

# SHARED VALUE FOR A BETTER FUTURE

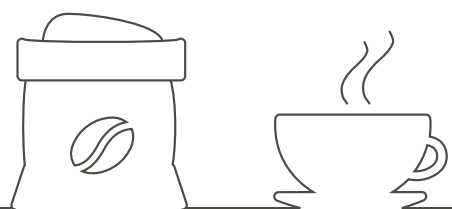
SUCAFINA SUSTAINABILITY REPORT 2020



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# A WORD FROM THE CEO



**At Sucafina, we believe that technology and innovation embedded in sustainability throughout the coffee supply chain is the blend for success.**

As I write this foreword, some of you have received your COVID-19 vaccine doses and are experiencing the first steps towards a return to normality in your lives. Others, meanwhile, are still experiencing tremendous difficulties, and our thoughts continue to be with colleagues, families, suppliers, and friends in countries like Indonesia, Vietnam, and many other places where we work.

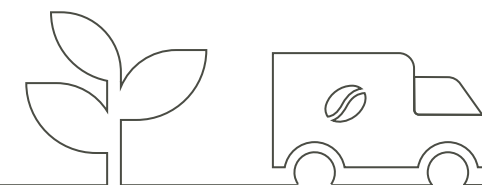
2021 feels like an appropriate time to be launching our first ever public sustainability report. Our team spent the second half of last year developing our 2030 sustainability strategy at a time when our industry is at an important crossroads. I am proud to share Sucafina's vision in this report, along with details of the numerous projects we have been working on around the world to strengthen our supply chain. Sustainability has been at the heart of what we do for many years, and with the release of this report, we are reaffirming our commitment for the future.

In 2019, 180+ CEOs and business leaders at the US Business Roundtable made a new pledge to lead their corporations in a way that benefits all stakeholders – customers, employees, suppliers, communities, and, of course, shareholders. This new 'stakeholder capitalism' presents a great opportunity for companies and people with the right mindset to thrive. The speed at which our industry is evolving is truly amazing.

Innovative companies that we work with, such as farmer connect and Komgo, are transforming the way we trade and operate. In recent months, roasters have made bold public pledges on carbon emissions and resource management that will change the way coffee is traded forever.

We are witnessing an acceleration of the de-commoditization of coffee at a greater pace and scale than ever before. The days of traditional merchandising are quickly disappearing. Only those companies with 'boots on the ground' have an opportunity to succeed. Trading alone is no longer sufficient – we must now deliver differentiated products as well as data. But most importantly, we need to better understand and internalize the true environmental and social cost of doing business in our supply chains.

At Sucafina, we believe that technology and innovation embedded in sustainability throughout the coffee supply chain is the blend for success.





Starting with the year 2020, Sucafina will be making annual disclosures on its sustainability performance using the Global Reporting Initiative (GRI) Standards. Moreover, with the recent approval of our 2030 sustainability strategy, we will be launching several long-term initiatives to address our three core pillars: Caring for People, Investing in Farmers, and Protecting our Planet.

The events of 2020 – and 2021 – are a stark reminder that companies cannot thrive without highly motivated and adaptable employees. I am grateful every day for the commitment shown by colleagues at Sucafina in helping our company to adapt and evolve during these last months. We will continue to improve our work practices and make sure that the welfare of employees and their families remains front of mind at all times. Motivation and engagement are the first steps to help employees become sustainability ambassadors with clients, farmers, and communities.

If we can learn to provide farmers with the same high standards of service that we strive to offer our roasters, then I am convinced we will achieve our vision of being the leading sustainable Farm to Roaster coffee company in the world. By 2025 we want to double the number of farmers in our direct supply chain, and this will require significant investment in personnel, advisory

services, technology, and financing. We need to find ways to divert as many resources as possible into farming systems that are sustainable and regenerative. I look forward to mapping our journey in subsequent reports.

Finally, our industry has pledged to become more resource neutral and more carbon efficient in the coming decade. The solutions rest largely at the farm level. We need to adopt new science and skills in agroforestry and soil carbon and we have to act fast to achieve important milestones within this decade. Our pledge to our clients is that we will try to be their preferred partner to help them meet – and report on – environmental objectives.

I am delighted to share this report with you, and I look forward to partnering with all our stakeholders to continue the sustainable transformation of our industry and create shared value for all.

Nicolas A. Tamari  
CEO  
Sucafina SA



# ABOUT THIS REPORT

Thank you for taking the time to read Sucafina's first annual sustainability report. This report covers Sucafina's operations from January to December 2020 and has been prepared in accordance with the Global Reporting Initiative (GRI) Standards: Core Option.

The GRI framework helps businesses, governments, and other organizations understand and communicate the impact of their operations on critical sustainability issues. The standards were designed to guide sustainability reporting for any organization, in any industry, so our performance can be compared with other organizations across the world. To follow the GRI framework there are certain disclosures we are required to make; these are listed on pages 55 to 58 ([GRI Index](#)). Additionally, we have reported on the topics most material to us and our stakeholders; you can learn more about this on [page 23](#) ['A more strategic approach to sustainability' section]. The boundaries for our material topics are disclosed throughout the report.

Sucafina is a commodity merchandising 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 management practices in relation to suppliers and its activities in producing countries are

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

We employed the services of Go Well Consulting, who helped with the editing and design of this report and advised us on compliance with the GRI reporting standards, but the report was not externally reviewed.

We hope to be able to report back more comprehensively next year on the actions implemented as part of our 2030 sustainability strategy. Please let us know if you think we've missed something, and if you're reading this and our pain points are the same as yours, we'd love to collaborate with you on a project to do better in the years ahead. Let's try to fix the challenges to our industry together – not on our own.

**Please do contact [Justin Archer, Sustainability Manager](#), by email with any questions.**





**ABOUT**

**SUCAFINA**

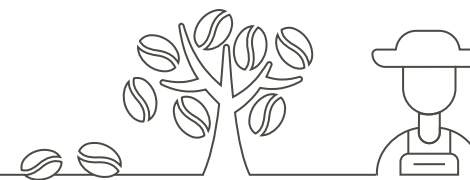
# SUMMARY



Sucafina is a leading sustainable Farm to Roaster coffee company, with a family tradition in commodities that stretches back to 1905. Sucafina Holding, headquartered in Luxembourg, is a privately owned company whose four pillars of business are:

- 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 – soluble coffee and roasting activities

Today, with more than 1,000 employees in 32 countries, the group is one of the leading coffee trading houses in the world and one of the few focused entirely on coffee. 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. 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's ownership of washing stations puts us in direct contact with over 60,000 smallholder coffee growers in Burundi, Rwanda, and Uganda, and our direct sourcing network covers an estimated 171,000 smallholders in total, many of whom receive technical support and services from our local operations.

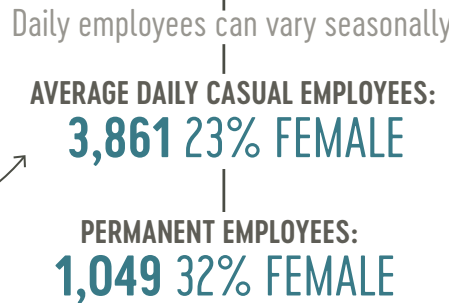
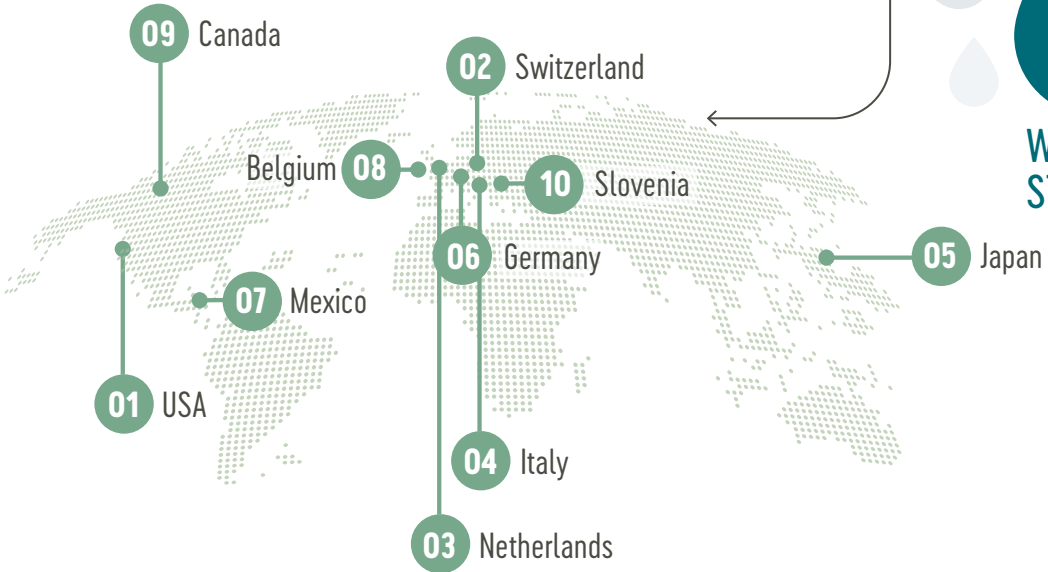
As of 2020, Sucafina is globally recognized as the premier supplier of East African coffee and has a vested interest in sustainability as it impacts the lives of hundreds of thousands of coffee growers. Sucafina also has a growing footprint in Brazil and Colombia, and an increasing presence in the Asia-Pacific region, including China, India, Indonesia, Papua New Guinea, and Vietnam.

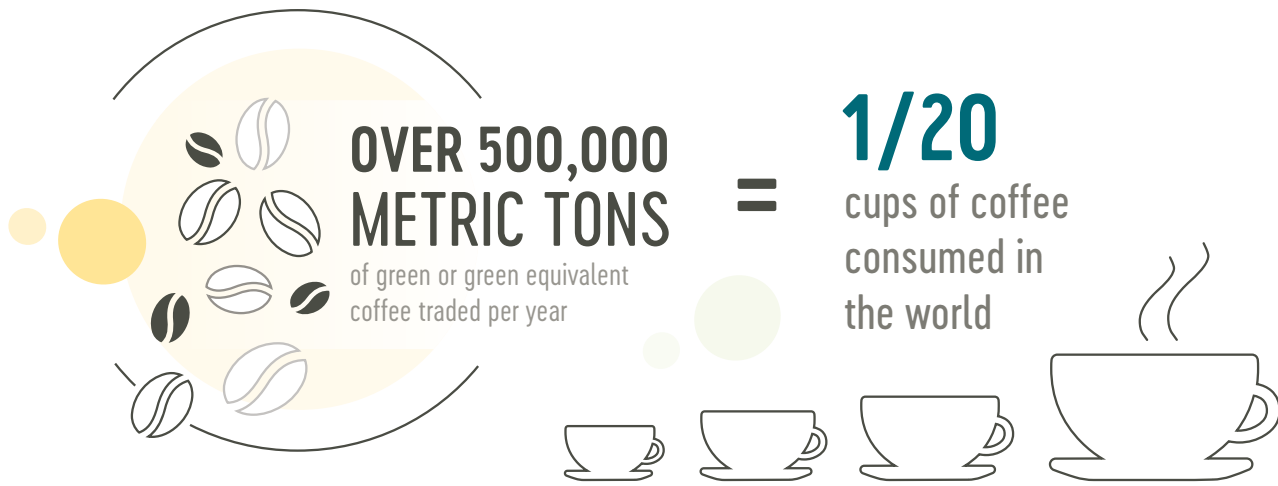


# SUCAFINA BY THE NUMBERS IN 2020



**TOP 10 COUNTRIES OF SALES BY VOLUME**



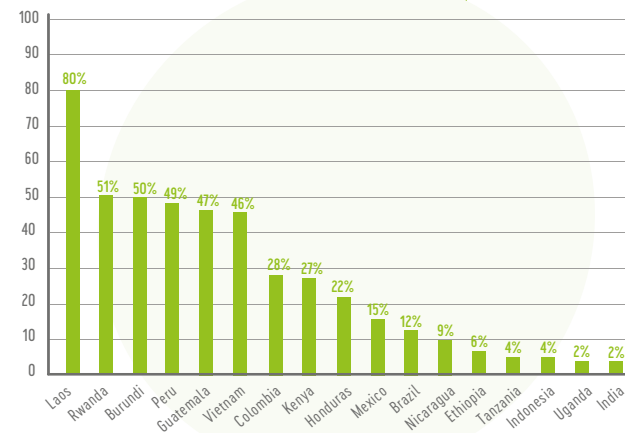
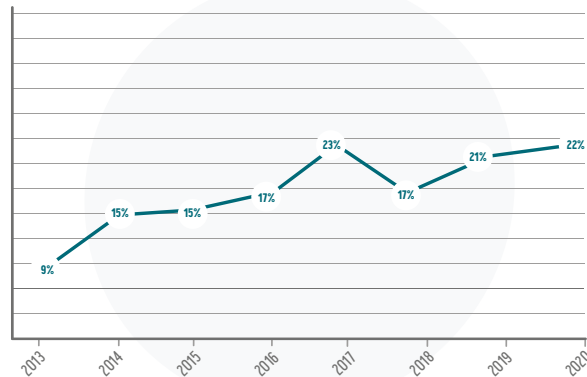


**950,000** COFFEE SEEDLINGS and 200,000 shade tree seedlings distributed to farmers



## RESPONSIBLE SOURCING

21.9% OF THE VOLUME TRADED IN 2020 WAS CERTIFIED TO ONE OF THE 7 SUSTAINABLE STANDARDS



# LOCATIONS

## EUROPE

Belgium  
France  
Germany  
Italy  
Luxembourg  
Netherlands  
Slovenia  
Switzerland  
United Kingdom

## ASIA

China  
Hong Kong  
India  
Indonesia  
Lebanon  
Russia  
South Korea  
Vietnam

## NORTH AMERICA

Canada  
USA

## OCEANIA

Australia  
New Zealand  
Papua New Guinea

## AFRICA

Burundi  
Ethiopia  
Ivory Coast  
Kenya  
Rwanda  
Tanzania  
Uganda

## SOUTH AMERICA

Brazil  
Colombia  
Ecuador

Sucafina's main trading center is in Geneva. We also operate through service centers, representative offices, and branches throughout the world. Sucafina spans the globe, trading or exporting in most coffee-producing nations.

