



Humanity
at the forefront
of our operations



Our purpose:
**To deliver innovative and
scalable business solutions
to foster a more resilient and
sustainable coffee industry.**



Letter From Our Executive Chairman

Dear Friends,

Time, there is simply not enough of it. Everyday I find myself searching for more of it, which seems to be the reality for many of us. For this reason, I have come to cherish the importance of filling each and every day with joy and happiness, surrounding ourselves with the people we love, and working at establishments where we can feel fulfilled and valued. Time is our most valuable resource, and each day is gentle reminder that we have been granted another opportunity, another day to experience the joy of life.

I have always been an optimist; however, these past few years have been difficult to say the least. We have had navigate our lives and businesses with dexterity, agility, and hope. It was not easy. We lost many of our loved ones and had to make tough decision that pushed us towards the brink of collapse. But, as we emerge from the darkness, we find ourselves entering a new reality. A reality that, for many of us, seems equally as unfamiliar and ominous.

I write to you today to offer a friendly reminder, that each new day presents us an opportunity to be a force for good in this world. We have the ability to be kind, to ourselves and to those around us. The most important lesson we must take away from these past few years is that everyone deserves to be happy and healthy. I feel incredibly fortunate for my health and my family's wellbeing, this sense of gratitude is what I carry with me to work everyday, with the hope of spreading positivity and optimism to others. Today, I write to share with you RGC Coffee's 2021 Sustainability Report, with the hope that this report brings you hope and optimism, that by working together, towards a shared vision, we can support the coffee sector accelerate towards sustainability.

Ron Gabbay

“*...by working together, towards a shared vision, we can support the coffee sector accelerate towards sustainability.*”

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We are a purpose-driven company, committed to sourcing and trading coffee sustainably.

RGC Coffee is family-owned and operated full-service trading company, headquartered in Montreal, Canada with subsidiary offices in Bogota, Colombia and Los Angeles, California. With over 50 years of experience, we have become a trusted advisor and strategic partner to suppliers, roasters, retailers, and brands around the world.

Our Services



Sourcing



Futures Trading
and Management



Quality Control
and Assurance



Financing



Transportation
& Logistics



Supply Chain
Projects



Direct Trade



Market Insight
and Analysis

An artistic illustration on the left side of the page. A hand is shown holding a large, clear splash of water. Below the hand, there is a pile of green coffee beans. To the left of the beans are some white and red flowers. Above the hand, there are several green leaves and a few coffee beans. The background is a light beige color with some abstract shapes.

COLLABORATION OUR CORE BUSINESS STRATEGY

The private sector has a powerful role to play in shaping a better world for future generations. However, the private sector alone cannot not solve the world's most pressing challenges. Collaboration is the most powerful way to ensure we meet the needs of today while securing the needs of tomorrow.

About this Report

This report reflects our ongoing, public commitment to continuously seek new and innovative ways to improve upon how coffee is brought to market. By sharing our journey, achievements, and goals, we hope to be a source of knowledge and inspiration. By joining forces with like-minded individuals, companies, and organizations, we are working collaboratively and collectively to improve the lives of others. Upon reading our Sustainability Report for 2021-22, if you have any questions, comments, or would like to continue the conversation, we invite you to reach out!

Coffee and the global economy

A powerful vehicle for sustainable development



The coffee sector employs roughly 125 million people around the world.



Approximately 160 million bags of coffee is produced annually.



The coffee industry is valued at over USD \$200 billion.



There are approximately 12.5 million coffee farmers, around the world, 84% of whom are smallholders cultivating on 2 hectares of land or less.



Participating in buyer-driven programs is shown to increase coffee revenues earned by smallholder farmers by up to 30%.



In the last 30 years, the value of annual coffee exports has more than quadrupled, from \$8.4 billion USD in 1991 to \$35.6 billion USD in 2018.



RGC Coffee 3E® is our sustainability program that defines and guides our corporate mission: to collaborate towards a better future

As green coffee specialists, we seek to harness trade to make a positive impact in the lives and local economies of coffee communities, around the world. By working collaboratively to build and maintain resilient and sustainable coffee supply chains, we aim to be the bridge that connects, delivers, and adds value to both roasters and producers.

From designing, coordinating, and managing community sustainability projects to assuring and delivering quality coffee, we want to continuously improve upon every aspect of our business, to create meaningful, long-lasting impact for everyone.

By placing humanity at the forefront of our operations, we are fostering supply chains that enable people and the planet to prosper. To date, RGC Coffee 3E is supporting more than 29,000 people in coffee growing communities advance towards their sustainability goals, resulting in more than 87.5 million pounds of sustainably sourced coffee per year.



RGC COFFEE 3E®
**Where
Collaboration
Meets
Innovation**



A Shared Vision of Sustainability

To ensure our efforts contribute towards a more sustainable future, we joined the Sustainable Coffee Challenge (SCC), a cross-sector collaborative initiative developed to support our industry accelerate progress towards sustainability.

To further ensure our business is creating a positive impact in the world, we then aligned our commitments to the United Nation’s Sustainable Development Goals (SDGs).



OUR GOALS AND COMMITMENTS

	Support People	Promote Planet	Foster Prosperity
Commitment	Fostering prosperity and wellbeing of producers using a family-centric approach to support the aspirations, rights and dignity of people.	Supporting farmers to restore native ecosystems, conserve water and manage their environmental footprint.	Fostering farmworkers wellbeing and dignity identifying alternatives to make employment within the coffee industry more socially viable.
2025 Goal	40,000 families Participating in RGC 3E® Sustainability Program.	1,500 families Participating in RGC 3E® Supply Chain Project, Todos al Agua.	16,000 people Participating in RGC 3E® Supply Chain Project, Las Manos del Café.
SDG			

IMPACT FOR 2021

RGC 3E[®] IMPACT

CHANGING LIVES AND
TRANSFORMING ECONOMIES

87.5M

LBS PRODUCED ANNUALLY
BY 3E PARTNERS

PERU
NICARAGUA
HONDURAS
COLOMBIA
BRAZIL
BURUNDI

20M

LBS PURCHASED
BY RGC IN 2021

\$2.1M Invested in Community
Projects in 2021

\$3.1M Planned Investment
Budget for 2022

28,455

COMMUNITY COFFEE
PARTNERS

5,600 Women Project
Participants

15,759 People Participating in our
Farmworker's Program,
Las Manos del Café

PEOPLE
PLANET
PROSPERITY



Sustainable Action

OUR APPROACH TOWARDS CONTINUOUS IMPROVEMENT

Our 3E's guide and define our approach to sustainability, to ensure all partners feel connected to the problem and the solution.

