











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

Ron Gabbay, Founder and Chairman of RGC Coffee

Since I started my coffee journey 55 years ago, I've witnessed enormous changes in the industry. Coffee was a commodity and was traded as such. But well into my career, I knew that current market conditions could not sustain a healthy supply chain, particularly for better qualities that required much more investment and attention. We had to do something to ensure a better future for the coffee industry and for our children.

Through RGC 3E, we've made this vision a reality, blending quality and sustainability. As we present this report, I'm proud of our progress and grateful to our partners. We're driven by a shared purpose—to empower farmers, nurture communities, and protect our planet. Together, we'll continue to innovate, collaborate, and inspire positive change in the coffee world. Thank you for being part of this journey with us.





PAGE 3 to 7

PAGES 8 to 12

PAGES 12 to 43

PAGES 44 to 49

PAGES 50 to 55

Intro

01

Building a Sustainable Coffee Business 02

RGC 3E® Sustainable Sourcing Model -Strategy and Impact 03

Evaluating Sustainability
Risk to Achieve Best
Practices in the Supply
Chain

04

Collaborative progress

Letter from our Executive Chairman

RGC Coffee 3E Sustainability Program Our sustainable supply chains and **RGC 3E**® numbers

RGC 3E® Sustainability Validation Scheme

Our Partners

Table of contents

Challenges for a sustainable coffee industry - our priorities

RGC 3E[®] in action

Prosperity

The criteria for supplier sustainability

2025 goals and progress

Our core values

Our shared value path - theory of change

Las Manos del Café, Farmworker Wellbeing

Las Flores del Café, Family

Traking the progress after three years of evaluation

Testimonies from our 3E Community Partners

Our approach to make sustainability achievable for all

Todos al Agua, Regenerative Agricultural Ecosystems Mapping the journey ahead





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





Futures Trading and Management



Quality Control and Assurance



Financing



Transportation & Logistics



Supply Chain **Projects**



Direct Trade



Market Insight and Analysis



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!



THE COFFEE BUSINESS IS

MORE THAN BEANS AND GOOD CUPS!

It is a business where we touch millions of people, from the rural worker to the person who consumes the beverage. This has allowed us to know firsthand the most important challenges, from the social, environmental and economic point of views that surround the business.

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

As a family company, RGC Coffee has at the core of its mission to make the coffee business a vehicle for development and welfare for the communities where it operates. We believe that a brighter future is attainable when everyone, within their sphere of influence, contributes to the prosperity of both our planet and all of humanity. We place humanity at the forefront of our operations, guided by a shared value strategy. Drawing upon 55 years of knowledge gained through collaboration with our partners, spanning from origin to destination, alongside our customers, suppliers, coffee communities, and NGOs, we have identified the core principles that underpin our sustainability approach, serving as the guiding pillars of our RGC 3E® program.

Challenges for a sustainable coffee industry - our priorities

RGC has defined priorities at origin that can be categorized into three interdependent areas:



Elevate (Prosperity)

Creating thriving communities by improving access to health care, welfare activities, and safe water. We prioritize transparency and traceability and strive to enhance productivity and profitability on farms.

Empower (People)

We prioritize respect for fundamental rights by complying with labor legislation and promoting equity. Our focus includes creating safe workplaces and ensuring workers are treated with dignity and respect.

Educate (Planet)

We promote business rigor in agricultural best practices, emphasizing regenerative agriculture and climate change action.

Our priorities are aligned to contributes to the following Sustainable Development Goals:



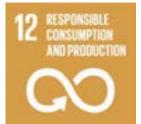


















Our Shared Value Path – the RGC 3E® Theory of Change

ENVIRONMENTAL FOOTPRINT.

foster regenerative agricultural

friendly supply chains.

4. Measuring and managing greenhouse gas emissions to promote climate-

practices.

