be associated with visible deforestation from those whose plots were inside forested areas but not linked to visible deforestation.

We then launched a field campaign to visit the non-deforestation farmers door-to-door and explain the benefits of them participating transparently in a high value supply chain. By coordinating with the local government authorities, we were able to confirm the legitimacy of the farmers' presence inside protected forests and confirm that coffee was being planted under strict regulation as an intercrop, and was not a threat to existing trees.

The combination of remote sensing technology, a strong local presence on the ground, and a harmonious collaboration with regional authorities, means Sucafina was able to successfully establish a third-party certified supply chain in a region that has traditionally been off-limits for sustainable coffee.

Although there remains a considerable challenge with deforestation in parts of Indonesia, this project demonstrates how goodwill between committed brands, traders and authorities can incentivize farmers to act responsibly.



Sucafina was able to successfully establish a third-party certified supply chain in a region that has traditionally been off-limits for sustainable coffee.



PROTECTING OUR PLANET
IMPACT GOALS IN DEPTH:

REDUCING DEFORESTATION



OUR APPROACH

- Map supply chain
- Assess deforestation risks
- Ground truthing alerts
- Identify improvement areas
- Co-design interventions

TECHNOLOGY, SUPPORTED BY BOOTS ON THE GROUND

- Use digital tools to ensure first-mile traceability & farm mapping
- Assess deforestation risk using TradeInSpace
- Our boots on the ground are critical for:
 - Assessing alerts
 - Understanding root causes
 - Identifying potential mitigating actions

IMPLEMENT APPROPRIATE ACTIONS

- Education & awareness-raising.
- Ensure efficient, environmentally sound farming
- Increase productivity & profitability of existing land without encroaching into forests

RESULTS

- Alignment with EU deforestation regulation
- Reduction in deforestation
- Reduced carbon emissions from land-use change
- Carbon sequestration
- Payment for environmental services

Our actions to reduce deforestation also directly support our carbon & regenerative agriculture IMPACT Goals.

PROTECTING OUR PLANET
CONSERVING WATER RESOURCES

MINIMIZING WASTEWATER WITH OUR INNOVATIVE WET MILL IN CHINA

Coffee wet mills produce wastewater that can be difficult to treat efficiently to a high standard. Yet the use of water can significantly improve the quality and output of a wet mill. Traditional water treatment processes can require large footprints, which introduces costs and inefficiency. They also often also require a significant amount of labor, which is becoming more challenging in many rural areas.

For Sucafina Yunnan, in China, the solution was to work with partners to custom-design a system based on techniques mainly used to process more extreme forms of industrial waste. This enabled us to challenge some of the base assumptions around water usage. Instead of “how do we use less water?” we focused on “how do we not discharge any water into the waterways?” and “how can we make the existing industrial process more energy efficient and environmentally friendly?”

With a local Yunnan-based company, we developed a system that is ‘zero discharge’ into waterways. ‘Zero discharge’ means we are cleaning the water to a quality that by some measurements is better than the spring water input, and which then cycles back through the wet mill in a closed production loop. The only outputs are mud from suspended solids that can be dried and used as a fuel, and some evaporated water.

The evaporation system and the 24 on-site mechanical coffee driers are heated by a high-efficiency biomass steam boiler, which has up to 60% of its energy supplied by a new-tech solar system and the dried suspended solids mixed mentioned above, combined with low-emission biomass pellets. By adding one more piece of equipment, the water can even be potable.

Including all tanks, the total footprint of the water treatment plant is less than 150sqm, with enough capacity to comfortably process 150MT of cherry per day. Fresh water must be added to replace what is lost in evaporation – about 15%. But water discharge into waterways is 0%.

The potential opportunities for a facility like this include the treatment of water for other products that may be multi-cropped in coffee growing regions out of season. It can clean input water in places where water quality is challenging and can even provide clean drinking water in regions where that is difficult. While the investment is not incidental, Sucafina had no hesitation to implement such a complex and highly innovative solution to minimize coffee waste.



‘Zero discharge’ means we are cleaning the water to a quality that by some measurements is better than the spring water input.

THE TOTAL FOOTPRINT OF THE WATER TREATMENT PLANT IS LESS THAN

150sqm

CAPACITY TO PROCESS

150mt

of cherry per day

PROTECTING OUR PLANET
CONSERVING WATER RESOURCES CONTINUED

WASTEWATER TREATMENT IN UGANDA



Grace Kirabo, EHS Coordinator, Uganda, shared her insights into wastewater risks and treatment at washing stations at Ugacof (our sister company in Uganda).

1. What kind of wastes are generated by wet processing coffee factories?

Grace Kirabo: Wet coffee processing mainly generates two kinds of wastes: cherry pulp and wastewater. Wastewater contains high levels of residues like tannins, phenolics, and alkaloids that inhibit biological degradation. If released into water bodies, large amounts of oxygen can be taken up in the process, which can slowly create anaerobic conditions and present a danger to other life forms.

2. Briefly explain the waste management process that we typically use in Uganda.

Grace: The designed wastewater treatment system comprises of: the pulp pit, settlement tank, mucilage drying bed, dosing tank/mixing tank, neutralization tank, anaerobic baffle reactor/biodigester, constructed wetland, and treated water storage tank. Wastewater passes through these sequential systems with additional chemical treatment, so that in the last tank wastewater is expected to have been treated to acceptable national discharge standards.

3. Do coffee factories pollute the environment? How?

Grace: Yes, wet coffee does pollute. The biggest problem is managing wastewater, which poses more danger to the environment than all other kinds of coffee waste if released untreated to permissible wastewater discharge standards.