3. EDUCATE

Collecting data and sharing knowledge allows us to continuously refine and improve upon our approach. Our ongoing pursuit toward elevating, empowering, and educating is what enables us to create shared value chains.

1. ELEVATE

We begin by listening to the community, to identify and understand their needs. We then prioritize areas of opportunities and set short, medium, and long-term goals and targets.

2. EMPOWER

We then work collaboratively to design, implement, and manage inclusive and innovative community-led project solutions. Working together promotes accountability and diversity of thought, improving our ability to generate and maintain, long-lasting impact.



RGC 3E®

Sustainability Program

Building resilient and sustainable coffee supply chains

Sustainable Sourcing Model

Supporting communities to be leaders in sustainability.



RGC 3E® Supply Chains



Private-Label Roaster Projects



RGC COFFEE 3E® SUSTAINABILITY PROGRAM

Impact + Information Hub

Enhancing transparency and knowledge sharing across supply chains



RGC 3E® Annual Supplier Verification Assessment



3rd Party Certifications, Trainings, and Assessments

Strategic & Collaborative Partnerships

Fostering partnerships rooted in a shared vision



Our Shared Goals



Project partners and third-party initiatives



RGC 3E[®] SUPPLY CHAINS

**Supporting the prosperity
of coffee growing
communities**



Our approach to sourcing coffee sustainably starts with developing meaningful, long-lasting partnerships with coffee growing communities. At RGC, we are committed to supporting our in-country partners achieve their sustainability goals and targets.

We do this by partnering with communities to create supply chains projects that generate added value for all stakeholders. In an effort to make sustainability more accessible and foster shared prosperity, we developed three, open sourced RGC 3E[®] Sustainability Projects.

These projects are what constitute our 3E Supply Chains and enables us to deliver the market, sustainably sourced coffee. With each project created collaboratively and with scalability in mind, our projects offer local solutions to global challenges. In addition to our 3E Supply Chains Projects, we also develop and manage Private-Label Roaster Projects, allowing us to share our knowledge and expertise in community economic development.



RGC 3E[®]

SUPPLY CHAINS WITH SHARED VALUE

Nueva Segovia, Nicaragua

Jinotega, Nicaragua

Ocotepeque, Honduras

Copan, Honduras

Lempira, Honduras



Amazonas, Peru



Antioquia, Colombia



Risaralda, Colombia



Caldas, Colombia



Huila, Colombia



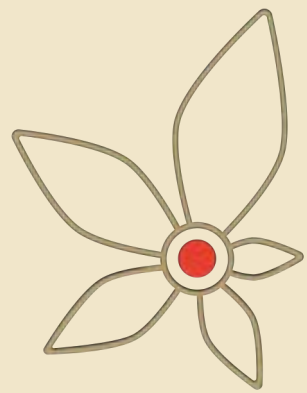
Cauca, Colombia

Valle del Cauca, Colombia

Minas Gerais, Brazil



Family Prosperity

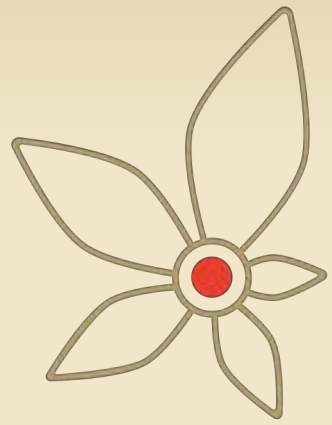


LAS FLORES
DEL CAFÉ



Las Flores del café was born after years of working in the coffee fields and realizing it was not possible for families to achieve prosperity if women continued to be invisible, vulnerable, and excluded from the social and economic life of the community. The project was first piloted in Huila Colombia in 2016 and was called Las Rosas. The lessons learned have since been replicated in Peru and Honduras, with Las Cantutas, Peru being established in 2020 and the Honduras women's group Cucarda in 2021.





Las Flores del Café Supply Chains

Las Flores del Café is supporting **12 communities** and **4,857 people** achieve family prosperity



LAS ROSAS
Colombia



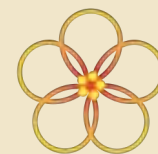
269 women coffee farmers and their family members, participated in Las Rosas in La Plata, Huila, Colombia in 2021.



CANTUTA
Peru



277 women farmers across four associations/ cooperatives participated in Las Cantutas throughout the Amazonas region of Northern Peru.



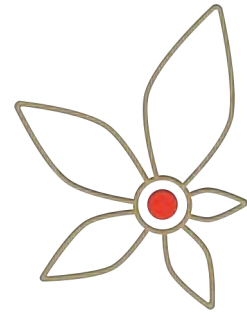
CUCARDA
Honduras



167 women from the western region of Honduras, Ocotepeque, joined Cucarda in 2021, our newest Chapter of the Las Flores del Café project.



SUSTAINABLE SOURCING MODEL



LAS FLORES DEL CAFÉ

To foster family prosperity through the lens of gender equity, Las Flores del Café develops and implements project services guided by three main pillars. These pillars were identified by our flagship women's group, Las Rosas as key areas of opportunities to best support women achieve their dreams.



Impact Strategy

Social Recognition

Living in Harmony

Creating a new social narrative to bring value to the role of women in the household and community, protecting and caring for children, and generating awareness among men regarding gender roles.

Economic Empowerment

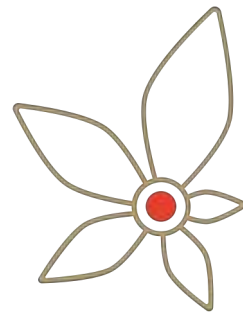
The Power of Choice

Enabling women to be decision-makers through financial literacy training, access to financial capital (transparent, self-managed revolving credit funds), and entrepreneurship.

Quality and Productivity

Giving the Best to the World

Providing trainings to women coffee farmers in good agricultural practices and post-harvest processing techniques, ensuring access to technical assistance and resources for infrastructure improvements.



LAS FLORES DEL CAFÉ

Impact and achievements - Project Milestones - 2021



4,857 People are creating a new gender narrative where the role of women in the family and community is valued and recognized.



965 Families are working towards gender equity and have changed their habits through the redistribution of household labor and chores.



Las Rosas was recognized by the United Nations Global Compact, Colombia for its contribution to the UN's SDG #5 for advancing women's rural entrepreneurship.