# SIGNIFICANT CHANGES TO THE ORGANIZATION IN 2020



Launch of Sucafina Specialty



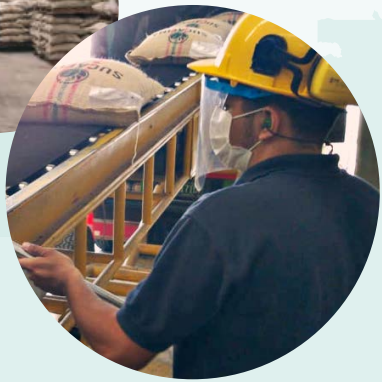
Warehouse and plant under construction in Varginha, Brazil



Opening of Sucafina Indonesia



Acquisition of plant in Neiva, Colombia

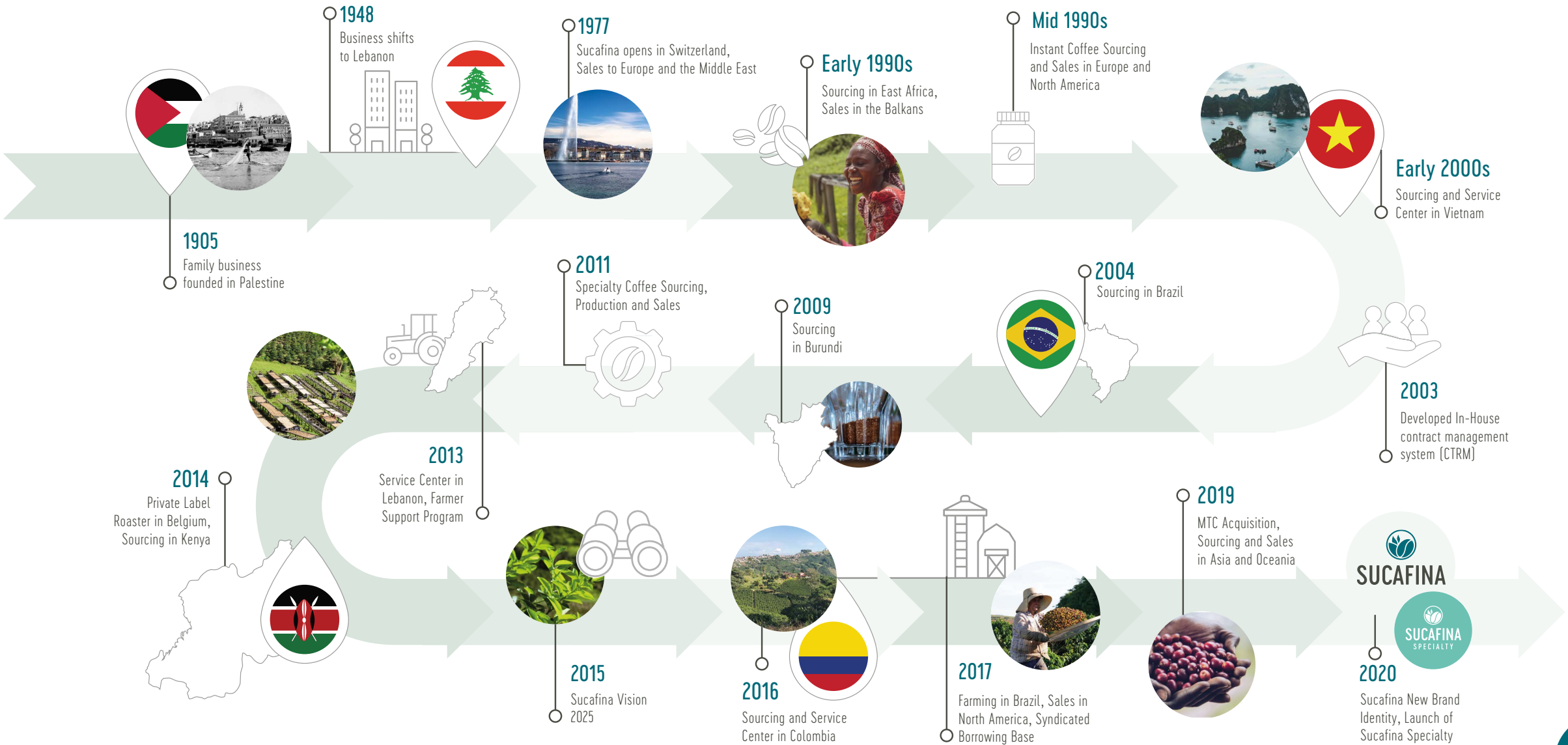


Opening of Sucafina Yunnan



Opening of Sucafina NZ Ltd.

# HISTORY OF SUCAFINA



# OUR VISION, PURPOSE, AND VALUES

At Sucafina, we are proud to be one of the leaders in the coffee industry. We have:



A clear vision:

**Be the leading sustainable Farm to  
Roaster coffee company in the world**





A well-defined purpose:

Play a leading role in reshaping  
our industry by creating sustainable  
value for all stakeholders



## And a values-driven global team:







# SUSTAINABILITY

# AT SUCAFINA

## THE ROAD TO 2030

# OUR SUSTAINABILITY STORY SO FAR

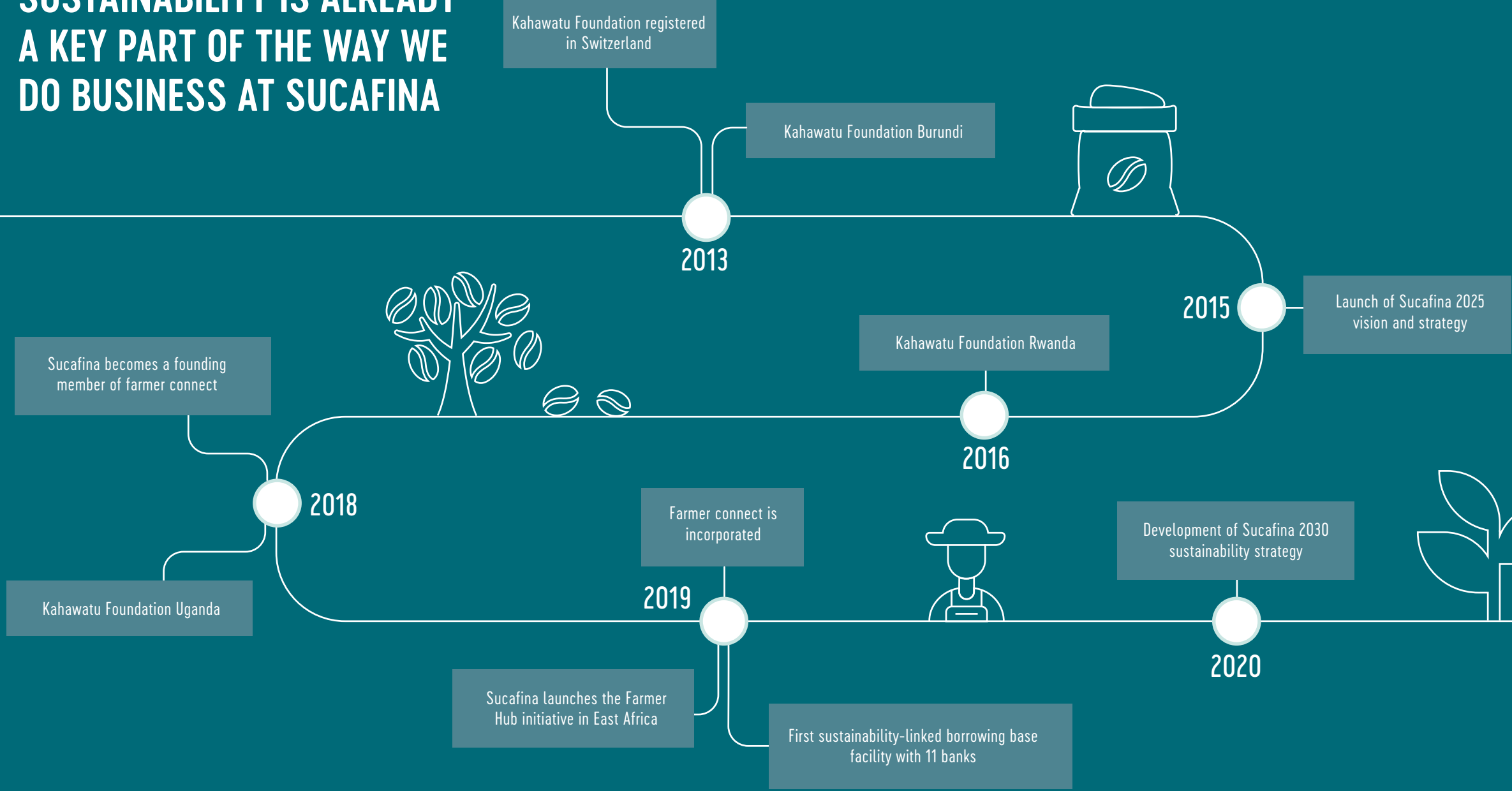


In the last few years, Sucafina has made big strides in sustainability, but we wanted to do more. I was absolutely convinced that Sucafina needed a sustainability strategy tailored to the needs of all our key stakeholders, a strategy that could guide our investments and be embedded into every part of our business and the work of every employee

*- Nicolas A. Tamari, CEO of Sucafina SA*



# SUSTAINABILITY IS ALREADY A KEY PART OF THE WAY WE DO BUSINESS AT SUCAFINA





## FARMER HUB

Sucafina launched the Farmer Hub innovation platform in East Africa in 2019 to create value for farmers beyond coffee. So far, Sucafina's origin businesses have deployed several new business initiatives aimed at supporting farmers, such as providing access to banking services through our washing stations and establishing a rural retail network where farmers can purchase basic goods at discounted prices.

- 12,000 coffee farmers in Rwanda now have bank accounts for the first time and can transact via our agency bank network.
- We have opened 40 retail hubs at our washing stations, providing essential goods at discounted prices to farming communities served by our washing stations.
- We are committed to expanding Farmer Hub in Africa and then to origins in Asia by 2025.



## FARMER CONNECT

Sucafina is a founding member of farmer connect, an agritech software company that uses blockchain technology to connect farmers digitally to the agricultural supply chain, increasing transparency, traceability, and sustainability. Farmer connect's functionality includes tools that validate and securely store producers' transaction data and credentials, and that allow consumers to trace the origins of a product and donate directly to the producers and people in their communities.



## KAHAWATU FOUNDATION

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.

- The foundation channels around US\$1 million a year into farmer training activities.
- More than 87,000 farmers in East Africa (48% of them female) are supported.

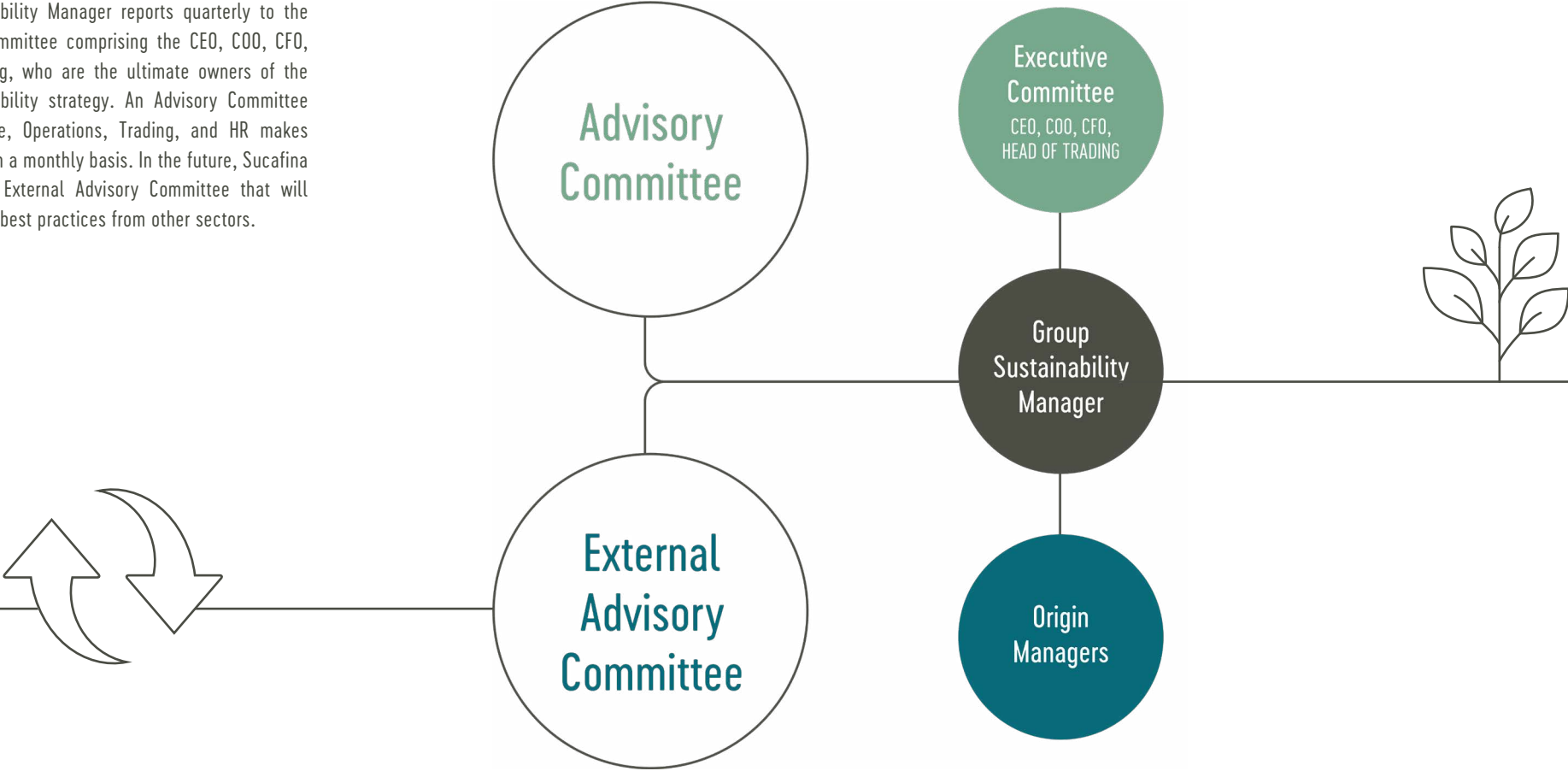
Three main focuses of activity:

- Providing technical advice to farmers to improve their livelihoods
- Empowering women in farming households
- Improving access to rural services, such as health and schooling



# SUSTAINABILITY GOVERNANCE

Sucafina's Sustainability Manager 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. An Advisory Committee drawn from Finance, Operations, Trading, and HR makes recommendations on a monthly basis. In the future, Sucafina intends to add an External Advisory Committee that will deliver insights and best practices from other sectors.



# UN SUSTAINABILITY DEVELOPMENT GOALS

The 17 United Nations Sustainable Development Goals (SDGs) were ratified by all UN Member States in 2015 and provide a blueprint for global sustainable development. Sucafina supports the objectives of the SDGs and we are already directly contributing to 14 of the 17 SDGs through all of our sustainability actions and initiatives.

The infographic displays the 17 UN Sustainable Development Goals (SDGs) arranged in a grid around a central logo. The central logo features the United Nations emblem and the text "SUSTAINABLE DEVELOPMENT GOALS".

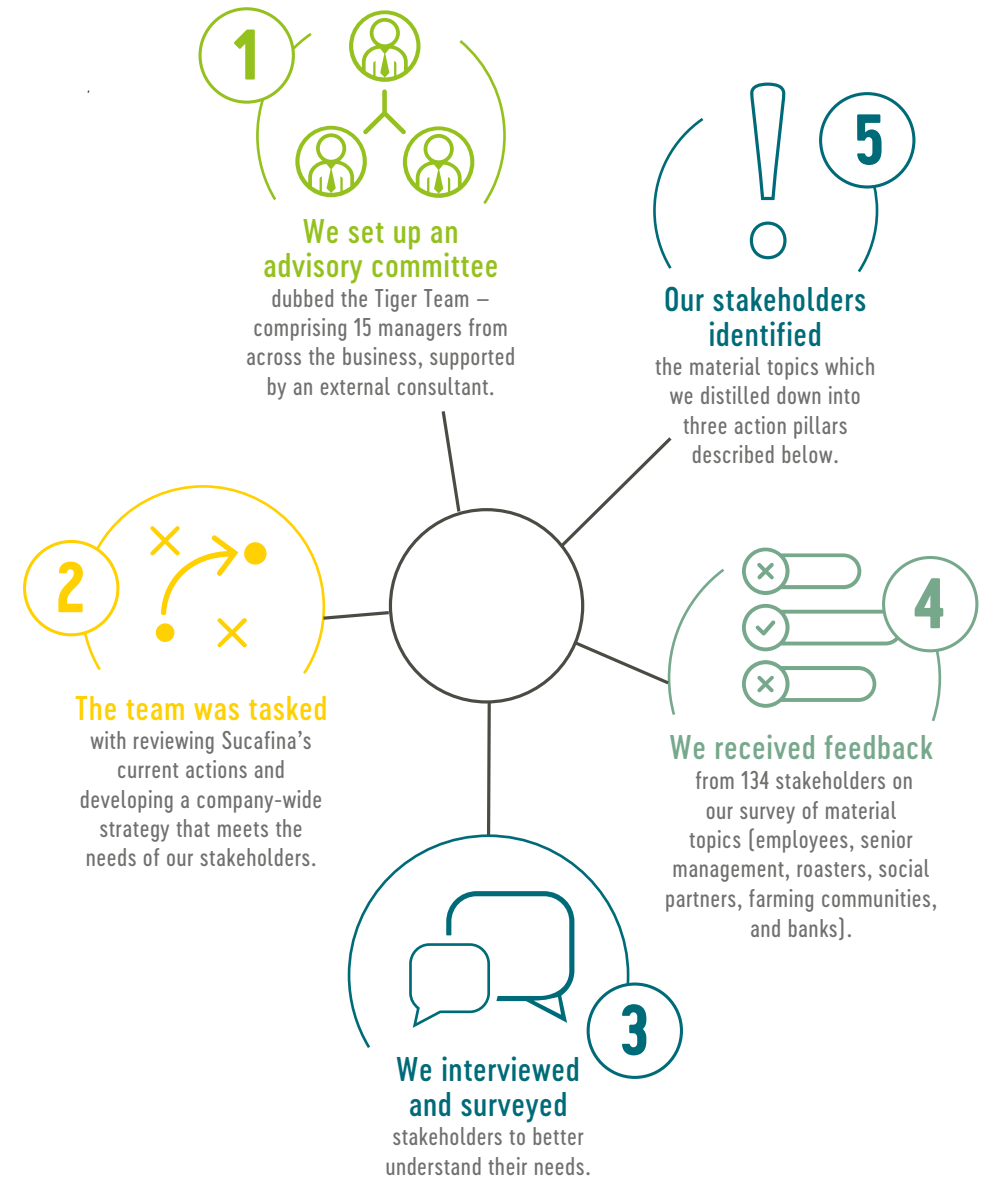
<b>2</b> ZERO HUNGER 	<b>4</b> QUALITY EDUCATION 	<b>5</b> GENDER EQUALITY 	<b>6</b> CLEAN WATER AND SANITATION 	<b>7</b> AFFORDABLE AND CLEAN ENERGY 	<b>8</b> DECENT WORK AND ECONOMIC GROWTH 
<b>1</b> NO POVERTY 	<b>SUSTAINABLE DEVELOPMENT GOALS</b>			<b>9</b> INDUSTRY, INNOVATION AND INFRASTRUCTURE 	
<b>17</b> PARTNERSHIPS FOR THE GOALS 	<b>15</b> LIFE ON LAND 	<b>13</b> CLIMATE ACTION 	<b>12</b> RESPONSIBLE CONSUMPTION AND PRODUCTION 	<b>11</b> SUSTAINABLE CITIES AND COMMUNITIES 	<b>10</b> REDUCED INEQUALITIES 

# A MORE STRATEGIC APPROACH TO SUSTAINABILITY



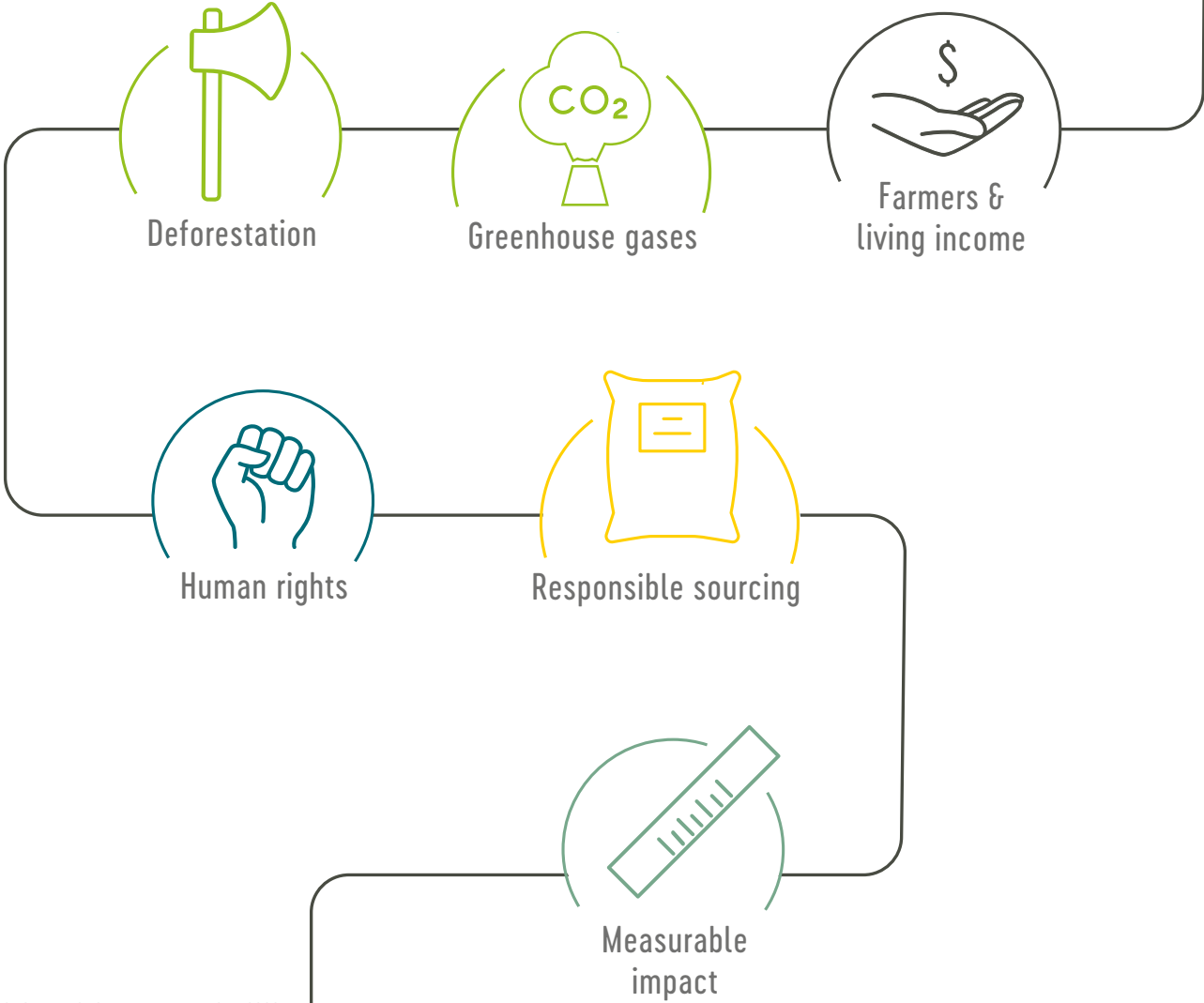
When it came to building an integrated strategy for sustainability that would take us to 2030 and beyond, seeking feedback from our many stakeholders was essential. Our value chain is long and complex, comprising farmers, intermediaries, exporters, traders, roasters, importers, banks, and NGOs.

As we are at the center of many relationships, we have to balance the interests of several stakeholders in our corporate social responsibility agenda. To guide our new strategy we, therefore, incorporated two key questions into our meetings with stakeholders: 1) “How can Sucafina help you meet your sustainability goals?” and 2) “How can you help us succeed?”. This open exchange allowed us to narrow down the topics and actions that mattered most to our clients, suppliers, and service providers. There was a surprising amount of overlap between stakeholders, which validated our approach.



A full list of the topics raised by all of our key stakeholder groups can be found on page 53.

# MATERIAL TOPICS







“I want to be proud working for a company who cares and who does good by doing right.”

“Sustainability is important to me and I would like to work for an employer that shares the same values and mindset.”

“The world is changing very quickly. Sustainability is about understanding that and making informed decisions. This will define the future of business in this century.”

“We are moving from shareholder capitalism to stakeholder capitalism.”