4. What challenges are we facing on wastewater treatment?

Grace: The typical process for managing wastewater in East Africa is through the use of lagoons and natural evaporation. However, this does not completely eliminate the risk of water seeping into waterways or overspilling in case of heavy rainfall. That's why Ugacof has invested heavily in biodigestion. The digestion process needs careful management and has to be adjusted according to the concentration of waste, the chemical composition of the water, and the flow rate. A lot of adjustment is needed to fine tune the process, and it's still a work in progress.

One major difficulty is that there is no available expertise to treat coffee wastewater to acceptable national standards in Uganda, since wet coffee processing is still relatively new.

The volumes of wastewater are high and they overwhelm the designed system capacities. We are therefore having to invest more in order to expand our treatment capacity.

We are also having to deal with large quantities of cherry pulp waste because farmers have not yet embraced its use as a source of organic fertilizer. So, unlike other countries where farmers typically come and collect pulp waste from the washing station for use on their farms, we are having to store more waste on our sites. However, this will change rapidly once farmers learn the benefits of turning waste into organic fertilizer.

PROTECTING OUR PLANET
COMPOSTABLE COFFEE PADS AT BEYERS KOFFIE

COMPOSTABLE COFFEE PADS AT BEYERS KOFFIE



Prepackaged coffee pads (soft coffee pods) are very popular in many countries like Belgium, France, and the Netherlands, but although increasing numbers of companies have been converting their production to compostable pads, Dutch consumers were still obliged to dispose of their pads in the trash, rather than the green waste. This is because it was impossible for them to differentiate between compostable and non-compostable versions.

Beyers Koffie was an active participant in the Green Deal in the Netherlands to lobby for consumers to be able to dispose of used coffee pads made with compostable filter paper. And thanks to efforts by Beyers Koffie and others in the coffee sector, almost 97% of coffee pads in the Netherlands are now compostable. As a result, in January 2023, the Dutch government announced that coffee pads can be disposed of in organic waste containers to be processed.

About half of all coffee that Beyers Koffie produces each year for customers is packed as a pad – this is roughly 1.4 billion coffee pads annually.

Beyers Koffie therefore decided to convert its entire production of coffee pads to compostable filter paper. This polylactic acid (PLA) filter paper is made from 100% natural materials, such as corn and/or sugar cane.

To help drive this production in the right direction – especially given the expected growth of PLA coffee pads – Beyers Koffie also invested in a new pad production line at its site in Puurs-Sint-Amands, Belgium. The new production line, which made its debut in October 2022, has a capacity of 1,400 pads per minute – an annual production of roughly 330 million coffee pads.

This development is just one of the ways Beyers Koffie strives to live up to its ambition of ‘Taking Coffee Further’ by investing in technologies, processes, and initiatives that promote sustainability. Others include:

- High-tech energy-efficient roasters with heat recovery.
- Working with 100% green electricity and producing 10% of its yearly electricity usage themselves on site in Puurs-Sint-Amands using solar panels.
- The CO₂ emissions caused by the gas which is used to roast coffee and heat its buildings are entirely compensated.
- Making use of its own water purification installation.



COMPOSTABLE COFFEE PADS:

1.4bn annually

NEW PRODUCTION LINE CAPACITY:

1,400 pads per minute

ANNUAL PRODUCTION CAPACITY:

330m coffee pads

APPENDIX



Project List	48
GRI Content Index	53
KPI Summary Data	58
Sucafina Policies	61
Membership of Associations	61

APPENDIX PROJECT LIST

Country	Topic	Project Description	Impacts/Outcomes in 2022
Brazil	Water protection	A project led by Cooxupé, farmer connect, and Sucafina has been set up to protect springs and water bodies in Mata do Sino, Brazil, by encouraging producers to establish new conservation zones along waterways.	25 producers reached.
Brazil	Agroforestry	The Viveiro de Atitude project in Cerrado, Brazil, funds tree nurseries to grow native Cerrado plants and sells them at affordable prices to help regenerate and conserve the Cerrado biome. Proceeds from the nursery are donated to nonprofits in the region that work with children and the elderly.	1 tree nursery with >100 native species. Nursery capacity is 60,000 seedlings per year.
Brazil	Responsible sourcing	A 4C certification project in Brazil, with a particular focus on promoting human rights, fair working conditions, protection of biodiversity, and ensuring traceability, among others.	54 farmers in Espírito Santo (a Conilon coffee region) have been 4C certified.
Brazil	Human rights	A project to ensure compliance with Brazilian human rights and worker rights legislation and to ensure respect for the rights of workers and their families, including: ensuring appropriate health and safety conditions; building capacity; and eliminating instances of human rights and worker rights violations on participating farms.	Working with 165 farms (from IMPACT groups), 20 women and 145 men.
Burundi	Renewable energy	Project to connect farming families to electricity, improving quality of living by maximizing nighttime productivity.	31 farmer homes have been connected to solar panels; farmers' children have been able to study at night; families have an inexpensive source of renewable electricity for various household needs.
Burundi	Empowering women	The Rama Women's Group project is focused on empowering women through land ownership, coffee cultivation, and building solidarity among female coffee farmers.	Expected impacts: women gain access to land ownership and a new source of income; Kahawatu Foundation provides training in GAPs and coffee cultivation; women mentor other women in their community and beyond, passing on knowledge and strategies; Sucafina purchases entire coffee harvest at fair prices, further bolstering women's income (and, as a result, family income).
Colombia	Income diversification	Since 2018, Sucafina Colombia has been supporting Nuevo Futuro – a charity that aims to support children and young people in vulnerable situations and with reduced opportunities by providing them with training and workshops to help them improve their skills.	We contribute 15,000,000 COP each year (about US \$3,660).
Colombia	Price stabilization	We are developing a guarantee system that means coffee growers never sell coffee below the cost of production. We have piloted this with almost 100 farmers so far, helping them work out what the costs of production are (P&Ls, cost analysis registration; business administrator level work), and then designing an online platform for tracking.	The same 100 farms supported every year.
Colombia	Building capacity of young coffee growers	The Jovenes Project aims to strengthen the supply chain by focusing on young coffee growers by increasing profitability, productivity, and compliance with C.A.F.E. Practices sustainability standards, through technical assistance to guarantee access to international markets, better prices, long-term sustainability, and financial support with the acquisition of fertilizers (coverage of taxes).	We collaborated to support 187 farmers in 2022.
Colombia	Conserving water	We have been developing a strategy to reduce water consumption during the coffee milling process by implementing new technologies, and to reduce carbon emissions in farms by assessing fertilizer use.	In 2022, we worked with 5,000 farmers, involving 30 ecoline technologies and 30 eco-washers.
Colombia	Sustainable farming practices	A project to increase volume and coffee quality, mitigate the impact on the environment, and strengthen coffee-producing families through capacity building.	303 farmers received technical assistance (90 are women).