5 coffee producing organizations across 3 countries are actively pursuing family prosperity by investing in women's empowerment and entrepreneurship.



\$43,600 USD Available in credit funds for women economic empowerment.



SUSTAINABLE SOURCING MODEL

Sustainable Development Goals

SDG1 – No Poverty

SDG5 – Gender Equality

SDG8 – Decent Work and Economic Growth

SDG10 – Reduced Inequalities

Awards and Recognitions



FINALIST

Las Flores del Café was a selected as a finalist for the Specialty Coffee Association's annual Sustainability Awards.



The Colombia Chapter of Las Flores del Café, Las Rosas, was awarded The Global Compact Colombia Recognition 2021 for its contribution to United Nations SDG #5 in the category of women's rural entrepreneurship. The award was presented to Las Rosas as part of the UN's annual recognition of Good Practices in Sustainable Development.



LAS ROSAS - COLOMBIA

For the past 5 years, our flagship women's group, Las Rosas, has achieved incredible results

Thanks to the collaborative effort and support we have received from our partners: Cadefihuila, Solidaridad, Federacion de Cafeteros, Fundacion +Rural, Starbucks, Nordstrom, and Farmer Brothers, the women continue to be a source of inspiration and leadership.



NORDSTROM



**Una historia de amor
que sabe a café y
suen a bambuco**

To celebrate five years of Las Rosas and to evaluate the project's impact in the community, we worked collaboratively with Solidaridad to design an activity that would allow the families themselves to provide their own evaluation. The women decided to tell their story of their 5-year journey through a song they titled, HOY ESCUCHAS MI VOZ which the women had determined best represented the impact Las Rosas has had on their lives. The song Hear My Voice was created by the families in collaboration with Colombian-Irish artist, Katie James.



LAS ROSAS
COLOMBIA

+

KATIE JAMES



Photo by Lucia Bawot



LAS ROSAS - COLOMBIA

Social Recognition – Project updates

It has been observed that both men and women are flexible in adopting non-traditional gender roles in the household. For example, men have assumed the role of taking care of the children and cooking, while the women attend training sessions. This shows women are now participating as equals in cultivation and commercialization of coffee.



438 people participated in gender equity trainings to continue towards family prosperity.



9 families engaged with a trained clinician and received psychological support.



To foster child protection in Colombia, RGC partnered with the ILO (International Labour Organization) to design an awareness campaign to end child labor in coffee supply chains. The ILO-endorsed campaign was successfully piloted in Antioquia with more than 250 family participants. As owners and implementors of the methodology, we plan to continue to scale the campaign throughout our supply chains.



LAS ROSAS - COLOMBIA

Economic Empowerment – Project Updates

The sustainability premium Las Rosas receive for their coffee has enabled the women to become active members in their community. Having the financial capacity to manage their personal finances and participate in community activities has increased the confidence of the women and has enabled them to become financial decision-makers in their community.

With the increased access to financial capital, the women of Las Rosas are now able to think strategically about the growth and development of their business, interacting with both domestic and international markets, setting export volume targets, and establishing long-term business goals.

Adopting the entrepreneurial mindset of Las Rosas, a new Youth Entrepreneurship Program was implemented in South Tolima, in collaboration with SOLIDARIDAD in which young coffee producers received training and scholarship funds to pursue business entrepreneurship. **30 youth were trained, 14 individuals developed and presented a project, and 8 projects received seed funding to pursue their business idea.** We will continue offering this program in Colombia and plan to scale the model in Honduras in 2023.



The Power of Choice



The Power of Choice

Photo by Lucia Bawot

SUSTAINABLE SOURCING MODEL



LAS ROSAS - COLOMBIA

Economic Empowerment – Project Updates



The women own and operate a revolving credit fund of \$37,000.

Since 2017, 440 lines of credit have been issued, 27 of which were disbursed in 2021.



A small community of women in Huila, Colombia are self-managing a revolving **credit fund of \$4,242** dedicated specifically towards purchasing farm inputs such as fertilizer.



Our Flagship Las Flores del Café women's group, **Las Rosas, was awarded the Global Compact Colombia Recognition 2021** for its contribution to United Nations SDG #5 in the category of women's rural entrepreneurship.



Since 2016, **7,700 bags** of women's produced coffee have been exported, **with 1,693 bags being exported in 2021.**



LAS ROSAS - COLOMBIA

Quality and Productivity – Project Updates

As social and economic conditions have greatly improved for the women participating in Las Flores del Café, they have now begun to turn their attention towards improving the quality of their coffee. In 2021, we supported the Las Rosas group by implementing strategies to enhance both quality and productivity. Specifically, we are focusing our efforts towards promoting sustainable farming practices, supporting farm renovations, and supplied trainings in cost accounting.



5 women become sustainable coffee promoters in their communities.



Established 4 model farms to showcase sustainable farming practices and host hands-on workshops and demonstrations for the community.



432 farms were verified in a third-party sustainability standard, with a **90% or above performance score**.



20 families received computers to begin using a farm cost software to better manage their finances.

Giving the Best to the World



**Giving the
Best to the
World**

Photo by Lucia Bawot

SUSTAINABLE SOURCING MODEL



LAS ROSAS - COLOMBIA

Quality and Productivity – Project Updates



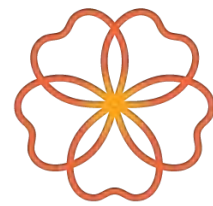
1950 native trees were planted, the equivalent to 1.9 ha being reforested.



50 women received training and a starter kit in king grass production. The grass will be used as an eco-solution to treat wastewater and soil erosion. The 300 plants that were delivered will generate a total of 1,500 plants which will then be distributed and used throughout the community.



An agreement was made in which RGC will deliver **700,000 seedlings** to be planted throughout the region in 2022



CANTUTA - PERU

In 2019, RGC formed a strategic alliance with 3 producer organizations, Valle, Verde, Flor del Café, and Café Monteverde to support family prosperity and gender equity initiatives across the Amazonas region of northern Peru. Together, we successfully established Cantuta, the Peru Chapter of Las Flores del Café.

Following the footsteps of our flagship women's project, Las Rosas in Huila, Colombia, Las Flores del Café was developed to offer communities a replicable and customizable framework to support their journey in achieving family prosperity. The project's scalable design, coupled with the financial and technical support of our partners, has enabled Cantuta Women's group to achieve real progress and measurable impact.