# OUR 2030 SUSTAINABILITY STRATEGY

Based on the material issues identified by our stakeholders, three major pillars will support our actions, as part of our 2030 sustainability strategy:



**CARING FOR PEOPLE**



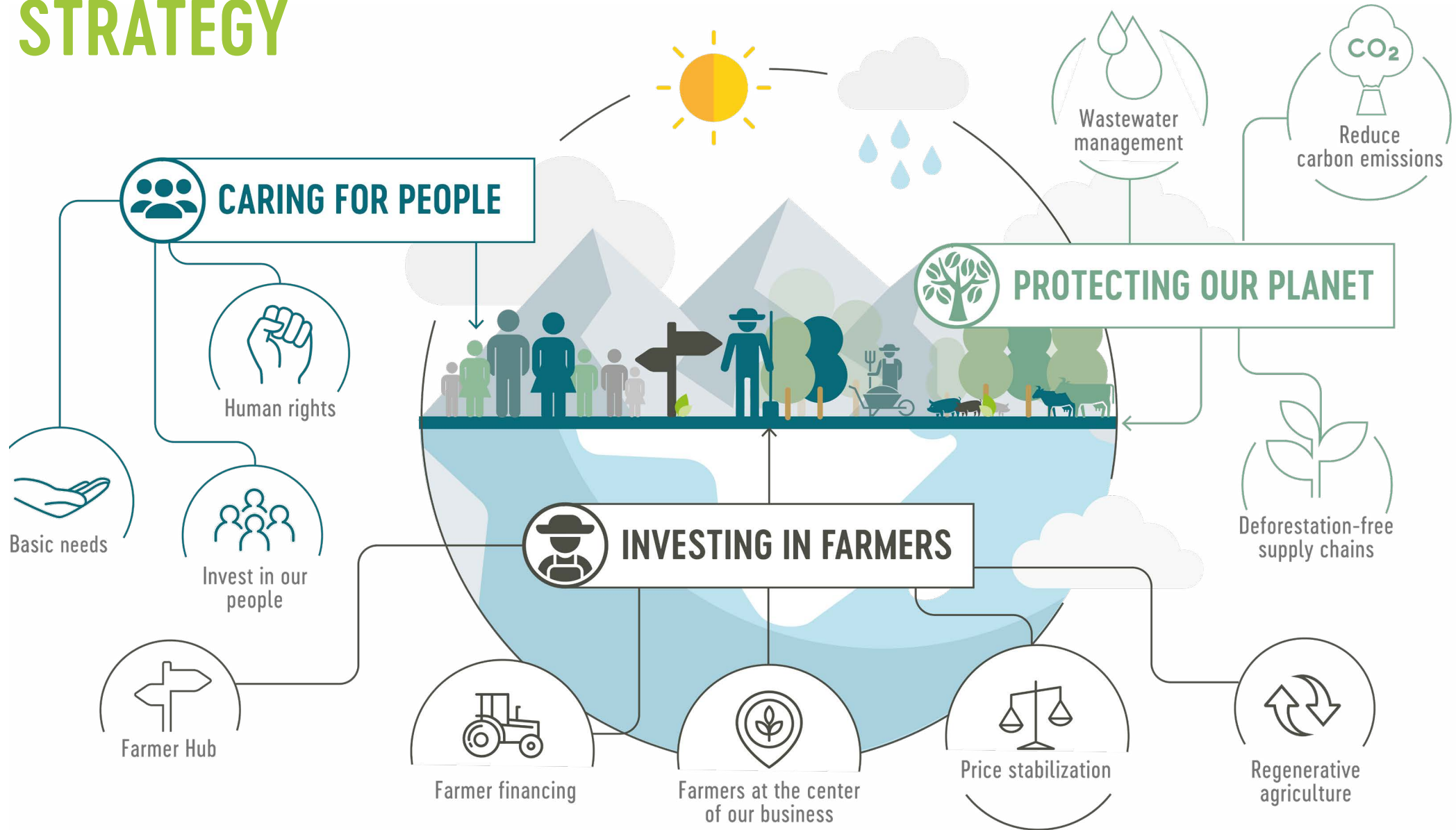
**INVESTING IN FARMERS**



**PROTECTING OUR PLANET**



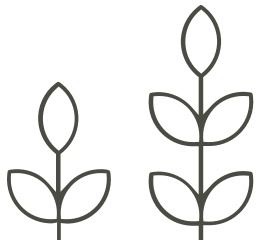
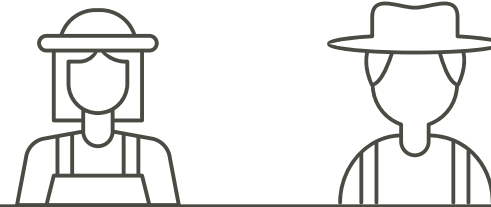
# OUR 2030 SUSTAINABILITY STRATEGY



# INVESTING IN FARMERS



# INTRODUCTION



Coffee is a product touched by many hands, but everything starts with a farmer. Of the estimated 25 million coffee producers worldwide, most are smallholder farmers whose produce passes through the hands of several intermediaries before reaching the consumer. Most coffee traders, including Sucafina, therefore cannot trace the bulk of their product back to a specific farm. This sometimes makes it difficult to address key sustainability challenges such as living incomes, human rights, and environmental practices. To act in a way that sustains the livelihoods of all farmers, we must learn to see the impact of our business decisions through their eyes and make sure we put their interests at the center of the value chain. And to start doing this, we need to increase the amount of coffee we source directly from farmers.

## DOUBLE OUR NETWORK

As of 2020, Sucafina can identify an estimated 171,000 farmers in its global supply chain. But we need to go much further. In the next decade, our goal is to invest significantly more resources in building direct relationships that will improve farmer prosperity and supply chain transparency. By 2025, our goal is to double the size of our farmer network to reach 350,000 farmers worldwide.

## FOCUS ON REGENERATIVE AGRICULTURE

We will continue to expand our technical assistance programs and focus more on regenerative farming techniques – to prioritize soil health, biodiversity, and ecological restoration.

## FARMER FINANCING AND INNOVATION

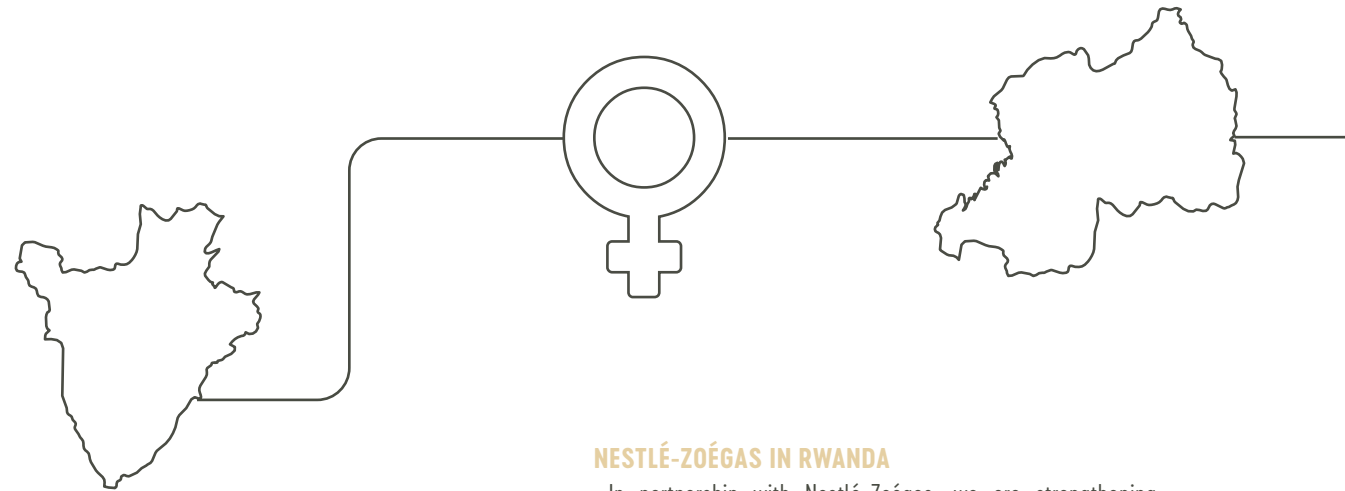
To support farmers with the necessary investment, we are setting up a dedicated fund that will give farmers access to US\$30 million in financing, with initial disbursements planned for the end of 2021. And to help farmers acquire services and access markets beyond coffee, we will continue to expand our innovative Farmer Hub program in Africa, then Asia.

## PRICES AND LIVING INCOME

Farming without price security is not sustainable. So, we also want to help farmers plan better through guaranteed prices. Sucafina's goal for 2025 is to source one million bags of green coffee per year under some form of price guarantee mechanism that rewards them for sustainable farming practices. We pledge to use our market and risk management expertise to help farmers achieve more secure prices and we welcome collaboration with industry players to make this happen.



# SUPPORTING FARMERS IN THE FIELD

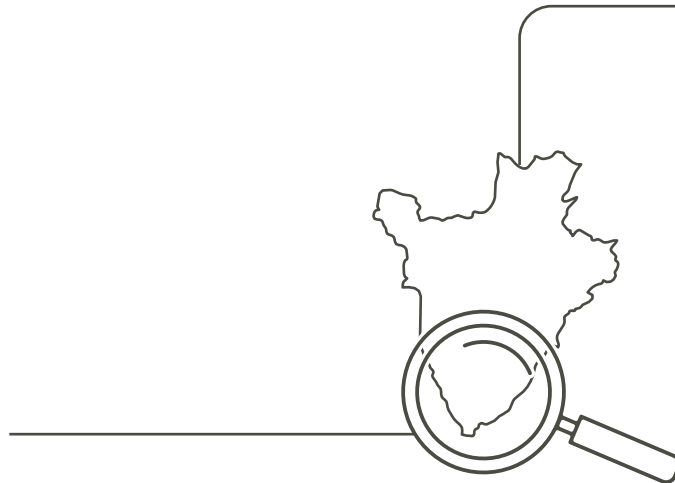
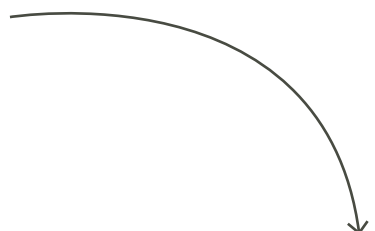
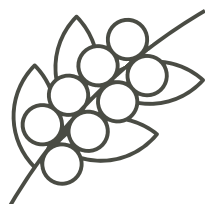


## EMPOWERING WOMEN THROUGH COFFEE IN BURUNDI

- In 2014, Sucafina Burundi and the Kahawatu Foundation asked the authorities of Ngozi, Burundi, to donate 0.6 hectares of land to the Rama Dufatanemunda women's empowerment group in Ngozi, and financed the materials for them to establish a coffee field. By 2015, the women of Rama had planted 1,530 coffee trees.
- As of 2020, Kahawatu and Sucafina have established 23 similar Rama women's associations with a total of 1,001 members. Coffee from these associations is sold as 'coffee produced by women'.

## NESTLÉ-ZOÉGAS IN RWANDA

- In partnership with Nestlé-Zoégas, we are strengthening the capacity of Rwandan coffee growers by training them in sustainable agricultural land management, resilience to climate change, adherence to certification standards, and the socio-economic inclusion of women and youth in the value chain.
- As of 2020, the project has expanded to almost 10,000 farmers of whom one-third are women. The farmers have joined one of over 300 producer organizations, each with a leadership representative from women and youth. 40% of training attendees so far have been women, exceeding our target on gender. In addition to coffee husbandry, households are taught to grow kitchen gardens and improve household sanitation.



### LAVAZZA FOUNDATION IN UGANDA

- Thanks to a generous grant from the Lavazza Foundation, in 2020 the Kahawatu Foundation and Sucafina completed a three-year project in Uganda to establish farmer organizations in Uganda's Kanungu district with a target to generate environmentally and economically sustainable employment through coffee production and sale, targeting youth and women.
- A total of 3,035 farmers were trained on financial literacy and techniques to improve coffee yield, quality, and direct access to the coffee market.



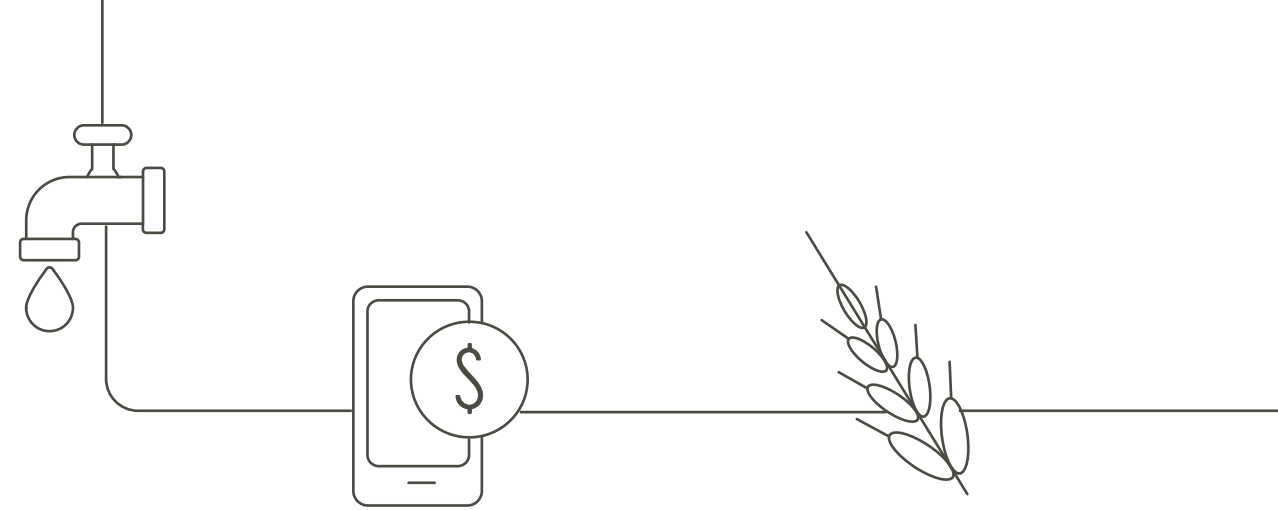
### FARM AFRICA IN UGANDA

- The Kahawatu Foundation is partnering with Farm Africa in the final year of a 3.5-year project (until July 2021) that focuses on strengthening the sustainability and access to markets of farmer groups in Western Uganda.
- €30,000 has been allocated for working capital loans to support coffee purchases over the 2021 season.
- Based on a cost-sharing arrangement, three cooperatives have received hulling machinery and mobilized funds for installation in their respective centers.
- The Kahawatu Foundation is preparing 4,500 farmers to become certified in 2021

### USAID, SUCAFINA, AND KAHAWATU FOUNDATION IN BURUNDI

- Since 2017, Sucafina and the Kahawatu Foundation have been implementing a five-year USAID-grant-funded project to transform the lives of 43,320 coffee smallholders in Burundi, of whom 12,563 are women.
- The program focuses on creating an enabling environment for coffee growers to improve the productivity and quality of coffee farming. Growers have joined one of 1,579 producer organizations and received training on good agricultural practices. 110 demo plots have been set up, 26 coffee nurseries are up and running, and over 2 million seedlings have been distributed so far.
- The project has also improved access to credit by setting up 841 Village Savings and Loans Associations (VSLA), with 22,463 members – of whom 42% are women. The project is due to end in September 2021.