APPENDIX PROJECT LIST CONTINUED

Country	Topic	Project Description	Impacts/Outcomes in 2022
Colombia	Living income for farmers	A project to improve livelihoods of coffee farming families, increase productivity on farms, improve premiums farmers receive, and diversify income through additional crops.	Total farmer beneficiaries supported in 2022: 2,349 farmers (1,635 women).
Colombia	Responsible sourcing	Working with a roaster to provide coffee growers support, training, financing, and technical assistance for continuously improve quality, sustainability and productivity.	9,186 farmers certified to date.
Colombia	Coffee trees	Reduce carbon emissions produced by on-farm fertilization through the correct implementation of 4,088 soil analyses and fertilization plans. Reduce water consumption in the wet milling process of coffee on the farm, through the implementation of 30 Ecoline technologies and 30 eco-washer technologies with producers from the cooperatives of Manizales, Anserma and Cadefihuila.	In 2022, conducted 3,664 soil analyses, and provided 60 ecoline technologies.
Ethiopia	Training farmers in good agricultural practices	The Lalisaa project trains farmers in GAPs, rewards the production of high-quality coffee, and allows farmers to take control of their portion in the supply chain by engaging directly with roasters and buyers. Training focuses on 3 basic skills: agronomy training, quality training, harvesting and processing training.	Since 2019 we have supported a total of 664 farmers in the project, and are actively working with 151 farmers (15 are women).
Indonesia	Shade tree planting	Sucafina Indonesia collaborated with Rikolto to donate high-yielding avocado seedlings to the Koerintji Barokah Bersama farmer cooperative for the improvement of the farmers' livelihood and to mitigate deforestation in Kerinci.	1,600 avocado seedlings distributed.
Indonesia	Human rights	In Indonesia, we have been ensuring that our West Java dry mills comply with human rights policies, while also working to educate communities on basic hygiene techniques for preventing disease spread, and employing youth in the coffee sector.	
Indonesia	Community coffee nursery	A project to distribute coffee seedlings from a community nursery to farmers in West Java, where coffee farmers are facing decline in coffee production due to climate change and poor tree genetics.	Aim to distribute 48,000 coffee seedlings to farmers.
Indonesia	New coffee seedling varieties	Project aims to test viability of high yielding and nematode-resistant coffee varieties. Trial regenerative agriculture system by intercropping. Using trial findings the project guides annual government coffee seed distribution program. Around 1,600 farmers are registered under the sustainability program. Farmers are also trained on basic GAPs and certification standards.	1 farmer's farm. 2,000 new varieties of coffee seedlings planted.
Indonesia	Waste valorization	Project to create fertilizer using cherry waste from mills, farm yard manure, and trichoderma.	10 producers will benefit; currently in trial stages, will scale up to 3 more places in 2023.
Indonesia	Rejuvenating coffee farms	Sucafina Indonesia worked with BPDAS (the Indonesian government watershed and protected forest department) to distribute 2,000 certified coffee seedlings to members of our Rukun Makmur Bersama farmer cooperative for a new coffee planting area in Arjasari in West Java.	2,000 coffee seedlings distributed to 25 producers.
Kenya	Empowering and training coffee farmers	The 3-year PROMAK project, co-funded by the DEG (German Investment Corporation), with the goal of improving the productivity and marketability of coffee from 40,000 farmers in 48 cooperatives in Kenya. The project focuses on empowering coffee farmers and cooperatives, including women and youth, by providing training on farm management skills and financial literacy, implementing sustainable certification standards, and capacity building.	Contracted 42,000 farmers (10,281 women, 4,331 youth) and trained around 32,000. Identified 825 lead farmers and certified 23,182 farmers. Established 34 demo plots.
Kenya	Improving farmer income streams	A 2-year project with AgriFI aims to improve the net income stream of 18,500 smallholder farmers in Kenya by providing training in areas such as: climate-smart and regenerative agriculture and environmental management; governance and financial management of cooperatives; and gender and youth participation in the value chain.	Contracted around 18,000 farmers and trained 11,600 farmers on GAPs & COVID management. Around 1,800 farmers trained on lifestyle diseases & nutrition. Set up 23 kitchen gardens and 2 parabolic dryers.