In 2020, we received a 3-year Technical Support Grant from the USDA-funded initiative, MOCCA and a community donation from Canterbury Coffee, enabling us to further scale our project efforts in the region and welcome an additional group of women into Cantuta from the Laguna de Los Condores Cooperative. Cantuta is currently supporting 967 people achieve family prosperity, offering services and resources related to sustainable agriculture, financial access and inclusion for women, and infrastructure improvements.

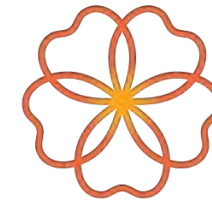


Cantuta Thrive During 3rd Year of Implementation



The Power of Choice

SUSTAINABLE SOURCING MODEL



CANTUTA - PERU

Economic Empowerment – Project Updates

The producer organizations participating in the project decided the FLO Fairtrade social premium of their coffee sales will be used to invest in and support Cantuta and the empowerment of women, marking a major milestone in the history of these coffee organizations.



A **\$24,410** revolving credit fund was established that is self-managed by the women of Cantuta.



In 2021, **44** lines of credits were distributed using the revolving credit fund, a total of **\$22,000**. The credit lines were requested for tree renovations, fertilizer and to pursue entrepreneurship ventures.



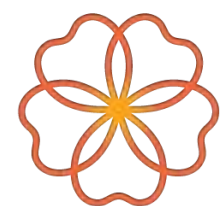
25 women received financial literacy training.



20 women were trained in entrepreneurship.

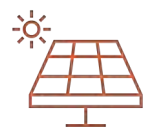


3 women are participating in community leadership positions.



CANTUTA - PERU

Quality and Productivity – Project Updates



50 women received new solar drying systems.



20 women have wet milling systems in good operating conditions.



20 women now have new composting pits.



20 women received new fermentation tanks.

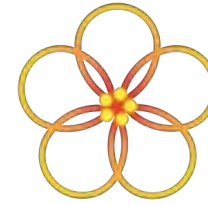


Giving the Best to the World



Scaling our Efforts in Honduras

SUSTAINABLE SOURCING MODEL



CUCARDA - HONDURAS

In 2020, we began our 3E journey in Honduras, supporting families build towards a better future. We began by working collaboratively with technicians from Technoserve (funded by the USDA-MOCCA project) and Lurvin Ventura (producer-exporter). Then in 2021, once the project methodology was established, four producer organizations were onboarded: Aprocaoh, Flor del Pino, Cocanupol, and Cocasancol.

Our family prosperity strategy in Honduras is focused on three main aspects:

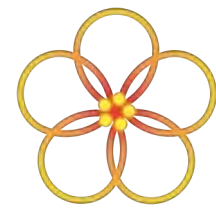
1. Improving agricultural practices to increase productivity
2. Foster social and economic inclusion for women
3. Invest in child protection and youth entrepreneurship

Quality and Productivity – Project Updates

The first achievement of the project was in 2020, when we supported a group of producers to become verified in a third-party sustainability program. With this successful verification process, in 2021 we focused on improving the productivity and sustainability performance of a larger network of producers to support them in becoming verified in 2022.

A young coffee producer learns a cost-effective technique to combat broca (coffee borer beetle) during an agricultural training hosted by Technoserve (MOCCA).


RGC COFFEE



CUCARDA - HONDURAS

Social Recognition – Project Updates

1026 families representing 4092 people participated in Las Flores del Café trainings, 25% of them of whom were women.

Training topics included: post-harvest practices, machinery maintenance, access to finance, tree renovations and seedlings, proper nutrition, coffee quality, coffee commercialization, and sustainable practices for certifications.

It has been challenging to recruit women to join Cucarda, the Las Flores del Café Chapter in Honduras given that women in Honduras have traditionally been excluded in social and economic activities in coffee. However, in 2021 **167 women have actively participated in the program, all of whom received support and encouragement from their families.**

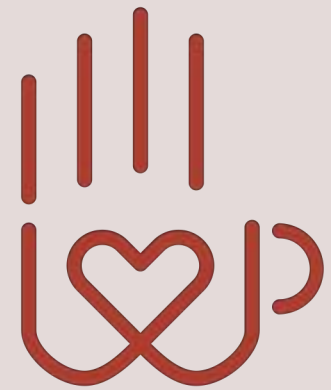
These **167 women** completed their first training in financial literacy and gender equity.

In **December 2021**, we began the implementation of our RGC-ILO child-care awareness campaign. A teacher in the local community was hired to support us in training and implementing the methodology.



Living in Harmony

Farmworker Wellbeing



LAS MANOS
DEL CAFÉ

COLOMBIA



RGC is deeply committed to ensuring all actors in the supply chain are treated fairly and with dignity. To bring visibility and recognition to the lives of laborers, RGC partnered with Colombian coffee organizations Alto Occidente de Caldas Cooperative, Norte de Caldas Cooperative, Aguadas Cooperative, and Salgar Cooperative to develop Las Manos del Café, a project dedicated entirely towards improving the wellbeing, working conditions and career viability for farmworkers and their families. At the end of 2021, Las Manos del Café was supporting 15,759 people.





Las Manos del Café Supply Chains

Las Manos del Café is supporting **15,759** people improve their wellbeing and live with greater dignity.

COLOMBIA

\$317,684 USD was invested in 2021 to support farmworkers, family members, and farmers have access to healthcare and wellbeing services, and pursue a career development opportunities, across Antioquia and Caldas, Colombia





The program’s services are framed under the four pillars of the International Labour Organization’s (ILO) Decent Work Agenda, who has been a strategic partner of RGC for the past two years, supporting the implementation of decent working conditions in coffee supply chains.



Promotion of Decent and Productive Employment

- Wellbeing services for workers and their family members
- Income stability and diversification
- Community infrastructure to improve working conditions

Social Protection

- Ensuring the protection and safety for workers

Respect for Fundamental Labor Rights

- Promoting good and fair treatment for farmworkers

Social Dialog and Tripartism

- Collaborative work among multiple agents in the coffee value chain

Impact and achievements - Project Milestones - 2021



11,769 people (farmworkers + family members) receiving health and wellbeing services through the project (medical, dental, vision, medication subsidies, financial support for funeral services, school kits).



2098 farmworkers enrolled in the government's public pension program (BEPs) and are now saving for their future.



49 people participating in an entrepreneurship program to generate economic stability and income diversification, with 17 individuals now generating profitable revenue.



365 people received training to become highly-skilled and specialized in farm labor services (fertilization, pest management, GAP, and machinery maintenance).



584 workers and their families participated in recreational activities hosted by the project.

