

IMPACT

FAQs



SUCAFINA

1. What is IMPACT?

IMPACT is Sucafina's responsible sourcing program. At its heart, IMPACT is a sustainable standard that, like other standards, provides assurance to roasters, farmers, and buyers that the practices along Sucafina's supply chain are ethical and sustainable.

Farmers are at the heart of our business. They must be at the heart of our sustainability goals and practices. IMPACT gives Sucafina the opportunity to play a leading role in reshaping the industry and supporting coffee growers in making sustainable and profitable choices. It furthers our purpose of delivering sustainable, shared value across the supply chain.

Like other sourcing standards, IMPACT ensures compliance across a range of social, environmental, and economic standards. IMPACT doesn't stop there.

Sucafina's IMPACT program promotes demonstrable and positive change in five key areas of sustainability: 1) reducing carbon emissions; 2) reducing deforestation; 3) promoting human rights for farmers and farm workers; 4) improving living income for farmers; and 5) increasing the adoption of regenerative agriculture practices among farmers.

Sucafina's approach goes beyond sustainable sourcing. Through IMPACT and across our overall sustainability strategy, we aim to support farmer resilience and ensure a fair and decent standard of living for those growing our coffee.

2. What does IMPACT add that isn't already available from other sustainability standards and programs?

Sucafina's IMPACT program is not only built around compliance with minimum social, environmental, and economic standards but also prioritizes demonstrable, positive change in 5 key IMPACT Goals.



As a commitment to our clients and suppliers:

Sucafina will always prioritize social, environmental, and economic baseline standards in our business dealings, particularly in our direct supply chains. We feel that there's lots of room to push the needle even further.



As a commitment to the future of coffee:

We go beyond traditional responsible sourcing programs by promoting five key areas of sustainability in coffee: 1) reducing carbon emissions; 2) reducing deforestation; 3) promoting human rights for farmers and farm workers; 4) improving living incomes for farmers; and 5) increasing the adoption of regenerative agriculture practices among farmers.



As a response to the growing demand for responsibly sourced coffee:
Many major brands have pledged to be 100% responsibly sourced by 2030. We want to help roasters of all sizes achieve their sustainability and responsible sourcing goals.

3. What is the purpose of IMPACT verification?

Verification is a means of providing assurance, usually via a third-party audit, that supply chain actors – such as farmers, service providers, and traders – are adhering to social, environmental, and economic best practices.

IMPACT supply chains will be audited every three years by independent third-party auditors who will confirm that the IMPACT Scheme Rules are being properly implemented by farmers, service providers, and traders (including Sucafina). Audits will always take place during the harvest period to ensure that sustainable standards are being followed, even at the busiest times.

Long-term, IMPACT measures will foster farmer resilience, a fair and decent standard of living for those growing our coffee and environmentally sound practices, thus leading to the ongoing sustainability of the coffee industry.

4. What is the difference between IMPACT and other existing green initiatives and responsible sourcing programs?

Most existing responsible sourcing programs focus on compliance alone: they guarantee minimum standards of social, environmental, and economic sustainability – for example, ensuring that workers are fairly treated or fertilizers and other chemicals are safely handled.

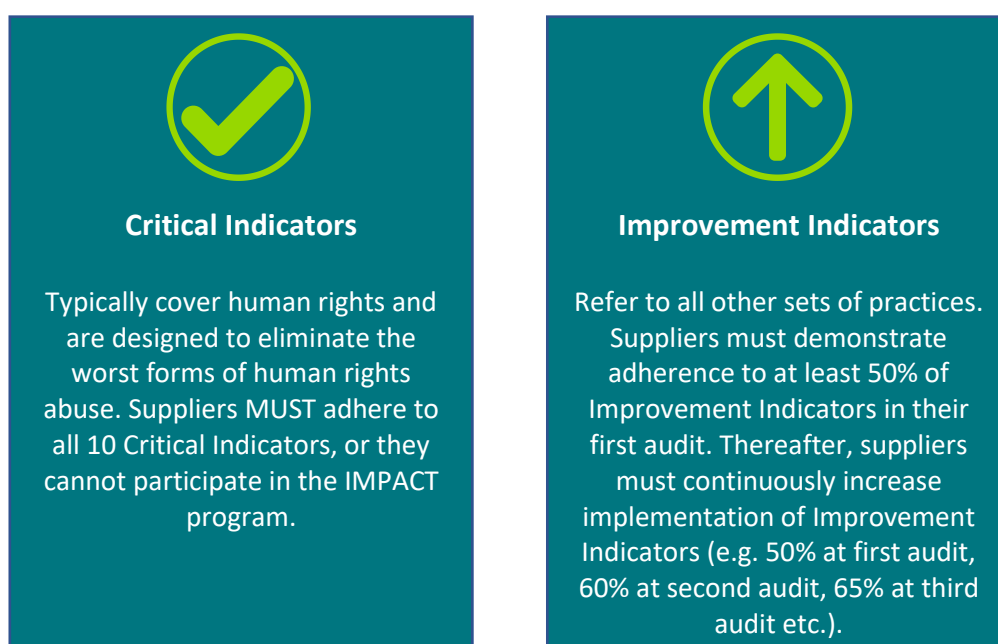
In addition to requiring compliance with sustainability standards, IMPACT is also committed to implementing measurable improvement over time across 5 key IMPACT Goals:

1. Ensuring that each supply chain has a baseline and a plan in place to reduce carbon emissions over time (which will be measured);
2. Ensuring that each supply chain has a deforestation monitoring program in place and a plan in place to reduce deforestation over time;
3. Ensuring each supply chain is assessed for human rights risks, with projects in place to protect, promote, and strengthen human rights for farmers and farm workers in measurable ways over time;
4. Ensuring that each supply chain has a living income baseline and projects in place to improve farmers' living income over time in ways that can be measured;
5. Ensuring each supply chain is driving the adoption of regenerative practices wherever possible, with an index tool to assess adoption over time.

Sucafina will simplify and digitize the implementation of IMPACT over time, reducing the cost of assurance to the roaster, thus making IMPACT more competitive and efficient when compared to other industry standards.

5. How does it work?

IMPACT is based on a sustainable sourcing standard with 10 Critical Indicators and 70 Improvement Indicators. In order to make IMPACT as credible as possible, we have modeled these indicators on the [Global Coffee Platform's Sustainability Reference Code](#), which is considered the industry standard for sustainable sourcing programs. The program also follows [the ISEAL Credibility Principles](#).



Suppliers who comply with all 10 Critical Indicators as well as the required number of Improvement Indicators will be classified as 'sustainably sourced'.

Each supply chain will then be assessed according to the IMPACT criteria (carbon emissions, deforestation, human rights, living income, and regenerative agriculture). Each supply chain must have a baseline assessment (starting point) and an improvement plan in place that will be assessed during subsequent audits. Sucafina will provide support to actors in developing and implementing these improvement plans.

With many sustainable standards, farmers can often struggle with the 'one size fits all' qualification approach. They are sometimes required to 'tick' boxes that don't apply to their local context or the immediate needs of their farm.

With IMPACT, farmers and supply chain operators, under guidance from Sucafina Sustainability Teams, have the freedom to prioritize the IMPACT Goals most crucial to their local context and need (for example: Brazil may place living income at a lower priority level than Rwanda, since income

standards are already highly legislated in Brazil. Vietnam might prioritize carbon emissions at a higher priority level than Rwanda, since Vietnam is more heavily industrialized). This approach is necessary to create the right level of engagement, appropriate prioritization, and sustained impact per region and origin.

IMPACT supply chains will be audited every three years by external third-party auditors.

Audits will take place during the harvest period to properly 'stress test' the adoption of best practices.

6. What documents or manuals do we have to support Sucafina teams and partners in the verification process?

Sucafina has created a series of manuals and guides for origins to be able to implement the IMPACT program. These will be made readily available to our supply chain partners and are also available upon request to roasters who wish to learn more about IMPACT.

7. What does it mean for other sustainable standards that Sucafina is currently running?

Many roasters are very committed to existing standards and Sucafina will continue to promote these in our supply chains. However, many existing certifications have become costly, bureaucratically heavy, and difficult to implement and sustain. As some farmers opt to drop these certifications, there is less certified coffee in supply. There need to be supplementary solutions for roasters who want to source responsibly and for farmers who share the same outlook.

The aim of IMPACT is not to displace existing standards but to serve needs in the face of overwhelming and growing demand for responsibly sourced coffee.