APPENDIX PROJECT LIST CONTINUED

Country	Topic	Project Description	Impacts/Outcomes in 2022
Kenya	Farmer income resilience	A 5-year program with the IDH in Kenya aims to improve farmers' income resilience through diversification and regenerative agriculture. We are working with 5,400 smallholder farmers in 3 cooperatives, offering weather information and weather index insurance, servicing non-coffee produce, and providing training on regenerative agriculture to restore soil health and increase on-farm productivity.	Trained 4,102 producers and trained the BOM on gender topics. Weather messaging provided to farmers on quarterly basis based on agronomist observations. Constructed 1 coffee nursery (~65,000 seedlings). Distributed 14,000 macadamia seedlings and 16,200 avocado seedlings. Installed 2 vermicomposting units. Certified around 2,800 farmers on RFA.
Kenya	Empowering women and support for regenerative farming practices	A project to empower women, youth, coffee farmers and cooperatives by training them on farm management. The project also implements Rainforest Alliance certification of cooperatives and train them on business information and opportunities in the coffee sector, hence improving the productivity and marketability of their coffee: 1) Implementation of Rainforest certification to six cooperatives. 2) 16,000 farmers trained on GAPs. 3) 5000 women and youth are trained each year in separate groups on GAPs and coffee farming as a business, as well as regenerative agriculture and low carbon farming. 4) 100 women and youth lead farms have become demo plots for biogas and organic fertilizer production.	Trained 3,700 women and 1,200 youth on regenerative agriculture and GAPs. Acceleration of activities expected in 2023.
Kenya	Regenerative agriculture and reducing carbon emissions	A project to enhance coffee productivity and farmer livelihoods while reducing estimated GHG emissions. Farmers are trained on regenerative agriculture and agroforestry. The project is committed to planting 150-300,000 native trees over the 5-year period. The measures to reduce carbon emissions are: farmer training on regenerative farming practices & agroforestry systems, lime application on farms, and sale and distribution of organic fertilizer.	Identified regional agroforestry partner; certified ~16,000 farmers RFA; constructed 2 nurseries to house coffee/tree seedlings; and trained producers on regenerative agriculture. Trained 1,554 farmers on regen ag and GAPs. Identified 299 lead farmers and established 23 demo gardens.
Kenya	Farmer income resilience	A project with Sistema Bio is installing biodigesters that transform processing byproducts like pulp and animal and household waste into clean energy. The plan is to install 100 more biodigesters over the next 3 years, which will impact 16,000 farmers across Kenya. We work with 70,000 smallholder farmers in Kenya, almost all of whom have livestock.	10 biodigesters installed so far. 5 more planned for 2023.
Papua New Guinea	Farm management practices	A project to equip farmers with farm management skills & knowledge; provide training in soil health, farm structure, and regenerative agriculture; and encourage responsible farming methods.	
Papua New Guinea	Responsible sourcing	New 4C, Rainforest Alliance, and Organic supply chains added during 2022.	900 farmers Rainforest Alliance, 475 farmers C.A.F.E. Practices, 680 farmers Organic, 680 farmers 4C.
Rwanda	Income diversification and supporting farming communities	In our Farmer Hub program, we now have 22 retail hubs at CWS in Rwanda. Non-coffee crops are purchased from farmers and fairly priced basic goods are supplied to local farmers and schools.	Nearly 1,000 tons of non-coffee crops purchased from farmers. 1,500 tons of food sold at fair prices to farming communities. Meals provided to over 97,000 children at 100 schools.
Rwanda	Coffee tree rejuvenation	With the Kahawatu Foundation we are distributing shade tree and coffee tree seedlings to farmers in Rwanda. Farmers can replace old, unproductive trees, increasing coffee yields and quality and improving their incomes. The project also helps to compensate for deforestation events and has carbon reduction outcomes, through carbon sequestration by the trees. In 2021 400,000 of the seedlings and in 2022 another 400,000 seedlings were produced for a project on which we are partnering with the EU-funded Environmental Defense Fund, which also focuses on supporting farmers by providing equipment and training, and starting the process for certification.	By end of 2022, 3.2 million seedlings distributed (existing and improved varieties).