Sustainable Development Goals

SDG1 – No Poverty

SDG3 – Good Health and Wellbeing

SDG8 – Decent Work and Economic Growth

SDG10 – Reduced Inequalities

Awards and Recognitions



Las Manos del Café was selected as the Project Winner for the 2020 Specialty Coffee Association's annual Sustainability Awards, recognizing the projects' outstanding work in the field of sustainability.



In 2021, RGC continued its partnership with the International Labour Organization (ILO), implementing Las Manos to support their Decent Work Agenda in coffee supply chains.



Our journey towards farmworker wellbeing and dignity is shared among a network of roasters and civil society organizations SOLIDARIDAD and Verité's U.S. Department of Labor-funded Cooperation On Fair Free Equitable Employment (COFFEE) Project. The transformational impact Las Manos del Café has had on families in coffee communities would not be possible without the dedication and long-term commitment of our partners.

This year, the project achieved an incredible milestone, launching a Specialized Labor Program designed to support workers improve their trade skills and expertise. By offering access to credit, equipment, workshops, and trainings in entrepreneurship, the program is supporting workers transition from being seen as unskilled laborers to being viewed and recognized knowledgeable and highly-skilled farmworkers.

The goal of the Specialized Labor Program is to improve and stabilize income for farmworkers while also supporting the industry advance towards sustainability through better hiring practices, improved agricultural labor services, and increased productivity and quality. The first steps and initial trainings were completed in 2021 and in 2022 we hope to start seeing motivated workers pursue their own ventures and begin offering their newly gained skills and services to farms and farmers in the region.

Las Manos del Café works to strengthen the worker-producer relationship, building trust, respect, and mutual understanding. Pictured above is a farmworker and the Salgar Cooperative Manager, during a recent project expansion membership event.



Bringing Dignity to the Lives of Farmworkers



Improving our Understanding of Living Wage and Living Income

Photo by Lucia Bawot

SUSTAINABLE SOURCING MODEL



Working hand in hand with Verité through The COFFEE project, we supported the Anker Research Institute, a founding member of the Global Living Wage Coalition, in conducting field work to better understand living wages and living incomes in Antioquia and Huila, Colombia.

The results from the study will offer key insight regarding the most effective intervention strategies to improve workers' wellbeing and will serve as baseline data to better inform and guide our Las Manos del Café Program efforts.

The results from the study will be published by Verité in a "Living Income and Living Wage Report" in 2022 and will be made publicly available through the Global Living Wage Coalition's webpage.

The strategic vision of Las Manos del Café is to offer a provision of services that provide better living conditions, a sense of job security and peace of mind for farmworkers and their families, while strengthening relations between workers, producers and local organizations.



Regenerative Ecosystems

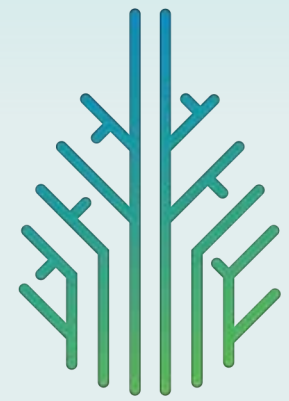


COLOMBIA + PERU



Todos al Agua describes our corporate commitment to build regenerative agricultural ecosystems that support coffee families mitigate and adapt to climate change while improving their quality of life and management of natural resources. After three years of developing the project together with the Anserma Coffee Cooperative, we have achieved incredible success in connecting with and replicating the project interventions across Colombia, Peru, and Honduras. We completed 2021 with 8,600 people working collectively and collaboratively to make coffee more sustainable.





Todos Al Agua Supply Chains

Todos al Agua is supporting **8,600 people** implement climate solutions, transforming coffee production to be **regenerative by design**



TODOS AL AGUA
Colombia



In 2021, **550 farmers** in Anserma, Colombia participated in Todos al Agua and **150 farmers** began delivering their cherries to the new, state of the art, eco-community wet mill



TODOS AL AGUA
Peru



The program currently supports **145 farmers**, with **870 people directly benefitting** from the project's interventions throughout the Northern region of Amazonas, Peru.



TODOS AL AGUA
Honduras



In 2021, we began planning the initial steps to scale and replicate Todos al Agua in Honduras. We will be partnering with 3 of our existing suppliers to support farmers throughout the region.





TODOS AL AGUA

Community is the central pillar to the project's strategy and therefore every activity offered by Todos al Agua is developed and implemented together with the farmers and their family members to best ensure long-term adoption and success.



Water

Restoring and protecting water sources, while promoting and investing in water saving strategies.

Forest

Promoting reforestation, protecting natural ecosystems, and transitioning farms towards agroforestry.

Soil

Rebuilding and restoring soil health to foster regenerative agricultural practices.

Carbon

Measuring and managing greenhouse gas emissions to promote climate-friendly supply chains.



Impact and achievements - Project Milestones - 2021



10,220,000 liters in annual water savings as a result of improved infrastructure investments.



101,000 native trees planted that will sequester 1,183 tons of CO₂ per year, starting 2022.



167 new composting systems were installed, enabling 1,478 tons of pulp to be properly composted, avoiding 2,200 tons emissions, per year. Additionally, the composted pulp will be used to produce organic fertilizer, which will save producers \$14,000 USD per year.



1 new technologically-advanced, environmentally-friendly community **wet mill** was built, servicing 150 farmers in the region of Anserma.



428 farms completed soil analysis to inform their farm fertilization requirements.



426 wastewater treatment systems were installed, avoiding future pollution and discharge into local watersheds.



5,516 farms were verified and/or certified in a third-party sustainability standard.



Sustainable Development Goals

SDG6 – Clean Water and Sanitation

SDG13 – Climate Action

SDG15 – Life on Land

Awards and Recognitions

In 2021, RGC Coffee joined two Colombian-led initiatives related to climate action.



Coffee, Forest & Climate Agreement, an alliance between public and private actors to promote climate initiatives in Colombian value chains.



Carbon Neutrality Alliance – RGC, along with 100 first-mover companies, signed an agreement with the Colombian Government to support the country achieve a carbon neutral economy.



IN 2021, WE SUCCESSFULLY MEASURED THE CARBON FOOTPRINT OF 500 FARMS THROUGHOUT ANSERMA, COLOMBIA.

The main objective of Todos al Agua is to support farmers mitigate and adapt to climate change through regenerative agriculture, therefore, during the last quarter of 2021, the Todos al Agua team in Colombia worked collaboratively with SOLIDARIDAD's technical support staff to complete the project's first carbon footprint measurement. The data will serve a vital role in guiding future strategies and interventions, while empowering farmers to better understand and manage their carbon and greenhouse gas emissions.