# SUPPORTING FARMERS WITH TECHNOLOGY

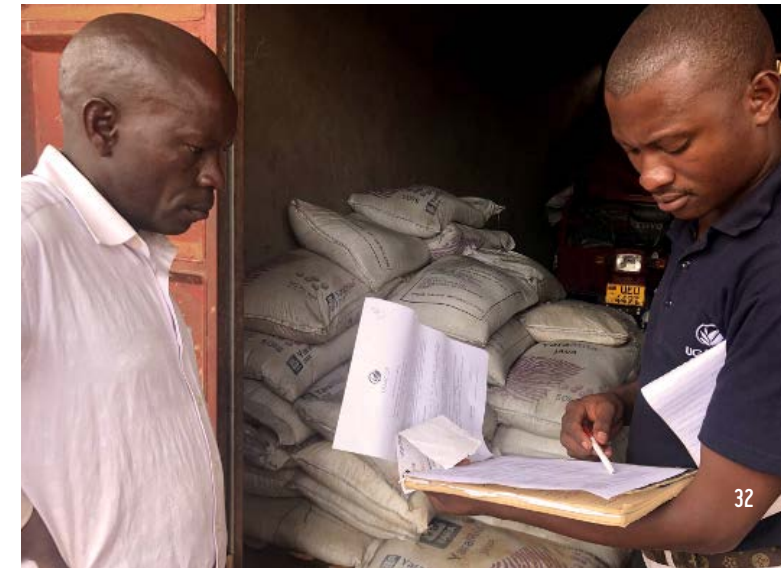


## DIGITAL BANKING FACILITIES AT WASHING STATIONS

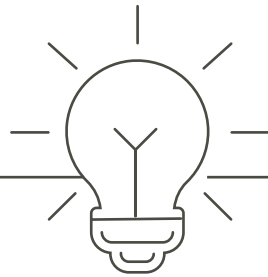
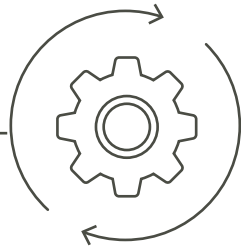
- To counter the lack of banking infrastructure in rural Rwanda and help farmers access banking services close to their farms, Sucafina set up a digital banking platform with a local commercial bank.
- Our washing stations have become agency banks, where farmers can open an account, make deposits and withdrawals, or send money to another account, with no fees.
- Washing station managers use a smartphone app to record coffee purchases made from each farmer and make electronic payments directly to the farmer's bank account. By building up a formal credit history, farmers are better placed to access loans and financial services that were previously unavailable to them.
- 12,000+ farmers have opened accounts so far, creating a more traceable coffee supply chain for Sucafina Rwanda. In 2020, over US\$130,000 worth of farmer transactions were completed using mobile money payments.

## MAIZE OFF-TAKE FOR INCOME DIVERSIFICATION

- To supplement their income, most coffee farmers also grow other crops; in Rwanda, maize is an important staple food.
- We adapted our coffee washing stations to aggregate and dry maize cobs using the existing payment and logistics infrastructure we had built for coffee.
- We even went a step further and turned the maize into maize flour, which is then sold at a fair price through our retail hubs.
- By mid-2020, we had procured 660 tons of maize from 1,000 farmers.







#### BOOSTING TRACEABILITY THROUGH INNOVATION AND DATA MANAGEMENT

- Alongside farmer connect, we partnered with Cropln, an AI and data-led agritech organization that delivers real-time farm-level data to our field teams.
- Collecting on-farm data means farmers receive more accurate recommendations to help them plan and implement improved field activities based on their individual needs.
- In Uganda, more than 50 field supervisors are using the system:
  - 20,000+ farmers have been registered, followed up, and verified for certification, and nearly 1,500 individual farmers trained.
  - 725 farm plots visited and geo-tagged.
  - 365 input loans requested.
  - 1,000+ individual coffee purchase transactions recorded so far.

#### INNOVATION AND SOLIDARITY IN COLOMBIA

- Café Seguro is a crop insurance program in Colombia developed by our in-country partner Cafexport, which uses satellite technology to measure the amount of rain per farm. Farmers receive compensation if their farm is detected to have an excess or lack of rain. This micro-insurance scheme has made payouts to farmers of more than US\$750,000 and currently covers more than 5,000 farmers.
- Cafexport worked on an Agritech Catalyst project to develop an alert system for the coffee berry borer – one of the most harmful coffee pests worldwide. The system uses climate data, remote-sensing technology, and satellite observations to alert farms when to expect a coffee berry borer surge. Currently, Cafexport manages the Caldas–Antioquia cluster, which impacts 6,800 farmers in 15 municipalities in Colombia.



# CARING FOR PEOPLE

# INTRODUCTION



Sucafina is a family business with a tradition in commodities that stretches back to 1905. The family and the group have always tried to put respect for people at the heart of their dealings, with business relationships often spanning several generations. The year 2020 was extraordinary, not only because of the devastating global impacts of the COVID-19 pandemic on workers and farmers but also the explosion in Beirut on August 4, which killed more than 200 people, wounded more than 7,000, and left 300,000 homeless around the city. Our local office in Beirut was completely destroyed, but thankfully, the lives of Sucafina employees were spared, including many who were in the building at the time. Throughout 2020, we were constantly reminded that our employees are our greatest asset. We therefore could not revise our sustainability strategy without ensuring that a strong commitment towards Caring for People is enshrined in our values and ways of working.

Our aspiration is simple: invest in the development and wellbeing of our employees, protect the human rights of farmers and supply chain workers, and support the coffee communities that surround our operations.



The human rights of farmers and supply chain workers

## EMPLOYEES

Our employees are our greatest asset and the future of our organization. We pride ourselves on being a company that hires for values and trains for skills. The past year has emphasized that without committed people and a strong sense of 'team', our global supply chain business could not function. Thanks to the dedication, leadership, resilience, and adaptability of employees around the world, the COVID-19 crisis has actually strengthened us. Our pledge as a company is to keep investing in the health and safety, wellbeing, and development of our staff every year. One of the ways we will track our progress is through an annual survey to gauge employee satisfaction, which we will be introducing in 2021.



**OUR POLICY  
FRAMEWORK FOR  
THE PROTECTION  
OF PEOPLE**

CARING FOR PEOPLE		
Our employees	The human rights of farmers and supply chain workers	Coffee communities
Environment, Health & Safety Policy		
Human Rights Policy Statement		
Environmental & Social Management System (ESMS)		
Internal code of conduct	Supplier code of conduct	
Labor & human rights policy		
Security guards policy		
Anti-sexual harassment policy		
Grievance mechanism & whistleblowing		

**FARMERS AND SUPPLY CHAIN WORKERS**

Just as important is our commitment to the human rights of all farmers and supply chain workers in our industry. Significant human rights risks exist in the coffee sector, relating mostly to child labor, migrant labor, and indentured labor. Given the global nature of the coffee industry, it is likely that many cases of human rights abuse go unnoticed. Consequently, there is a clear requirement for supply chain companies to continuously strengthen their policies and practices. At Sucafina, we are committed to using our influence in the global supply chain to advocate for continuous improvement and adoption of global human rights.

All of Sucafina’s operations are governed by the group’s Environmental and Social Management System (ESMS), which includes clear policies on Labor and Human Rights ([see appendix on page 60](#)). This includes zero tolerance towards all forms of abusive labor, including child labor and modern-day slavery. According to our last global risk assessment (self-assessment questionnaire), finalized in January 2020, child labor and forced labor were not considered

priority risks in any of the countries in which we operate. Our policies are regularly updated and we work extensively with farmers and partners to train them on international standards, wherever possible. Our core belief remains that the correct approach is to openly confront negative practices wherever they may exist and work to improve them at an industry level.

100% of Sucafina’s own operations in East Africa were internally audited and no human rights violations were reported in 2020 across the entire group. In addition, in 2020, audits were performed in 8 out of our 13 origin operations (61.5%): Brazil, Burundi, Colombia, Kenya, Rwanda, Tanzania, Uganda, and Vietnam. No human rights abuses reported. During 2020, no full audit was performed by Sucafina in the other origins in which we operate (China, India, Indonesia, Ivory Coast, and Papua New Guinea), some of which are new operations for the group. However, audits will be conducted in 2021.

Key employees in each operation are trained on the implementation of the group’s ESMS manual, which includes policies on human rights. 159 Sucafina employees (15%) completed training on human rights policies in 2020. In 2020, Sucafina measured training in terms of the number of people trained, but in 2021, we will be in a position to report hours of training too.

Sucafina is unable to audit all of its suppliers worldwide due to a lack of full traceability, and the weight of numbers. However, more than 80,000 Sucafina farmer-suppliers were externally audited as part of our evaluation.

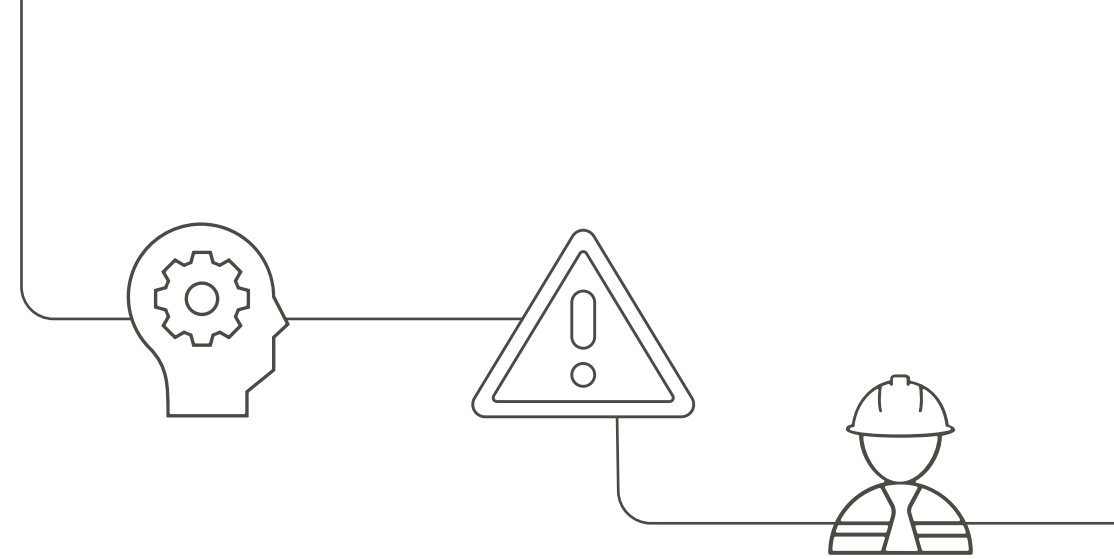
In 2021, all our Labor and Human Rights policies will be reviewed by an external advisor to reflect new lessons learned. We will also be implementing a series of internal training sessions on human rights for all levels of management and employees. Management is working to secure partnerships with civil society organizations that can help us to strengthen our practices and frameworks for detecting human rights risks at origin. Finally, as this report has already explained, we will continue to expand our direct supply chains by increasing the number of farmers from whom we source directly. This will ensure more transparency and better auditing of counterparty risk.

**COFFEE COMMUNITIES**

In many countries, especially where smallholder farmers dominate the landscape, it is impossible to separate coffee farmers from the communities they live in. For many years Sucafina has used its network to implement projects that benefit rural and urban communities. This work is often enabled by generous donations from customers and we are extremely grateful to them. Our employees have also independently organized a number of fundraisers for good causes and we are proud to share some of those stories in this report. As a company and through the Kahawatu Foundation we remain committed to philanthropy and will always do our best to help customers channel their own contributions into good causes at origin.

# CARING FOR OUR EMPLOYEES

**Our aspiration is simple: invest in the development and wellbeing of our employees, protect the human rights of farmers and supply chain workers, and support the coffee communities that surround our operations.**



## HEALTH AND SAFETY

- Our Environment, Health and Safety (EHS) Policy outlines our rigorous standards for ensuring the health and safety of all our employees. Under the leadership of the CEO and the Managing Partners, Sucafina has constituted a global Environmental Social Management System Committee to implement the International Finance Corporation (IFC) Performance Standards on Environmental and Social Sustainability. We also have local committees to act and drive positive change in the countries in which we operate.
- At present, our EHS program is most comprehensive in East Africa. However, we have plans to expand it, with the recruitment of an EHS Manager for the Asia region as a priority.
- In East Africa, our Regional EHS Manager drives the health and safety agenda within our 50 operating sites in the region and ensures compliance with global EHS standards.
- As part of our education programs for the general public, in 2020, Sucafina partnered with other stakeholders to raise awareness of EHS issues with local communities. In Uganda, a campaign highlighted the importance of a clean, healthy environment, while in Rwanda we partnered with other NGOs to conduct free hepatitis tests, with experts giving educational talks.
- We ran four online EHS training sessions in 2020, with an overall completion status of 78%. Topics included basic first aid, fire protection, hazard identification, and coronavirus prevention.
- We conducted audits at all of our origins in East Africa, focusing on identifying potential risks. The results are regularly reviewed to assess the effectiveness of the measures put in place.
- Looking ahead, we plan to:
  - Work with our suppliers to identify supply chain risks and establish mitigation measures to reduce or eliminate the risks.
  - Conduct more training sessions for staff, farmers, and suppliers on our EHS requirements.
  - Establish a comprehensive EHS database to improve reporting and identification of trends.
  - Become a zero-fatality organization through an “all-stakeholder involvement” approach.