APPENDIX PROJECT LIST CONTINUED

Country	Topic	Project Description	Impacts/Outcomes in 2022
Rwanda	Valorizing waste	A project to market coffee byproduct (cascara) as source of pectin (food additive), install a processing unit to dry cherry pulp, trial different drying methods, and explore markets for 'cascara' as a food additive.	Reduces carbon emissions from coffee processing and creates value from waste, which can be redistributed as premiums to farmers over time.
Rwanda	Farmer loan facility	In Rwanda, we have set up a loan facility for farmers through our Farmer Hub program. Farmers tend to use these loans to invest in expanding their farms and to purchase inputs and tools. Farmer pays back at 0% interest.	US \$111,000 distributed to 889 farmers (10% are women) across 17 CWS.
Rwanda	Conserving water	Thanks to a grant from a client, we have been installing eco-washers and eco-pulpers that substantially reduce water usage at our coffee washing stations. The project is funding the installation of 11 eco-washers and 11 eco-pulpers.	We have received 11 eco-pulpers of which 3 eco-pulpers were installed in 2022. 6 will be installed in 2023.
Rwanda	Farmer segmentation	A project with LSE in Rwanda aims to improve traceability, our relationships with smallholder farmers in our supply chain, and sustainably improve coffee yields.	We collected data from over 14,000 farmers at our CWS, including about farmer literacy and income, landholding size, number of coffee trees, and yield. Completed the tool and are expanding to other CWS in 2023.
Rwanda	Regenerative agriculture and reducing carbon emissions	A project to enhance coffee productivity and farmer livelihoods while reducing estimated GHG emissions. The 20,000 farmers receive trainings on regenerative agriculture and agroforestry systems. The project is committed to planting 150-300,000 native trees over the 5-year period. The measures to improve carbon emissions are: farmer training on regenerative farming practices & agroforestry systems, lime application on farms, and sale and distribution of organic fertilizer.	Distribution of organic fertilizer and lime. 295 producers received >10,500 shade tree seedlings (90% Grevillea, 2% Acacia, 8% Markhamia). Identified regional agroforestry partner.
Rwanda	Gender and youth empowerment through training on GAPs and income-generating activities	Project targets ~13,700 farmers across 9 CWS. Main activities are: supporting the setup of VSLAs, planting coffee seedlings, establishing businesses (focusing on poultry and piggery), and training on gender, sexual health, food nutrition and GAPs.	Reached out to 5,488 members (43% women, 18% youth). Total of over 150 VSLAs created at 13 CWS. Members were able to save \$64,000 and had taken \$57,000 in loans (from the saved amount) with an interest rate of 5-10%. Drafted a training module on gender, income generating activities (livestock and pig distribution). Chicken project update: 300 chicken layers bought to kick start the project, Kahawatu Foundation and Rwacof facilitated with chicken house construction and land availability.
Rwanda	Soil health	Partnered with Agrocaraes on a project to improve soil health in Rwanda.	Conducted 18,000 samples in 2021, and an additional 5,000 samples were taken in 2022.
Tanzania	Responsible sourcing	In Tanzania, we've been working to support farmers in 7 cooperatives with Rainforest Alliance and C.A.F.E. Practices certifications. The cooperatives have benefited from obtaining the access to certified market and the farmgate price has been improved.	2022: 5,826 farmers (7 cooperatives for RFA, 4/7 are CP certified, 1 for Fairtrade).
Tanzania	Farmer loyalty program	A project with Technoserve to enable progressive investment & incentivize capacity building and facilitate certification within partner AMCOS. A tool was designed to score AMCOS partners against bronze, silver, and gold standards. AMCOS partnerships would be able to receive different kinds of interventions / investments depending on the level attained on the scorecard.	Pilot phase: assessed 7 AMCOS partnerships and designed & rolled out the scorecards. Baseline to understand needs across AMCOS partners (soil health, stumping needs).

APPENDIX PROJECT LIST CONTINUED

Country	Topic	Project Description	Impacts/Outcomes in 2022
Tanzania	Monitoring deforestation	Monitoring and addressing deforestation in Tanzania.	Identified hotspots, conducted surveys across hotspot areas to understand the willingness to replant trees (100% willing) and raised awareness. Continue monitoring progress/risks.
Uganda	Farmer income resilience	A 5-year project in partnership with a roaster and IDH, which aims to: increase household living income, promote low-carbon farming practices, and integrate regenerative agriculture.	No of farmers in project: 1,855 (certified: 4C, RFA, AAA). Delivered 8MT organic fertilizer Demo gardens: 16 Trees planted: 7,500 Farmers trained: 1,800 (GAPs, regen ag) Soil analysis: 1,200 farms Scale up 2 nurseries (coffee/tree)
Uganda	Empowering coffee farmers and improving productivity	A project with Farm Africa and UCDA (co-funded by the EU) to empower coffee farmers and improve coffee quality through centralized processing, and expand market opportunities for over 40,000 beneficiaries across the Rwenzori and Kigezi regions of Uganda.	8,000 farmers trained, formation of farmer groups, land-use agreements signed, set-up of 3 coffee nurseries, training of non-coffee women and youth. BDS voucher system, stakeholder engagements with district officials. UGACOF: finalized construction of 4 CWS
Uganda	Agroforestry	Project to accelerate the transition of the coffee value chain towards regenerative agricultural practices by promoting agroforestry, low-carbon farming methods & increasing living income.	Set up 2 agroforestry nurseries, trained 2,500 farmers, and planted 30,000 trees. Conducted living income and deforestation/carbon supply-chain mapping activities. Signed 2 MOUs with districts to form committees (objectives to follow-up on landscape challenges, environmental issues, how to mitigate challenges and sensitize communities).
Vietnam	Human rights	Baseline human rights assessment carried out by Save The Children and carried out a training in Lamdong (1 supply chain under 4C).	Assessment was completed and STC created action plans for Sucafina Vietnam. The first activity is TOT training for Sucafina staff focused on the tool and approach to deliver message of HR to farmers. 20 staff members joined the training, who will train farmers. Carried out 3 on-site trainings to farmers and community facilitator where ~65 farmers joined. Identified 1 case of child labor and are currently building remediation approach.

APPENDIX

GRI CONTENT INDEX – GENERAL STANDARD DISCLOSURES

General

Organizational Profile	102-1	Name of the organization	About Sucafina section (page 9)
	102-2	Activities, brands, products, and services	About Sucafina section (page 9)
	102-3	Location of headquarters	About Sucafina section (page 9)
	102-4	Location of operations	About Sucafina section (locations map, page 11)
	102-5	Ownership and legal form	About Sucafina section (page 9)
	102-6	Markets served	About Sucafina section (page 9)
	102-7	Scale of the organization	Net sales and total capitalization omitted due to confidentiality.
	102-8	Information on employees and other workers	About Sucafina section (page 9)
	102-9	Supply chain	About Sucafina section (page 9)
	102-10	Significant changes to the organization and its supply chain	About Sucafina section (History of Sucafina, page 10)
	102-11	Precautionary Principle or approach	Sucafina applies the Precautionary Approach as our business as usual, which is evident throughout this report.
	102-12	External initiatives	Sucafina works with the main verification and certification standards in the coffee industry: Fairtrade, Rainforest Alliance, Organic, 4C, NESPRESSO AAA, and C.A.F.E. Practices.
	102-13	Membership of associations	Appendix (page 61)
Strategy	102-14	Statement from senior decision-maker	A Word from the CEO (page 2)
Ethics and Integrity	102-16	Values, principles, standards, and norms of behavior	Caring for People section (page 35)
Governance	102-18	Governance structure	Sustainability Strategy & Governance section (page 7)