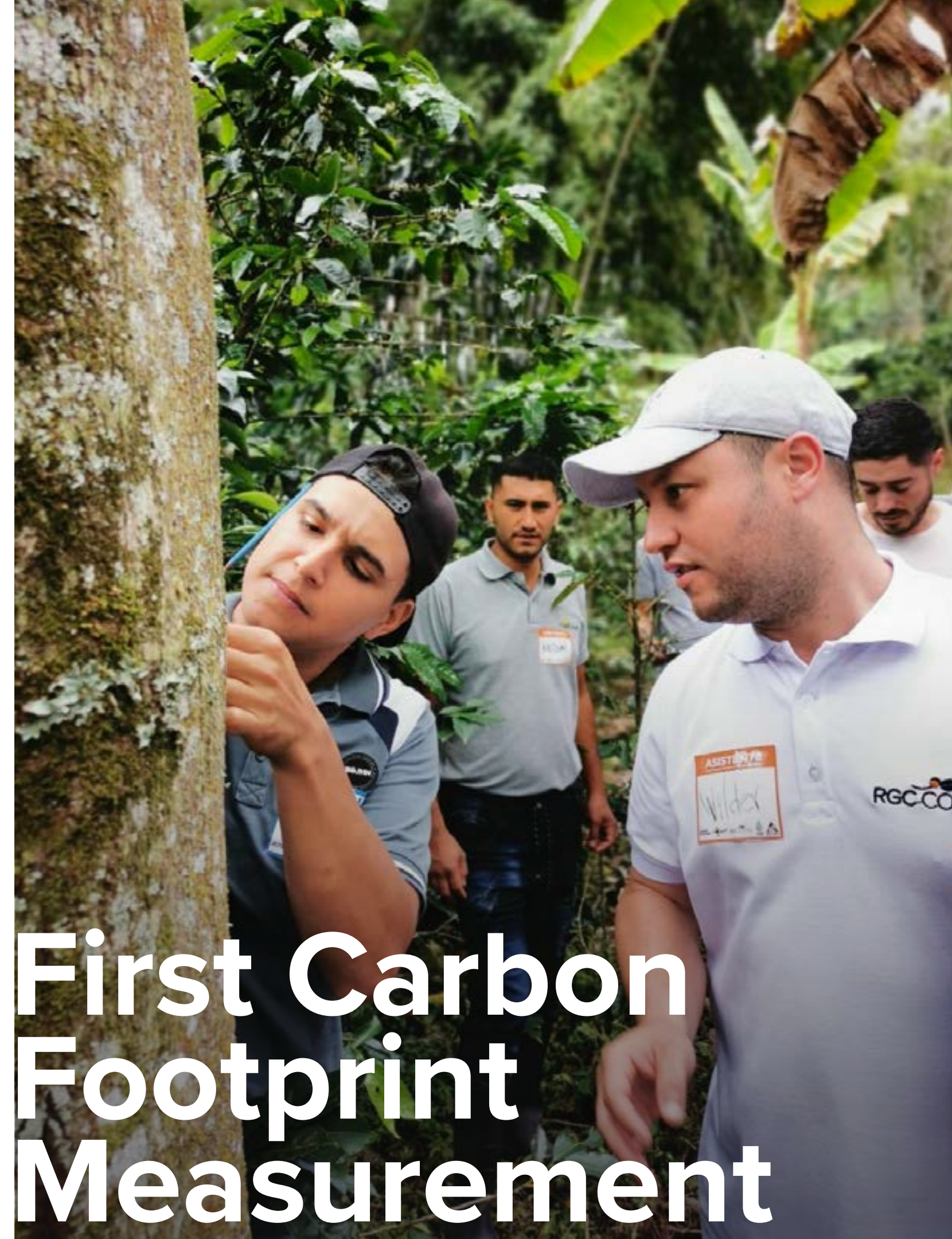
Data was collected during the main harvest (September to December 2021) to ensure proper data collection of pulp and wastewater management practices and across farms that are active participants of Todos al Agua as well as neighboring farms not associated with the project. By collecting data from associated and non-associated farms provided us the ability to compare and contrast existing intervention efforts as well as gain a more comprehensive understanding regarding the carbon footprint of the region.

With support from SOLIDARIDAD, RGC now has a proven methodology to measure the carbon footprint of any coffee supply chain.

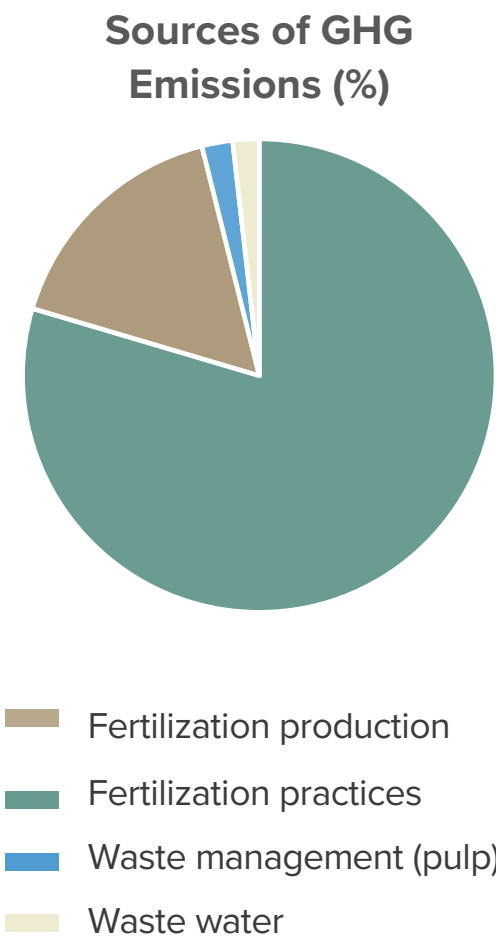


A farmer and a technician perform a tree assessment, as part of the Cool Farm Tool carbon measurement protocol.

First Carbon Footprint Measurement



Next Steps in our Carbon Footprint Journey



The main finding from our carbon footprint measurement of 500 associated and non-associated farms:

The average emissions per kilogram of coffee parchment was 9 kg of CO₂ (with farms ranging from -0.2 to 9.6 kg CO₂ per kg)

The average emissions per hectare was 8.501 kg of CO₂ (with farms ranging from -3.751 to 12.248 kg CO₂ per he)

SUSTAINABLE SOURCING MODEL



Non-associates have 40% more emissions per kg of coffee parchment as a result of poor fertilization practices and inadequate pulp management. Our study suggests lower access to training and infrastructure improvements directly affects carbon performance.