### HEALTH INSURANCE

- 100% of Sucafina employees worldwide have social medical coverage.
- 94% of employees have additional medical insurance coverage provided by the company.

### WELFARE AND WELLBEING

- Employees' welfare and wellbeing has always been extremely important to Sucafina. However, COVID-19 has changed the world and the way we all live and work, with profound impacts on people's mental health. Since the pandemic began, Sucafina has given an even greater priority to employees' mental health and wellbeing, introducing initiatives such as:
  - Periodic online 'town hall' meetings chaired by the CEO to check on employees' wellbeing, give updates on the COVID situation and the business, and provide reassurance on job continuity.



- Provision of mental health resources for employees who need support, which they can access in complete confidence.
- Release of our "work from everywhere" policy and improvements of IT tools, systems, and internet connections to facilitate productivity while working from home.

### EMPLOYEE SATISFACTION

- One of the goals of our 2030 sustainability strategy is to maintain high levels of employee satisfaction and engagement. We are planning to implement a survey of all Sucafina employees that will be run periodically to measure levels of satisfaction and engagement.
- In 2020, employee turnover was 2.7%.

### DIVERSITY AND INCLUSION

- Sucafina embraces diversity and inclusion while providing equal opportunity at all stages regardless of race, color, nationality, religion, tribe, gender, age, marital status, citizenship, disability, or sexual orientation. We hire for values and train for skills, and we believe that a culture of diversity and inclusion is critical to the success of our business.

### TALENT DEVELOPMENT AT SUCAFINA

- Fundamental to having great staff is the investment we make in talent development. All Sucafina employees complete

annual performance reviews and coaching sessions with their line managers. This exercise aims to: assess employee performance and competencies, set objectives for the coming year, and identify training and development opportunities.

- Sucafina employees collectively took part in 10,000+ hours of training in 2020, with an average of 10.5 hours per person; 55% of employees took part in at least one session. Topics included the use of IT programs and tools (such as Microsoft Teams), sustainability, and key concepts in finance, operations, and trading.
- We believe it is important to create a working environment where everyone can aspire to growth and job mobility. 28 employees were promoted in 2020, and every year, we encourage a certain number of employees to take up temporary roles in different countries to gain exposure. For example, in 2020, our Finance Manager in Rwanda spent six months in Belgium to support the finance team and gain exposure to our roasting business, while a young member of staff moved from Colombia to Switzerland for a two-year rotation and training plan.
- Our 'Sparks' program allows selected young employees to enter a three-year Harvard mentorship and development course, preparing them for future leadership programs. Our 'Talent Club' is a two-year program initiated in East Africa to give talented staff members of all education levels opportunities to develop their technical and behavioral competencies.



# SUPPORTING OUR COMMUNITIES

## FMO EMERGENCY GRANT FACILITY FOR COVID-19

- FMO, the Dutch Development Bank, offered Sucafina an emergency grant facility of US\$85,000 to provide farming populations in five of our origins (Burundi, Kenya, Rwanda, Tanzania, and Uganda) with vital goods and services to mitigate the impacts of COVID-19.
- We supported smallholder farmers by:
  - Providing health education to farming communities about protective measures to minimize the risk of coronavirus infection. 5,000 farmers were trained and 45,000 members of the community impacted.
  - Providing personal protective equipment (PPE) to smallholders. 32,000 face masks, and 15,000 pieces of soap and 300 buckets for handwashing.
  - Distributing high-quality food crop seeds, to ensure food security. 28,000 kg of maize and bean seeds.
  - Constructing additional sanitary facilities for casual workers at our Kigali plant to enable social distancing and better hygienic conditions.

## EMPLOYEE-LED FUNDRAISING

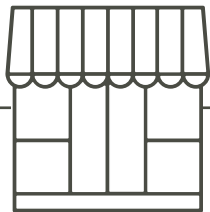
- Sucafina employees regularly organize fundraising campaigns inside the company. These are often generously supported by clients, who share our compassion. They are not named in this report but we want them to know how grateful we are for their help.

- We raised over US\$94,000 to support humanitarian efforts following the explosion in Beirut in August 2020. Contributions financed, among other things, the acquisition of an ambulance for the Red Cross (\$62,400) and support for DAFA/Masharii with its mission to rebuild homes (\$20,000).
- In 2020, we partnered with Girls Gotta Run Foundation, and our fundraising campaign (including a virtual 5k fun run) raised over US\$20,000 to support girls' education in Ethiopia. GGRF's scholarships help female scholar-athletes in Ethiopia succeed at school and beyond through a rigorous program that addresses their physical and mental wellbeing. It costs \$1,000 to support one student and her mother, so together, we raised enough money to sponsor 20 students in 2020.
- COVID-19 food relief in Rwanda. Sucafina employees in our Kigali office organized a fundraiser to supply food to the urban poor in Rwanda who were unable to work during lockdown. Many Kigali residents in the vicinity of our coffee factory rely on piece-rate work so the temporary closure of many businesses put them at severe risk of malnutrition. Our team's online fundraising campaign was matched 100% by Sucafina, raising an eventual US\$51,964 to purchase 89 tons of foodstuffs that were distributed via the city authorities, helping an estimated 18,706 city residents to receive food aid.



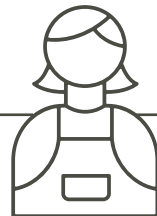
## FOSTERING LOCAL ENTREPRENEURSHIP IN COFFEE-GROWING COMMUNITIES IN BURUNDI

- As part of our Farmer Hub Akacu program in Burundi (“Akacu” means “ours” in Kirundi, the local language), we supported the set-up of small, locally run shops at coffee washing stations. These stores sell basic goods and farm inputs, which we can make available at affordable prices for the farming community by purchasing in bulk.
- Every Akacu store is owned as a franchise and operated by a local entrepreneur, who can customize their store to fit their community’s needs. Sucafina provides the brand, operational procedures, furniture, and an IT system to help with store operations, and covers the start-up costs. The stores also create employment opportunities for many other community members.
- As of 2020 Sucafina has opened 22 Akacu stores in Burundi within our 9 washing stations and 13 partner washing stations. These stores have already reduced total household expenditures for over 500,000 people (about 50,000 farming families).



## CREATING HEALTHIER SOIL AND JOBS FOR YOUTH IN KENYA

- An optimal application of fertilizer results in higher yields, better-quality coffee, and thus, higher incomes. Yet, most smallholder farmers in Kenya don’t know the quality of their soil or its available nutrients.
- At the same time, unemployment in rural communities is very high, especially among those under 35.
- As part of Farmer Hub, we launched a simple and scalable program using mobile soil scanners that connect to a mobile phone app to deliver soil reports to farmers within minutes. We train young people of working age to use the soil sampling app. They visit farmers and receive a commission for each sample taken. The goal is to eventually create full-time jobs as we expand the program to cover other crops.
- As of the end of 2020, 869 soil samples had been collected, with a goal to reach 5,000 in 2021.

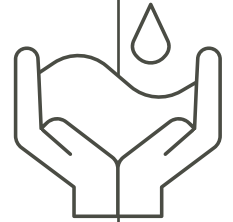


## HELPING FARMING HOUSEHOLDS TO ACHIEVE BETTER NUTRITION, FOOD SECURITY, AND SANITATION

- In 2020, Sucafina and Nestlé-Zoégas, via the Kahawatu Foundation, trained 5,000 farmers in Rwanda to set up kitchen gardens for household consumption. They also built 50 pit latrines for extremely disadvantaged households.

### ACCESS TO CLEAN WATER

- Thanks to generous donations from clients, the Kahawatu Foundation installed four community water pumps in East Africa that serve an estimated 24,000 people.







**PROTECTING**

**OUR PLANET**

# INTRODUCTION

Coffee grows in the tropical regions of our planet close to important forest and water resources. Its production frequently comes into conflict with the preservation of natural habitats. Farmers practice a wide spectrum of farming methods, from shaded forest coffee production to open plantations that intensify the use of fertilizer and irrigation. As populations continue to grow, new areas are being opened up for cultivation and existing plots are being farmed more intensively. In both cases, coffee has an important environmental footprint and its productivity depends on the health of surrounding landscapes.

From an industry perspective, 2020 was a tipping point for environmentalism. A decade ago, coffee farmers were being trained to adapt to climate change. Today, we ask coffee farmers to actively help us in the fight to mitigate the effects of climate change by protecting natural resources and introducing land-use strategies that will capture more carbon in soils and trees. Regulators are preparing the market for more stringent legislation on carbon emissions and deforestation, and major coffee roasters have made bold pledges to reduce or eliminate carbon emissions by 2030. The health and productivity of soils and the reliability of weather patterns are as critical to Sucafina as they are to farmers and consumers. Our strategy is to invest in assets close to farmers, and these assets are directly at risk when crops fail or farmers move away. Over the next decade, Sucafina's environmental objectives will focus on three main activities.

## REDUCING CARBON EMISSIONS

We pledge to be the partner of choice to help our industry reduce carbon emissions in the coffee supply chain. To this end, we've started mapping the farm-to-FOB carbon footprint of our supply chains in different countries.

## MINIMIZING WATER USAGE

Clean water is an essential input for the production of fully washed coffee in many countries. At the same time, wastewater from the fermentation process is a leading emitter of greenhouse gases and contains a high concentration of sugars and other products that are damaging to water sources and unfit for human and animal consumption. The use and treatment of water is therefore a key sustainability topic for any responsible actor.

Sucafina owns and operates 50+ washing stations, split between Burundi, Rwanda, and Uganda. In addition, we source from farms and cooperatives that engage in the wet processing of coffee. Our aim is to ensure that all washing stations in its supply chain meet environmental best practices as laid out by certification bodies or local regulations.

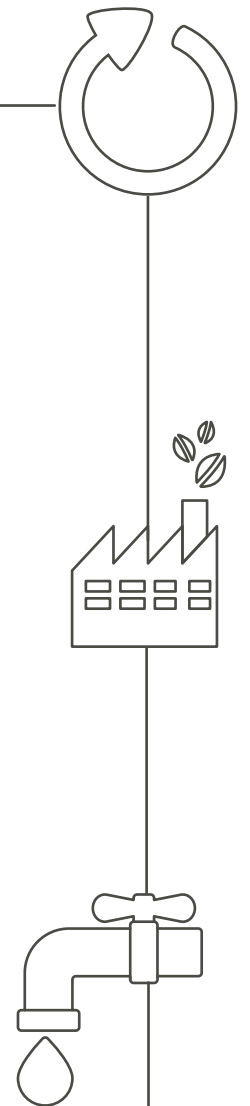
In the case of Sucafina's own coffee washing stations, all are certified to at least one international standard and regularly audited by external inspectors, meaning each facility has a license to source water from a nearby river, source or aquifer, and complies with industry standards on the treatment and

handling of wastewater. In addition, Sucafina regularly invests in ecological equipment to reduce the amount of water needed for processing. We pledge to minimize water usage by ensuring that all of our washing stations meet World Bank standards on wastewater emissions by the end of 2023.

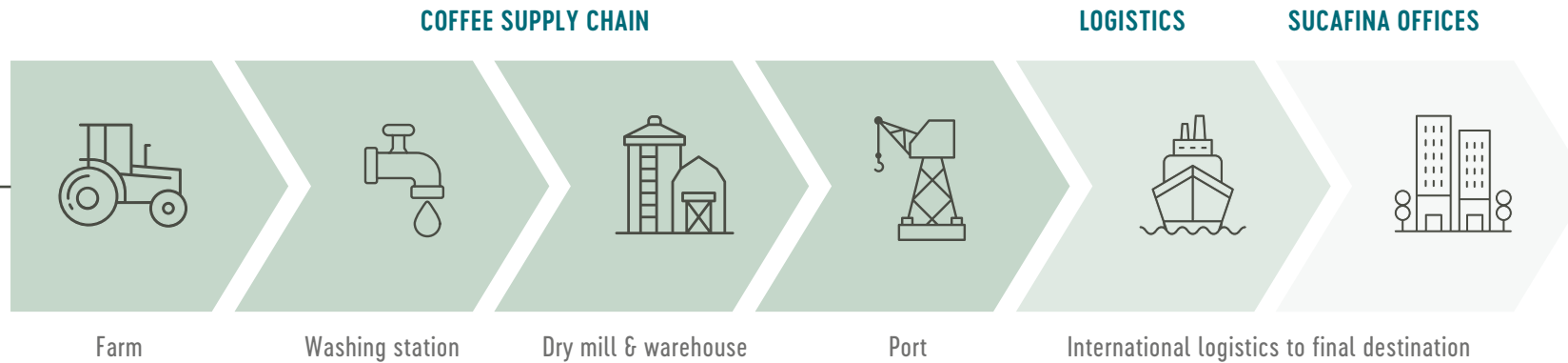
Sucafina regularly visits the facilities of key suppliers, although it isn't possible to visit all of them annually. Our expectation is that all suppliers must meet local or international standards, and wherever possible, we encourage partners to become certified – over 80,000 farmers were certified at the company's expense in 2020. Currently, suppliers in Brazil, China, Colombia, Kenya, Rwanda, and Vietnam are subject to a minimum national standard for the management of washing stations and water usage. In Burundi, Indonesia, Papua New Guinea, Tanzania, and Uganda, we encourage suppliers to use international standards as best practice.