APPENDIX

GRI CONTENT INDEX – GENERAL STANDARD DISCLOSURES CONTINUED

General

Stakeholder Engagement	102-40	List of stakeholder groups	Sustainability Strategy & Governance section (page 7); see also Sucafina's 2021 Sustainability Report (pages 60 to 61) for further details.
	102-41	Collective bargaining agreements	In 2022, 33% of Sucafina employees were covered by collective bargaining agreements.
	102-42	Identifying and selecting stakeholders	Sustainability Strategy & Governance section (page 7)
	102-43	Approach to stakeholder engagement	Sustainability Strategy & Governance section (page 7)
	102-44	Key topics and concerns raised	Sustainability Strategy & Governance section (page 7)
Reporting Practice	102-45	Entities included in the consolidated financial statements	Omitted due to confidentiality.
	102-46	Defining report content and topic Boundaries	About This Report section (page 1)
	102-47	List of material topics	Sustainability Strategy & Governance section (page 7)
	102-48	Restatements of information	Significant Changes section (page 10)
	102-49	Changes in reporting	Sustainability Strategy & Governance section (page 7)
	102-50	Reporting period	January to December 2022
	102-51	Date of most recent report	2021
	102-52	Reporting cycle	About This Report section (page 1)
	102-53	Contact point for questions regarding the report	Justin Archer, Head of Sustainability, jar@sucafina.com
	102-54	Claims of reporting in accordance with the GRI Standards	About This Report section (page 1)
	102-55	GRI Content Index	Pages 53 to 57
	102-56	External assurance	About This Report section (page 1)

APPENDIX

GRI CONTENT INDEX – TOPIC SPECIFIC DISCLOSURES

Sustainability Strategy Pillars	Material Topics	Main Goals	GRI	Disclosure/Action	2022
1. CARING FOR PEOPLE	Human rights	Abolition of child labor	GRI 408	Operations and suppliers at significant risk for incidents of child labor	<p>Child labor is a major risk in the coffee sector. Our risk analysis ranks it among our top priorities (cf. Materiality Matrix). A country risk analysis will allow us to target our action priorities and the countries where our due diligence approach will be deployed as a priority (cf. Sucafina Due Diligence // Community Facilitator approach).</p> <p>Human Rights Due Diligence implementation: One child labor case has been identified in Vietnam (in a farm in Lam Dong province) in October 2022 during the on-site of the project pilot. A remediation plan has been monitored by The Centre for Child Rights and Business, Sucafina Vietnam to cover stipend, education cost for the child until they reach the legal working age.</p> <p>Further training to confirm the plantation owner’s understanding of child labor prevention and remediation, as well as how to handle employment of young workers (from 15 to 18 years old) has been provided by trained community facilitator (cf. Sucafina Due Diligence // Community Facilitator approach).</p>
		Elimination of all forms of forced or compulsory labor	GRI 409	Operations and suppliers at significant risk for incidents of forced or compulsory labor	<p>Forced labor is a major risk in the coffee sector. Our risk analysis ranks it among our top priorities (cf. Materiality Matrix). A country risk analysis will allow us to target our action priorities and the countries where our due diligence approach will be deployed as a priority (cf. Sucafina Due Diligence // Community Facilitator approach).</p> <p>No case of Forced Labor has been reported in 2022.</p> <p>Our global risk assessment identifies forced labor as a priority action at the group level (cf. Materiality Matrix)</p>
		Human rights reviews and assessments	GRI 412	412-1 Operations that have been subject to human rights reviews or impact assessments	<p>Our human rights due diligence approach has been piloted in 3 countries in 2022: Brazil, Uganda, and Vietnam.</p> <p>Based on our Sustainability Risk Mapping – (2021 Sustainability Report – page 59).</p> <p>Human rights risks that have been prioritized to be addressed in this project: child labor, forced labor, health and safety, and gender-based violence.</p> <p>The risk assessment will be updated in 2023, based on secondary data and a review of the significance of each material topics and local actual or potential impact of Sucafina’s activity on the economy, environment and people, including human rights, with each of the origin teams.</p> <p>Phase II of our due diligence implementation will include expansion of our human rights impact assessments and grievance mechanisms in other regions of the pilot countries as well as in other countries, based on 2023 risk assessments and prioritization.</p>