8. From which origins can I purchase IMPACT-verified coffee?

Origins where Sucafina has 'boots on the ground' have already begun implementing IMPACT in their supply chains. Roasters interested in forward purchases should reach out to their trader, now, to learn more.

By early 2023, we hope to offer IMPACT-verified shipments from some origins via our usual spot and shipment offer lists.

9. How do I buy IMPACT-verified coffee?

Roasters who are interested in purchasing IMPACT-verified coffee should contact their trader to learn more.

Roaster involvement means that farmers can begin to implement sustainable practices on their farms with the assurance that the effort is acknowledged and valued by their supply chain partners.

When communicating the value of IMPACT on to the end consumer, Sucafina will support our clients who invest in the program with a range of marketing materials and reports.

10. What are available expected volumes and origins?

Sucafina's goal is for all our direct supply chains to be IMPACT verified by 2025. We then plan to sign up some of our largest intermediary suppliers to IMPACT (e.g. Brazil coops) by 2030.

However, the supply of IMPACT coffee will ultimately be decided by the demand that is created by our clients and Sucafina sales teams.

11. What is the pricing structure? How much does it cost?

Pricing will be determined by the base coffee price + a sustainability premium.

Sucafina will price IMPACT as competitively as possible. Sucafina will ensure that our costs and suppliers' costs are covered, and we will add a small premium to support the ongoing investment in IMPACT Goals (reducing emissions, reducing deforestation, improving living income, etc.).

Ultimately traders and origins will have to agree on an exact pricing per origin – in much the same way as we do when offering other verified or certified coffees.

Premiums, equally, will vary depending on origin, local costs, scarcity, and other fundamentals – but always with an eye to remaining impactful and competitive.

12. Will farmers receive a premium?

Because IMPACT aims to improve 5 key areas of sustainability, and because each origin must have the freedom to prioritize those areas effectively, we think it makes sense for local supply chain managers to determine how premiums are invested.

Each origin/supply chain owner – in partnership with other local stakeholders – must decide whether premiums are best spent on projects that benefit farmers and their communities or are paid directly in the form of cash bonuses to farmers.

13. How does IMPACT fit into Sucafina's wider sustainability strategy?

IMPACT will become one of the most important tools in delivering Sucafina's long-term purpose of creating sustainable value for all stakeholders across the supply chain.

To do this, IMPACT incorporates our three sustainability pillars of: Caring for People, Investing in Farmers, and Protecting Our Planet.

14. Who does IMPACT benefit?

Farmers, who will:

- receive advice and education on best practices;
- see greater demand for their coffee from an industry that needs more responsibly sourced coffee;
- participate in projects to reduce carbon emissions and deforestation, and improve human rights, living income, and regenerative agriculture;
- be rewarded over time with better prices and incentives for acting sustainably.



Roasters, who will:

- access a greater supply of responsibly sourced coffee;
- receive real data from Sucafina about the sustainability of their supply chains and the farmers who supply them;
- have the opportunity to participate in discussions and projects with Sucafina to improve the 5 IMPACT areas of: carbon emissions, deforestation, human rights, living income, and regenerative agriculture.








Communities, who will:

- see investment for projects to improve their social and environmental conditions.



15. What are the long-term goals of IMPACT?

The long-term goal of IMPACT is to see, within Sucafina's supply chains, measurable and continuous improvement across the 5 IMPACT Goals:

Long-term <u>reduction in</u> <u>carbon emissions</u>	Long-term <u>reduction in</u> <u>deforestation</u> linked to coffee supply chains	Long-term improvement in the <u>living income</u> of farmers	Long-term improvement of <u>human rights</u> in supply chains	Long-term increase in the adoption of <u>regenerative</u> <u>agricultural</u> <u>practices</u>
				

16. Is IMPACT coffee traceable?

All IMPACT-verified coffee will be fully traceable to the farmer level.

17. Is there a link with Farmer Connect?

Currently, there is no direct link between Farmer Connect and IMPACT.

However, Farmer Connect's blockchain technology can be used to combine traceability with IMPACT's reporting metrics.

18. Can roasters and other companies become IMPACT verified too? What about third parties, such as suppliers and exporters?

Our long-term ambition is to allow third-party companies to also adopt IMPACT as a responsible sourcing program and make it a truly open source collaboration. This is something we will start working towards over the coming months.