## DEFORESTATION-FREE DIRECT SUPPLY CHAINS

Finally, we have committed to ensuring that all our direct supply chains are deforestation free by 2030. To accomplish this, we have started investing in tools to monitor deforestation, with the launch of a program to map the current state of deforestation for over 100,000 Sucafina farmers by mid-2023.



# MAPPING OUR CARBON EMISSIONS



As part of Sucafina's commitment to helping our industry to reduce its carbon emissions, we have started measuring the emissions of our different supply chains, from farm to port. We have also launched some initiatives that we believe will help us reduce emissions in the longer term. Examples include our soil sampling program in Kenya that optimizes fertilizer use to make farming more productive and sustainable, and a project in Rwanda that uses black soldier fly larvae to convert coffee waste into high-quality organic fertilizer.

But our main focus is to first quantify the extent of our current carbon footprint. This work is underway, with a project to map at least 9 Sucafina origins by mid-2023.

## ASSESSING THE CARBON FOOTPRINT IN OUR SUPPLY CHAIN: RWANDA

- We initiated our first supply chain carbon footprint assessment in Rwanda in September 2020, with results shown below.
- Consultants Meo Carbon Solutions are helping us to develop a carbon calculator, incorporating relevant input parameters and emission factors such as cultivation practices, type of processing (wet/dry mill), transport, and distribution. The greenhouse gas (GHG) calculation is based on a pre-defined sample: 50 farms delivering coffee cherry to 5 coffee washing stations.

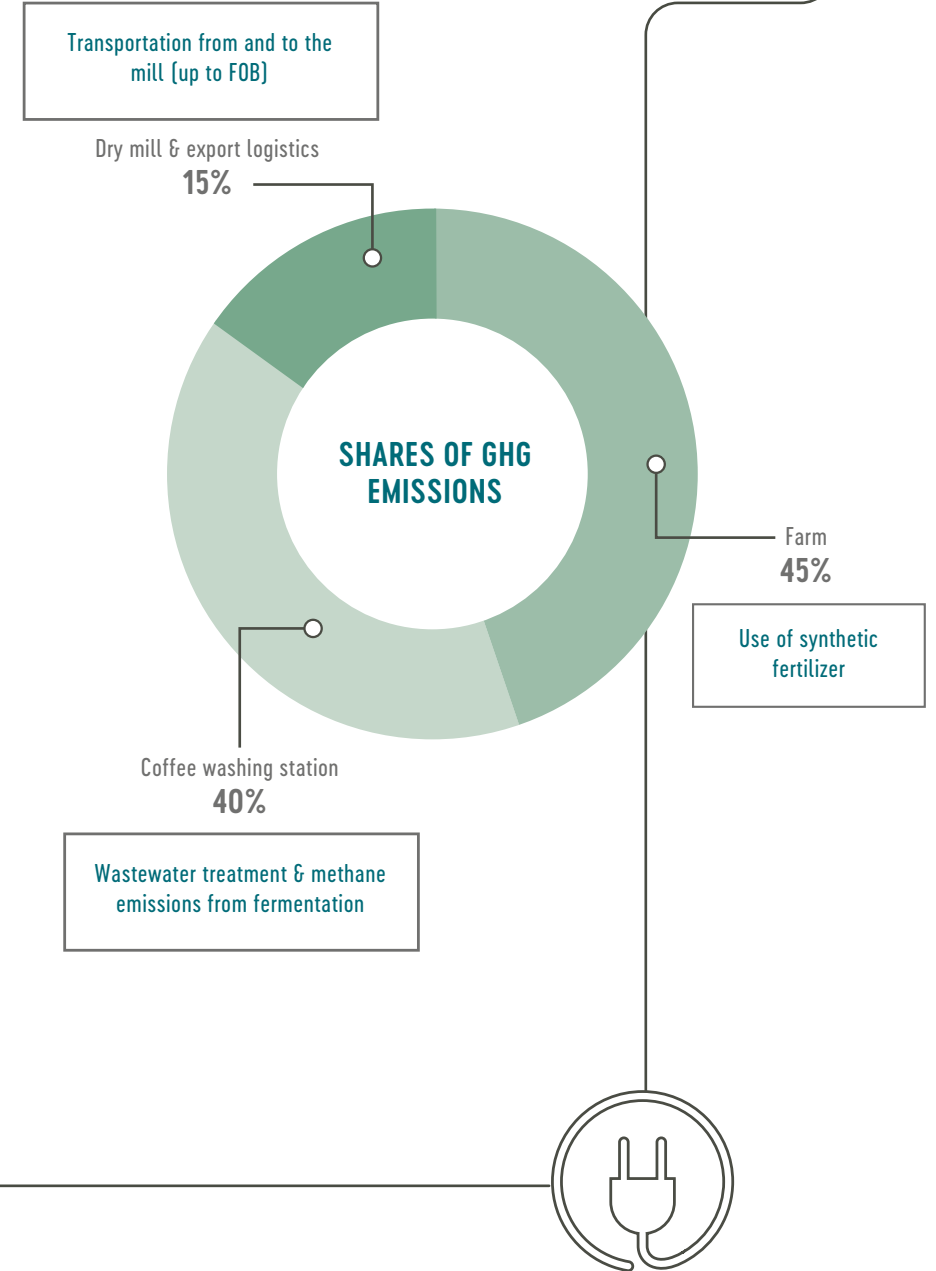


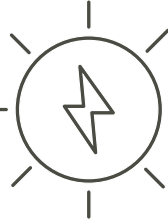
- The 2020 carbon footprint of our Rwanda supply chain was 2,960 tCO<sub>2</sub>e / ton of green coffee. See pie graph for the breakdown.
- The analysis has already highlighted potential improvement measures to reduce GHG emissions:
  - Replacing synthetic fertilizers with organic alternatives, where possible.
  - Improved treatment of crop residues (such as pulp and parchment).
  - Yield increase and carbon sequestration (planting trees and cover crops).
  - More efficient methods of transportation.
  - Local capacity building – farmer education, for example.
  - Greater energy and water efficiency.

**EIGHT MORE ORIGINS WILL BE MAPPED BY MID-2023**

**ASSESSING THE CARBON FOOTPRINT IN OUR OFFICES: SUCAFINA SPECIALTY, ANTWERP AND SYDNEY**

- In addition to mapping our origin supply chains, in 2020, we launched a separate project to establish the carbon footprints of our specialty trading offices, starting with our Sucafina Specialty offices in Sydney and Antwerp. Results are expected in 2021.
- Our long-term goal is for all our offices to become carbon negative.



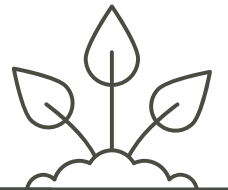


### POWERING OUR ENERGY TRANSITION

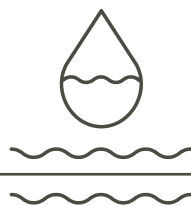
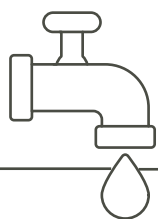
- Energy supply accounts for around 60% of global GHG emissions, and as part of our carbon footprint assessment, we are starting to decarbonize our energy system. We installed 152 solar panels on the roof of our dry mill in Kigali, Rwanda, in October 2020. Our technical team is trained to use the solar energy system and handle maintenance using a monitoring system.
- In December 2020, we installed 304 solar panels at our office in Kampala, Uganda, reducing our carbon footprint and our energy costs. The panels have a power capacity of 100.3 kWp and reduce carbon emissions by 27 kg per day.

### REDUCING EMISSIONS AT BEYERS KOFFIE

- Since 2009, 100% of the energy use of Beyers Koffie, the private-label coffee roaster in the Sucafina Group, has come from renewable sources, and since 2014, all carbon emissions generated during roasting have been fully offset.
- Beyers invested in a state-of-the-art roaster with heat-recovery capability and has recently installed technology for generating its own green electricity at its Puurs-Sint-Amans production facility.
- Beyers switched to on-site nitrogen production in June 2015, reducing the number of trucks on the road for transportation, and eliminating the need for the high-energy conversion of nitrogen to a liquid form.
- Since 2015, Beyers has chosen carbon-neutral coffee across its portfolio of own brands. Emissions from coffee are offset from farm to gate – compensation is through gold-standard projects that focus on eco-friendly measures and have positive social and economic impacts on the origins where we source our coffee.



# IMPROVING RESOURCE EFFICIENCY



## 2020 REPORTED DATA (BURUNDI, COLOMBIA, KENYA, RWANDA, TANZANIA, UGANDA, AND VIETNAM):

- Quantity of cherry pulp produced at wet mills **9,668 mt**
- Quantity of parchment produced at dry mills **11,822 mt**
- Quantity of pulp given to farmers as compost: **5,811 mt**
- Quantity of parchment recycled as fuel: **7,401 mt**

### BETTER WASTEWATER MANAGEMENT

The main waste considered for this report is the cherry pulp generated as a result of cherry processing at Sucafina's own washing stations, as well as the amount of parchment produced from dry milling in Sucafina's own mills. Both byproducts are 100% organic, but can pose an environmental risk and nuisance value. Cherry pulp contains a high concentration of sugars and releases methane (a GHG) as it decomposes. It should be kept apart from water sources and generates unpleasant smells at the washing stations during composting.

Parchment contains a lot of fine dust that can spread through the air to neighboring facilities and needs to be contained within a closed chamber prior to removal.

Sucafina actively encourages farmers to recover cherry pulp from its washing stations in order to compost it on farms and improve soil fertility. In 2020, 5,811mt of pulp were distributed free of charge back to farmers.

Parchment is highly inflammable and is frequently used to make briquettes for industrial use; Sucafina sells or gives away parchment waste to local entrepreneurs for this purpose. In the case of Sucafina's Kenya mill, all revenues from parchment sales are re-distributed to farmers and cooperative suppliers.

The only country where parchment is not disposed of and has to be stored on site is Burundi. In 2020 Burundi produced 4,421 tons of parchment.

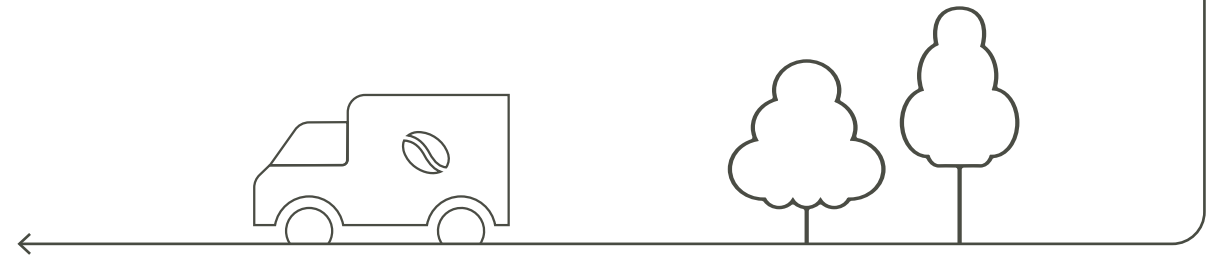
- All of our washing stations already meet the standards laid out by multiple international certification schemes for wastewater management. But we want to go further, and have a goal to ensure that all our washing stations meet the highest possible wastewater management standards by the end of 2023. All new facilities are being constructed with improved wastewater management systems in mind, starting with new washing stations in Uganda. Existing facilities in Burundi and Rwanda will be gradually upgraded in the next two years.
- In Rwanda, a generous grant from Starbucks has allowed us to upgrade eight of our washing stations to eco-pulpers that use less water for processing. In 2019, our wet mills in Rwanda consumed 2.2 liters per kg of coffee cherry processed, compared to 10.43 liters per kg in Burundi, where disc pulpers are used. Such analyses will help us to develop targeted environmental strategies for the future.
- At Beyers, dirty sanitary water is cleaned after use, before discharge. Currently, used sanitary water and rainwater have only limited re-use potential, but when the new production hall is completed, its new sanitary system will use collected rainwater.

### MORE SUSTAINABLE PACKAGING AT BEYERS

- We are always looking for ways to introduce more sustainable practices throughout the coffee supply chain and offer our customers the widest menu of sustainable solutions.
- We provide various packaging options, based on customer demand and often using the most advanced sustainable technologies, including:
  - Compostable foil – industrial compostable certified.
  - Compostable filter paper for pads – industrial compostable certified.
  - Aluminum Nespresso® compatible capsules made from aluminum with a 75% recycled source.
- Beyers actively participated 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 in their green waste bins.