APPENDIX

GRI CONTENT INDEX – TOPIC SPECIFIC DISCLOSURES CONTINUED

Sustainability Strategy Pillars	Material Topics	Main Goals	GRI	Disclosure/Action	2022
1. CARING FOR PEOPLE continued			GRI 412	412-2 Employee training on human rights policies or procedures	As part of the implementation of our due diligence approach, The Center for Child Rights and Business carried out 3 Training of Trainers sessions in each country and trained 317 participants in Brazil, Uganda, and Vietnam between October 11 and November 22, 2022 (19 attendees from Sucafina). 820 employees (permanent + casual) trained on Sucafina Code of Conduct and Human Rights policies.
	Environment, Health & Safety	Management systems, training, and reporting on EHS compliance	GRI 307	Non-compliance with environmental laws and regulations	No EHS fines or non-monetary sanctions for non-compliance have been reported in 2022. Legal register per country. Licenses and permits we need to have.
		Occupational health and safety	GRI 403	403-1 Occupational health and safety management system	Ensure 100% of origins have a clear EHS governance structure and complete an annual internal audit. KPIs: <ul style="list-style-type: none"> Percentage of origins with quarterly ESMS Committees: 69% in 2021, 79% in 2022; Percentage of origins covered by audit: 46% in 2021, 79% in 2022; Annual audit score by origin: 65% in 2021, 72% in 2022; Continuously invest in training and safe practices for all staff and operations – Percentage of staff trained in each origin: 81% in 2021, 49% in 2022; Number of operations with 100% incident tracking: 100% in 2021 and 2022. Related documentation: ESMS Manual and procedures, Environmental and Social Performance Annual Monitoring Report 2021, IFC performance.
			GRI 403	403-2 Hazard identification, risk assessment, and incident investigation	Related documentation: Material Matrix (updated 2022); ESMS Manual (updated in 2021); Hazards & Risk assessment procedure; Incident investigation guidelines; Incident reports; Whistleblowing and grievance mechanism (published 2021).
			GRI 403	403-4 Worker participation, consultation, and communication on occupational health and safety	ESMS committees – page 34 Related documentation: ESMS Manual (updated in 2021)
			GRI 403	403-5 Worker training on occupational health and safety	265 training sessions on ‘safety at work’ have been conducted in 2022 in 12 origins, including 497 employees (53%).
			GRI 405	405-1 Diversity of governance bodies and employees	Percentage of women by type of job: Board: 12.5% C-Suite: 14.3% Senior Manager: 21.3% Company wide: 36,8%

APPENDIX

GRI CONTENT INDEX – TOPIC SPECIFIC DISCLOSURES CONTINUED

Sustainability Strategy Pillars	Material Topics	Main Goals	GRI	Disclosure/Action	2022
3. PROTECTING OUR PLANET	Energy consumption	Investments to reduce our energy consumption	GRI 302	302-1 Energy consumption within the organization	<ul style="list-style-type: none"> • Purchased electricity: 6,291,099 kWh [-2,6%] • Renewable energy: 220 808 kWh [+143%] • Fuel 6,449,420 kWh [+72%] • Total energy consumption [kWh] 12,961,323 [+26%]
	Reduction in carbon emissions	The carbon footprint of our entire global supply chain can be fully assessed by 2025	GRI 305	305-4 GHG emissions intensity	<p>In 2022, Sucafina completed its carbon footprint assessment for its coffee from farm to export – for 6 more countries (10 origins in total) with the support of the same external consultant: Burundi; Indonesia; Papua New Guinea; Rwanda; Tanzania; and Vietnam. For each country, we carry out two analyses: one for Robusta and one for Arabica. Our results have been reviewed to include the carbon sequestration.</p> <p>Identifying interventions per country:</p> <ul style="list-style-type: none"> • Vietnam Robusta: optimize fertilizer • Uganda Arabica: increase yields, reduce emissions from wastewater and pulp application • Across supply chains: reforestation & agroforestry (forest and/or fruit trees).
	Wastewater management	All our washing stations meet international standards for wastewater management	GRI 303	303-1 Interactions with water as a shared resource	Quantity of water/kg of cherry: 3,72 in 2021; 3,23 in 2022.
		Our CWS meet IFC standards on wastewater management	GRI 303	303-2 Management of water discharge-related impacts	Water discharge (as reportable to regulators) Wastewater analyses conducted: 62 Non-compliant: 18
			GRI 303	303-5 Water consumption	Total water consumption: 159,644 m ³ Estimate of water recycled or reused by others: 10,930 m ³ [7%]
	Waste management		GRI 303	306-2 Waste by type and disposal method	<p>Cherry pulp 25,466,116 kg Husk 11,964,532 kg</p> <p>Quantity of coffee waste recycled:</p> <ul style="list-style-type: none"> • Cherry pulp: 74% • Husk: 87% <p>Quantity of other waste: 52,081 kg, of which 56% is biodegradable or recyclable.</p>

APPENDIX KPI SUMMARY DATA

● ACHIEVED ● ON TRACK ● BEHIND SCHEDULE

INVESTING IN FARMERS

Main Goals	Actions	KPIs	Results	
			2021	2022
BUILD CAPACITY TO IMPROVE FARMERS' PROSPERITY	Source at least 1m bags of coffee annually under a price stabilization scheme by 2025	Number of bags of green coffee sourced under price guarantee mechanism	421,516	159,484
	Establish a dedicated annual fund of US \$30m by 2023 to improve farmers' access to credit	Total amount of credit made available to smallholders each year (in USD)	5,761,587	6,659,885
	Continuously improve farmers' living income	Number of origins demonstrating progress on the Living Income Index	no data	no data
	Promote gender equity in the production and commercialization of coffee	Gender Equity Index score in our supply chains	no data	no data
INCREASE TRACEABILITY IN OUR SUPPLY CHAINS	Double our 'direct to farmer' network to 350,000 growers by 2025	Number of farmers receiving support from Sucafina (certification and/or training)	195,238	183,907
		Percentage of women farmers receiving support from Sucafina	26%	28%
		Percentage of certified coffee sales	22%	26%
INCREASE OUR PROPORTION OF RESPONSIBLY SOURCED COFFEE BY TRAINING FARMERS	Increase the proportion of Sucafina's certified coffee sales to 50% by 2030	Number of farmers directly certified by Sucafina	126,447	149,987
		Percentage of women farmers certified by Sucafina	25%	26%
		Percentage of coffee coming from direct supply chains that qualify as regenerative	—	16%
	Increase the amount of coffee produced under regenerative agricultural standards by training farmers	Estimated number of farmers trained on regenerative practices	5,000	41,448
		Percentage of women trained (out of the farmers trained)	34%	27%