Proper composting of coffee pulp significantly influences a farmer's carbon footprint, with farms that properly compost coffee pulp having 800 kg/ha less emissions per year compared to farms that do not implement standard industry practices.



Reducing water consumption and treating wastewater proved to be an effective strategy in reducing emissions and pollution, with wastewater representing 23% of emissions (20 lt of wastewater represents 1.8 kg of CO₂)



Intercropping shade trees and adopting agroforestry systems is the most effective strategy to facilitate carbon sequestration. On average, a tree can capture 13 kg CO₂ per year, and sequestration rates begin to increase after three years.



Advancing Towards Climate-Friendly Coffee Production

SUSTAINABLE SOURCING MODEL



TODOS AL AGUA

The achievement that continues to be the most important for Todos al Agua is the success we have had in connecting and collaborating with the community. Project efforts continue to reinforce the idea that by simply changing daily habits, we can work together to avoid further destruction of ecosystems and use the business of coffee to promote positive social, environmental, and economic impact.

In 2021, Todos al Agua continued scaling its impact alongside our partners in Amazonas, Peru - Café Monteverde (producer-exporter) with technical support provided by Technoserve. During 2021, our combined efforts supported 145 farmers across 3 coffee cooperatives/associations in the Northern region of Amazonas, Peru.

We also began the initial phase of replicating Todos al Agua project methodologies in Risaralda, Colombia and Octotepeque, Honduras, with these projects to officially launch in 2022.

Our ability to support communities improve their adaption, mitigation, and resiliency to climate change depends entirely upon our collaborative partnerships – from farmers to consumers, together we are changing lives and facilitating real impact for people and the planet. Pictured above are farmers from the Mistrató y Guática regions of Risaralda, Colombia who will become our newest members of RGC 3E®.

Impact + Information hub

SHARING KNOWLEDGE, DATA, AND EXPERTISE

The second strategy of our RGC 3E® Sustainability Program is our **Sustainable Supplier Assessment** which was developed to ensure **suppliers** are conducting business in a way that **creates shared value** for all stakeholders. The assessment works by **measuring the sustainability performance of supply chains** to ensure it meets expectations while also **encouraging best practices and continuous**.

The 3E Sustainable Supplier Assessment is aligned to the best practices of **six certification and validation** standards and **10 principles of the UN SDGs**, taking a comprehensive and holistic approach when examining supplier sustainability.

Enhancing the transparency and accountability of the sustainability practices being implemented by **RGC Coffee suppliers.**



THE 3E VALIDATION TOOL WAS DESIGNED AND IMPLEMENTED BY RGC AMERICA'S SUSTAINABILITY TEAM.

RGC AMERICAS

RGC 3E®

The core of the Sustainable Supplier Assessment

As we continuously seek ways to improve our approach to sustainability. This year, we made an adjustment to our supplier assessment tool in order to strengthen its precision and accuracy in assessing the sustainability performance of our 3E supplier partners.



The assessment process is now comprised of **10 Criteria and 37 Indicators**. Performance is determined through series of questions related to sustainable practices in coffee production and the commercial supply chain network and supplemented with accompanying documentation. From the total set of performance indicators, **19 are classified as non-negotiable, high importance indicators** as these assess practices related to human and labor rights, environmental care and transparency in the supply chain.

People



Promotion and protection of health and wellbeing



Traceability and transparency



Access to Drinking Water



Productivity and profitability

Planet



Conservation and restoration of natural resources



Climate change adaptation

Prosperity



Human rights



Labor legislation



Health and safety at work



Good treatment for workers and good labor conditions

In February 2021

RGC Coffee carried out the second supplier validation

This year 10 strategic suppliers from Colombia, Peru, Brazil, Honduras participated in the assessment. Each supplier answered a self-evaluation assessment, guided by our team and submitted evidence regarding their social, environmental, economic and transparency practices for 2020.

According to the results, our 3E supply chain partners achieved a combined sustainability performance rating of 89%