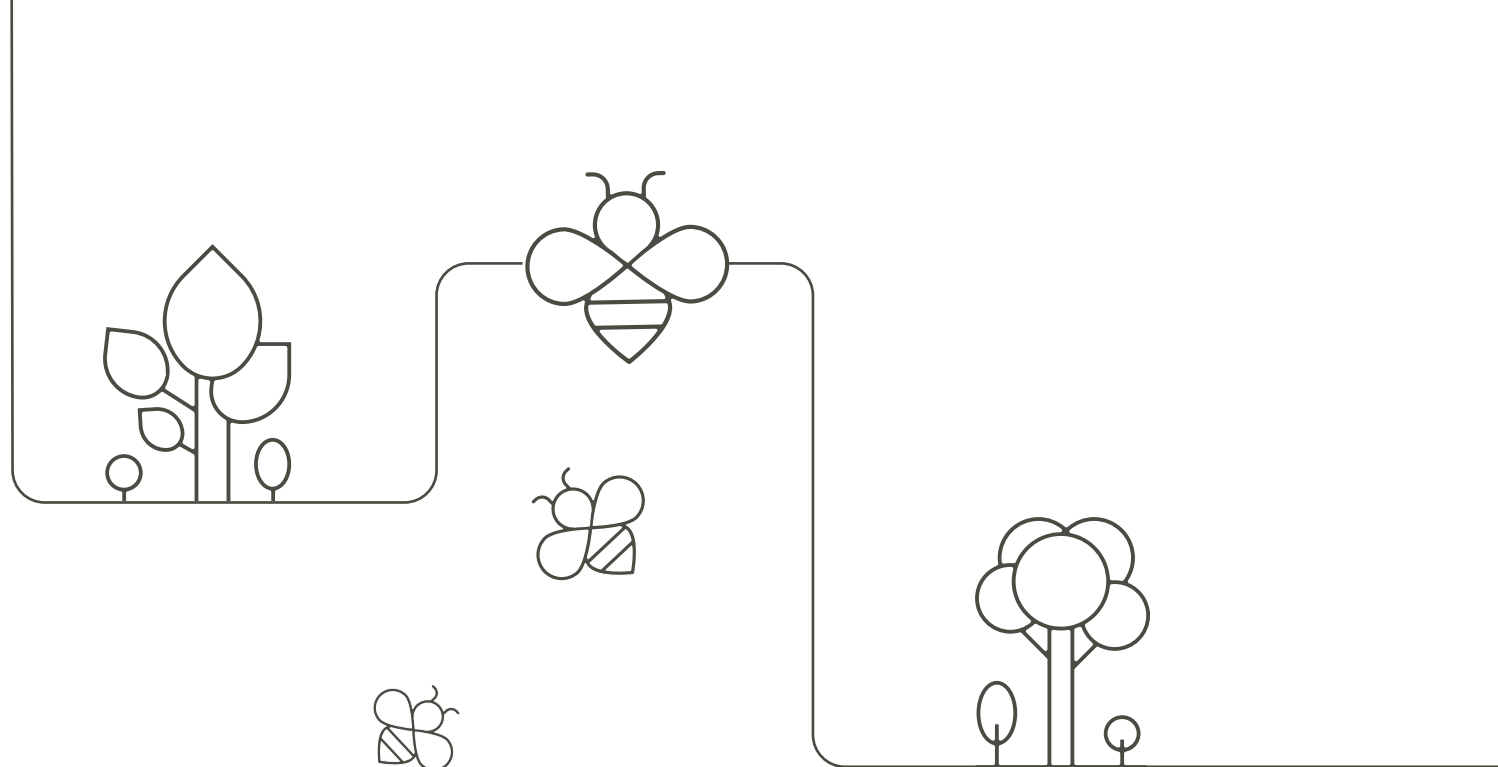
# TOWARDS DEFORESTATION-FREE DIRECT SUPPLY CHAINS



## OUR PLAN FOR ACTION

- In recent years, the declining cost of accessing usable satellite data has made it possible to learn much more about deforestation patterns in scattered agricultural value chains – like coffee.
- Gradual land degradation that is not readily visible on the ground can more easily be quantified when viewed from space in a compressed time frame. Our ongoing research suggests that even if coffee farmers themselves are not deforesting protected land (though some are) there are often high incidences of landscape degradation in surrounding areas due to population growth and food production. Whilst inevitable, these human factors are likely to have an impact on soil nutrients and moisture that could adversely affect coffee production. Landscape approaches to environmental management might therefore become an important strategy in some regions.
- Our stated ambition is to ensure that all our direct supply chains are deforestation free by 2030. Why the long timeframe? At present, the coffee community and regulators have not arrived at a definition of deforestation that can be applied to all farm types, with clear responsibilities for on-farm and landscape-level deforestation (which may not be attributable to coffee farmers). Forthcoming regulatory pronouncements in the EU and Switzerland, expected in 2021/22, should help to clarify expectations.
- In the meantime, supply chain companies like Sucafina need to gather much more data about deforestation impacts in the coffee value chain. In 2021, we are launching a 24-month exercise to assess deforestation risk in 15 different supply chains, covering an estimated 100,000 farmers. These data will allow us to assess which regions are more prone to deforestation and where we need to put our efforts.





### PLANTING TREES IN INDONESIA

- In Indonesia, Sucafina collaborated with Rikolto, an NGO that provides training on sustainable farming practices and business capabilities to cooperatives, including the Barokah Cooperative in Jambi province, one of Indonesia’s most deforested regions.
- Supported by the Indonesian government, the cooperative farmers are not only compensated for the coffee they provide, but also for the actions they take to conserve the rainforest.
- In October 2020, the farmers of the Barokah Cooperative planted 600 shade trees on the coffee plantations, an investment supported by contributions from Sucafina Specialty and its customers. Planting shade trees represents a loss for farmers in the short term, but a gain for society as a whole in the long term. Farmers have already observed the return of some bird species that nest in the shade of coffee trees.

### MAINTAINING BIODIVERSITY IN COLOMBIA

- Cafexport, our in-country partner in Colombia, collaborated with the Cornell Lab of Ornithology and Nespresso on the Nuestro Café, Nuestras Aves project, to develop a biodiversity progress index, using birds as indicators, on coffee plantations in Jardín, in the Antioquia department. The aim is to empower communities around the focus areas through citizen science, boost engagement in sustainability, and promote sustainable ‘avitourism’.
- Bees are key pollinators of coffee plantations, and in Colombia, we are developing a study of bee adaptation in coffee crops. This project provides crop welfare, with economic benefits for the producers, such as increased yield, better quality beans, and additional income from the sale of honey and its byproducts.



**OUR ACTION**

**PLAN**



## CARING FOR PEOPLE

OUR EMPLOYEES ARE  
**HIGHLY ENGAGED**  
IN SUSTAINABILITY

Partner with civil society to address  
**HUMAN RIGHTS**

OUR PHILANTHROPY WILL  
**HELP COMMUNITIES**



## INVESTING IN FARMERS

**350K FARMERS IN OUR SUPPLY CHAIN  
BY 2025**

SUPPORT FOR  
**REGENERATIVE AGRICULTURE**

**1M BAGS  
PURCHASED**  
every year under  
guaranteed  
price by 2025

**FARMER  
FINANCING**  
establish a  
dedicated fund of  
**\$30 MILLION**

**FARMER  
HUB**  
initiatives in  
Africa and Asia



## PROTECTING OUR PLANET

**100% COFFEE WASHING STATIONS**  
meet IFC wastewater standards by 2023

**REDUCE CARBON EMISSIONS**

Our direct supply chains are  
**DEFORESTATION FREE**  
BY 2030



# MEMBERSHIP OF ASSOCIATIONS

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

Swiss Coffee Trade Association

Brazil Specialty Coffee Association (BSCA)

Australian Coffee Traders Association

Swiss Trading and Shipping Association

Conselho dos Exportadores de Café do Brasil (CECAFE)

New Zealand Specialty Coffee Association

British Coffee Association

Associação Comercial de Santos (ACS)

Tanzania Coffee Association

Green Coffee Association

Centro do Comércio de Café de Vitória (CCCV)

African Fine Coffees Association

National Coffee Association (NCA)

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

Kenya Coffee Traders Association

Specialty Coffee Association (SCA)

Federação dos Cafeicultores do Cerrado

Uganda Coffee Development Authority (UCDA)

Asoexport (Colombia)

Specialty Coffee Association of Indonesia

KOFFIECAFE, L'Union Royale de Torréfacteurs de Café (Belgium)

# KEY TOPICS AND CONCERNS RAISED

The following topics were raised by our stakeholder groups:

## **BANKS**

- Human rights abuses
- Deforestation
- Carbon footprint
- Sustainable impacts
- Protecting biodiversity
- Rights of Indigenous people
- Pollution
- Living income
- Farmers' access to finance
- Responsible sourcing

## **ROASTERS/CLIENTS**

- Responsible sourcing
- Living income of farmers
- Carbon footprint
- Farmer education
- Deforestation
- Water footprint
- Climate change

## **EMPLOYEES**

- Company reputation
- Equal opportunities
- Working conditions
- Health and safety
- Using sustainability as a differentiator and a force for good
- Carbon footprint
- Energy consumption

## **NGOS**

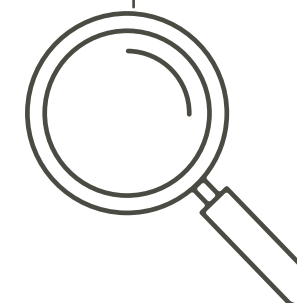
- Living income of farmers
- Environmental and social standards of production
- Gender equity
- Access to finance
- Promotion of youth
- Human rights
- Working conditions
- Climate change
- Farmers' access to markets

## **FARMERS**

- Prices and living income
- Climate change
- Gender equity
- Access to planting material
- Access to markets
- Access to finance

## **SHAREHOLDERS / MANAGEMENT**

- Supply chain sustainability
- Equitable distribution of returns to all supply chain actors
- UNSDGs





# GRI CONTENT

# INDEX

## General Standard Disclosures

GRI STANDARD	DESCRIPTION	PAGE(S)	NOTES
102-1	Name of the organization	8	
102-2	Activities, brands, products, and services	8	
102-3	Location of headquarters	8	
102-4	Location of operations	11	
102-5	Ownership and legal form	8	
102-6	Markets served	9 & 11	
102-7	Scale of the organization	8	Net sales and total capitalization omitted due to confidentiality.
102-8	Information on employees and other workers	8	
102-9	Supply chain	8 & 11	
102-10	Significant changes to the organization and its supply chain	12	
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	10	Sucafina works with the main verification and certification standards in the coffee industry: Fairtrade, Rainforest Alliance, Utz, Organic, 4C, NESPRESSO AAA, and C.A.F.E. Practices.
102-13	Membership of associations	52	
102-14	Statement from senior decision-maker	4 & 5	
102-16	Values, principles, standards, and norms of behavior	14, 15, 16	

102-18	Governance structure	21	
102-40	List of stakeholder groups	53	
102-41	Collective bargaining agreements		In 2020, around 35% of Sucafina employees (338 employees) were covered by collective bargaining agreements.
102-42	Identifying and selecting stakeholders	23	
102-43	Approach to stakeholder engagement	23	
102-44	Key topics and concerns raised	53	
102-45	Entities included in the consolidated financial statements		Omitted due to confidentiality
102-46	Defining report content and topic boundaries	6	
102-47	List of material topics	24	
102-48	Restatements of information		N/A. This is Sucafina's first annual CSR report.
102-49	Changes in reporting		N/A. This is Sucafina's first annual CSR report.
102-50	Reporting period	6	
102-51	Date of most recent report		N/A. This is Sucafina's first annual CSR report.
102-52	Reporting cycle	6	
102-53	Contact point for questions regarding the report	6	Justin Archer, Sustainability Manager, <a href="mailto:jar@sucafina.com">jar@sucafina.com</a>
102-54	Claims of reporting in accordance with the GRI Standards	6	
102-55	GRI content index	55, 56, 57, 58	
102-56	External assurance	6	We employed the services of Go Well Consulting, who helped with the editing and design of this report and advised us on compliance with the GRI reporting standards, but the report was not externally reviewed.



## Topic Specific Disclosures

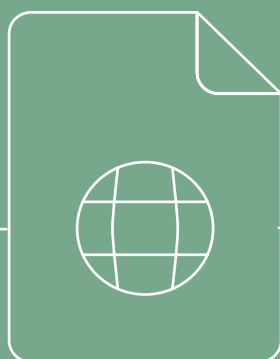
SUSTAINABILITY PILLAR	MATERIAL TOPIC	GRI STANDARD	DESCRIPTION	PAGE(S)	NOTES
Caring For People	Human Rights	408-1	Operations and suppliers at significant risk for incidents of child labor	36	
		409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	36	
		412-1	Operations that have been subject to human rights reviews or impact assessments	36	
		412-2	Employee training on human rights policies or procedures	36	
	Health & Safety	403-1	Occupational health and safety management system	37	
		403-2	Hazard identification, risk assessment, and incident investigation	37	
		403-3	Occupational health services	38	
		403-4	Worker participation, consultation, and communication on occupational health and safety	37 & 38	
		403-5	Worker training on occupational health and safety	37	

Protecting Our Planet	Energy Consumption	302-1	Energy consumption within the organization	45	
	Reduction in Carbon Emissions	305-4	GHG emissions intensity	43 & 44	
	Wastewater Management	303-1	Interactions with water as a shared resource	42 & 46	
		303-2	Management of water discharge-related impacts		Water discharge (as reportable to regulators) Wastewater analyses conducted: 27 Non-compliant TSS (Total suspended solids): 15 Non-compliant PH: 19
		303-5	Water consumption		Total water consumption: 160.571 megaliters Estimate of water recycled or reused by others: 21.508 megaliters
	Waste Management	306-3	Waste generated	46 & 47	

A close-up photograph of a coffee branch. The branch is covered with clusters of coffee cherries. Some cherries are bright red, indicating they are ripe, while others are green, indicating they are unripe. The leaves are dark green and have a slightly wavy edge. The background is a soft-focus green, suggesting a lush coffee plantation.

# APPENDIX

# APPENDIX



Labor and Human Rights Policy

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Code of Conduct

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Supplier Code of Conduct

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Environmental and Social Management System manual

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Environment, Health, and Safety Policy

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