APPENDIX
KPI SUMMARY DATA CONTINUED

● **ACHIEVED** ● **ON TRACK** ● **BEHIND SCHEDULE**

CARING FOR PEOPLE

Main Goals	Actions	KPIs	Results	
			2021	2022
ENHANCE EMPLOYEE HEALTH & SAFETY, WELLBEING, AND CAREER DEVELOPMENT	Ensure 100% of origins have a clear EHS governance structure and complete an annual internal audit	Percentage of origins with quarterly ESMS Committees	69%	79%
		Percentage of origins covered by audit	46%	79%
		Annual audit score by origin	65%	72%
	Continuously invest in training and safe practices for all staff and operations	Percentage of staff trained in each origin	81%	53%
		Number of operations with 100% incident tracking	100%	100%
	Increase employee satisfaction	Annual measure of employee satisfaction	no data	80.4%
		Continuously nurture talent	List of talent programs in the group (Spark Program, Talent Club)	2
	Number of participants in talent programs		25	56
	Percentage of women in talent programs		36%	38%
	Number and list of nationalities in talent programs		21	24
	Total number of training hours attended each year		10,194	12,771
	Foster internal mobility as a way to expand and share knowledge		Number of mobility program placements offered each year	16
Percentage of mobility placements offered to women		31%	50%	
Number and list of nationalities in mobility programs		10	14	
RESPECT AND PROMOTE HUMAN RIGHTS	Ensure 100% of origins carry out biennial human rights risk assessments	Number of countries locally assessed	0	3
	Implement and act upon a human rights mitigation plan	Percentage of identified risks covered by mitigation action plan	50%	100%
	Ensure 100% of our facilities are covered by our grievance mechanism	Number of grievances received	3	1
Percentage of grievances addressed		100%	100%	
SUPPORT OUR COMMUNITIES	Implement projects to help develop rural communities in regions where we work	Number of social projects funded for the benefit of the community + number of people impacted	See projects list	See projects list
		Money spent on community projects	USD 3,907,376	USD 9,924,920

APPENDIX KPI SUMMARY DATA CONTINUED

● ACHIEVED ● ON TRACK ● BEHIND SCHEDULE

PROTECTING OUR PLANET

Main Goals	Actions	KPIs	Results	
			2021	2022
CONSERVE WATER RESOURCES	Reduce the amount of water needed to wash 1kg cherry to less than 3L in all our operated CWS by 2023	Percentage of Sucafina-operated washing stations with eco-friendly equipment	35%	19%
		Proportion of CWS with water treatment process	100%	100%
		Liters of water per kg cherry per coffee washing station	4	3
REDUCE CARBON EMISSIONS	Ensure zero contamination of water sources within the proximity of each CWS	Percentage of Sucafina-operated washing stations with zero water contamination events	100%	95%
	Map the farm-to-port carbon footprint of 100% of our supply chains by 2023	Number of origins with carbon monitoring	38%	71%
	Implement emissions reduction programs at 100% of origins by 2023	Number of origins that have implemented emissions reduction programs	15%	43%
PREVENT DEFORESTATION IN OUR SUPPLY CHAINS	Gather data to understand the scale of the deforestation challenge	Number of farm(er)s involved in deforestation risk mapping	47,293	161,228
	Ensure that we follow up on 100% of serious deforestation incidents	Percentage of serious deforestation incidents physically inspected, and followed up	15%	2%
	Distribute 10 million tree seedlings by 2030	Number of seedlings distributed	405,035	72,196
		Coffee seedlings distributed		10,150,257

APPENDIX

SUCAFINA POLICIES

- [Code of Conduct](#)
- [Supplier Code of Conduct](#)
- [Labor and Human Rights Procedure](#)
- [Environment and Social Management System Manual](#)
- [Environment, Health, and Safety Sustainability Policy](#)
- [Grievance Mechanism](#)

MEMBERSHIP OF ASSOCIATIONS

Sucafina is a member of the following organizations and industry bodies, amongst others:

African Fine Coffees Association

Asoexport (Colombia)

Associação Comercial de Santos (ACS)

Australian Coffee Traders Association

Brazil Specialty Coffee Association (BSCA)

British Coffee Association

Centro do Comércio de Café de Vitória (CCCV)

Centro do Comércio de Café do Estado de Minas Gerais (CCCMG)

Coffee Exporters and Processors Association of Rwanda (CEPAR)

Conselho dos Exportadores de Café do Brasil (CECAFE)

Federação dos Cafeicultores do Cerrado

Geneva Chamber of Commerce, Industry and Services (CCIG)

Global Coffee Platform

Green Coffee Association

Kenya Coffee Traders Association

KOFFIECAFE, L'Union Royale de Torréfacteurs de Café

National Coffee Association (NCA)

New Zealand Specialty Coffee Association

Specialty Coffee Association (SCA)

Specialty Coffee Association of Indonesia

Sustainable Coffee Challenge

Sustainable Coffee Platform of Indonesia

Swiss Coffee Trade Association

Swiss Trading and Shipping Association

Tanzania Coffee Association

Uganda Coffee Development Authority (UCDA)

Vietnam Coffee and Cocoa Association (VICOFA)

At Sucafina, our purpose is to

CREATE OPPORTUNITIES FOR PEOPLE TO IMPROVE LIVES.

Visit our Group website to discover more about sustainability at Sucafina, including our previous annual sustainability reports and more details about IMPACT, our responsible sourcing program: www.group.sucafina.com/sustainability



SUCAFINA