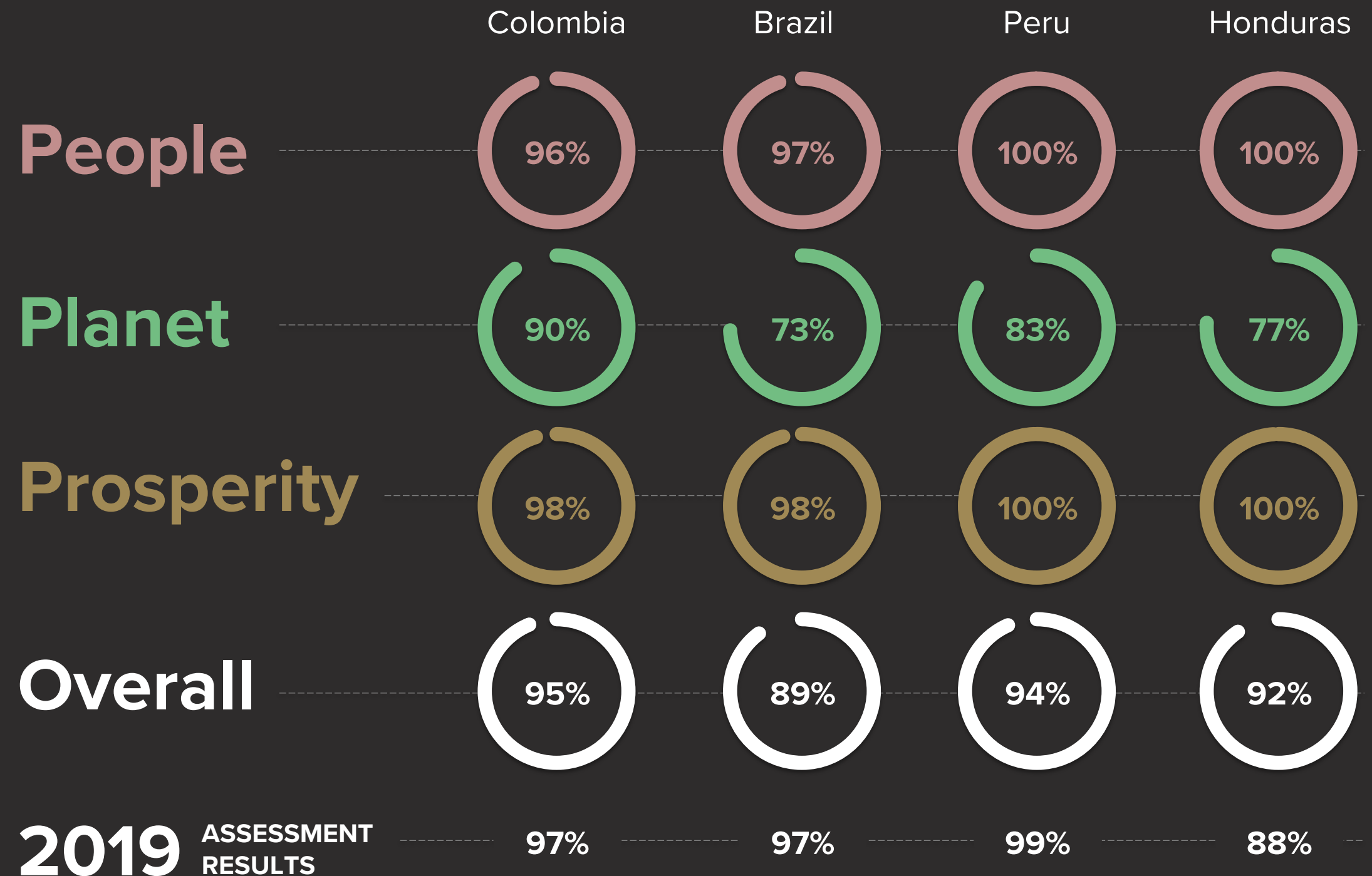


Results from our 2020 Supplier Assessment

A journey toward continuous improvement

Honduras showed significant improvements in its sustainability performance, compared to 2019, reinforcing the important partnership we formed with our suppliers and Technoserve, through the USDA-funded initiative MOCCA.

While the performance of Colombia, Brazil, and Peru showed slight decreases in their overall scores, they managed to maintain good results.



Identifying the Gaps in Sustainability

The Covid-19 pandemic made the lives of suppliers, producers, and workers tremendously difficult. Forced to navigate an extremely volatile and challenging marketplace, the pandemic greatly hindered their ability to reach their full potential and make progress towards their long-term goals. The ever-evolving restrictions imposed by regional and local governments prevented agricultural technicians, agronomists, and RGC staff members from visiting farms, delaying scheduled trainings and forcing the implementation of new project and existing project strategies to be put on hold.

We also learned that during this time, producers stopped going to the cooperative for support, resources, and information, and would only visit the cooperative to sell their coffee. We believe the lack of peer-to-peer learning and ongoing support is what ultimately led to the supplier results being lower than expected for 2020.

From our experience, we believe peer-to-peer learning is the most effective way to promote knowledge sharing and empowerment. For this reason, we focus our efforts on training leaders from the community leaders so they can be the ones to deliver sustainability trainings and information to their peers. Pictured here is a training being conducted in Salgar, Colombia for our Las Manos del Café project.



Analyzing the Results

Mapping the Road Ahead

Areas of Opportunity, Growth, and Development

RGC 3E® Sustainability Program is working to create a thriving and prosperous future for all. The lessons learned from these past years has helped us create a roadmap to achieve this reality.

Based on our RGC 3E®s, Elevate, Empower, Educate and the experience gained in supporting 45 communities, the main areas of opportunities include: climate-smart farming practices, carbon footprint training and education, and access to technical support and agronomists.



Strategic + Collaborative Partnerships

COLLABORATION IS KEY TO ACHIEVING REAL IMPACT

We want to also thank all of our roasting partners who share our values and continue to support our efforts. Together, we are **fostering long-term sustainable change**.



Thanks to our partnerships, we were able to achieve our 2021 goals



Support water conservation efforts in communities

Investments in coffee processing equipment, implemented through our Todos al Agua project, is now saving 10,220,000 liters of water per year.



Increase women's access to credit

Women participating in Las Flores del Café projects have access to a self-managed revolving credit fund. Currently, the combined credit funds amount to \$43,600 USD.



Recruit and retain the next generation of coffee farmers

A next generation entrepreneurship methodology was developed in collaboration with SOLIDARIDAD in south Tolima, Colombia. 30 youth were onboarded, and a rotating credit fund of \$9,500 USD was established. The methodology is now fully developed and ready to be scaled and replicated.



Support productivity programs

Through the USDA-funded MOCCA project, famers in Peru and Honduras had access to technicians from Technoserve were specifically hired to support yield and quality improvements.



Continue providing solutions to address farmworker scarcity

Las Manos del Café, our farmworker wellbeing project currently supports 2,860 workers and four family members live with greater dignity. Additionally, a new region in Colombia began scaling the project in their supply chain network.



Support farmers in adapting to climate change

8,600 people throughout Colombia, Peru, and Honduras are participating in supply chain initiatives designed to mitigate and adapt to the effects of climate change.



**Maria
Veronica
Arenas**

Photo by Lucia Bawot

THE ENERGY BEHIND OUR COMMITMENTS

“

Women are warriors, we are diamonds, and we get up every day with our heads held high to give the best of ourselves.



LAS MANOS DEL CAFÉ

“

Behind every coffee bean, behind a woman worker, there is a woman warrior, fighter, with dreams, willing to learn and with a beauty that has always been invisible, women who are a treasure to be discovered.



Woman Farmworker





Lidia Maria Salazar

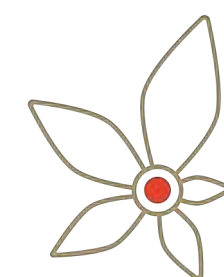
Photo by Lucia Bawot

THE ENERGY BEHIND OUR COMMITMENTS

“

My life was a swamp, but I became a beautiful and colorful bird, and I flew very high to a forest, and in this forest, I could fly and be who I always wanted to be. My forest is Las Rosas Group.

Like Lidia Maria, we have many women whose rights have been violated and thanks to the support provided by the Flores del Café program, this group of women has been able to emerge again and become leaders in their families and communities.



LAS FLORES DEL CAFÉ

“

Todos al Agua has allowed us to improve the wellbeing of our community that had many problems due to the quality of the water they consumed. Being part of a cooperative, I have learned how to work hand in hand with my neighbors, so that together, we are ones who generate the change. The program has empowered us to generate our own community economic development.



TODOS AL AGUA

**Farmer from
the Anserma
Cooperative**





ELEVATE

EMPOWER

EDUCATE





2021 SUSTAINABILITY REPORT

THANK YOU

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