RGC COFFEE 3E SUSTAINABILITY VALIDATION SCHEME - THEORY OF CHANGE 2020-2050 **MAIN OBJECTIVES PRODUCTS OUTCOMES STRATEGIES METHODOLOGIES IMPACT** (3E PROGRAMS) 1. 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. Target 2025: 40,000 families **PROSPERITY - LAS FLORES DEL CAFE** beneficiaries of RGC 3E sustainable Target 2025: 40,000 families PROMOTES PROSPERITY AND WELLBEING OF PRODUCERS USING A 2. Enabling women to be decisioncoffee program. 30% of producer impacted from investments at the farm level. makers through financial literacy promoters are women. FAMILY-CENTRIC APPROACH TO training, access to financial capital PROVIDE SCALABLE SOLUTIONS (transparent, self-managed revolving Target 2050 (New): 60,000 families Target 2050: 60,000 families THAT WILL SUPPORT THE beneficiaries of RGC 3E sustainable credit funds), and entrepreneurship. impacted from investments at the **ASPIRATIONS, RIGHTS AND DIGNITY** coffee program. 40% of producer farm level. OF PEOPLE. 3. Providing training and support to promoters are women. women and their families in good agricultural practices and post harvest 1. Community work that includes itrititi ∰ processing techniques, ensuring access family members and schools. With to technical assistance and resources The "Theory of Change" is a special emphasis on women as for farming improvements. promoters of community change. comprehensive and systematic approach used 2. Work with producer promoters in program evaluation and based on impact indicators. 60,000 families planning. It is a framework 1. Promotion of Decent and Productive are thriving by Target 2025: Las Manos del Cafe Employment. 3. Access to farm improvements and Target 2025: 4.000 farmworkers who that outlines the necessary producing coffee PEOPLE - LAS MANOS DEL CAFE other benefits based on a win-win farmworkers program has 16,000 benefit directly from efforts to close steps and conditions for a in RGC's supply **FOSTERS FARMWORKERS** 2. Ensuring the protection and safety for model (results-based agreements). beneficiaries: 4,000 farmworkers and the gap on living wage while chain while specific program or WELLBEING AND DIGNITY. 12,000 family members. workers. dignifying their work. taking care of intervention to bring about **IDENTIFYING ALTERNATIVES TO** 4. Tours to share with other planet and desired outcomes or MAKE EMPLOYMENT WITHIN THE 3. Promoting good and fair treatment for Target 2050: Las Manos del Cafe Target 2050: 7,500 farmworkers who communities related to the communities. farmworkers program has 30.000 benefit directly from efforts to close **COFFEE INDUSTRY MORE SOCIALLY** farmworkers. achievement of indicators. impact. beneficiaries: 7,500 farmworkers and VIABLE. the gap on living wage while 4. Collaborative work among multiple 5. Georeferencing of all interventions. 22,500 family members. dignifying their work. agents in the coffee value chain. 6. Collaborative work with other partners in the region to increase impact. 1. Restoring and protecting water sources, while promoting and investing in water saving strategies. By 2025 2,000 tonnes of CO2 are estimated to be captured in RGC 2. Promoting reforestation, protecting supply chains from conservation or **PLANET - TODOS AL AGUA** natural ecosystems, and transitioning Target 2025: Todos al Agua 3E restoration. SUPPORTS FARMERS TO RESTORE farms towards agroforestry. program has 1,500 beneficiaries. NATIVE ECOSYSTEMS, CONSERVE By 2025, 20 millions of liters of water WATER AND MANAGE THEIR 3. Rebuilding and restoring soil health to Target 2050: Todos al Agua 3E saved per year.

program has 15,000 beneficiaries.

by 2025, 200 hectares restored with increased tree cover or cover crops.

Our approach to make sustainability achievable for all

Sustainability is not a fixed path; rather, it's a flexible route that should be tailored to suit each unique community. Together with all partners, we follow a continuous and concientous path of observing, designing, testing, and adjusting.

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 and the customer 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 where diversity of thought is the key. Trial is the strategy. Then solutions that are proved are scaled up to ensure long-lasting impact.



RGC 3E®

Our sustainable supply chains with shared value

Nueva Segovia, Nicaragua

Jinotega, Nicaragua

Ocotepeque, Honduras





Lempira, Honduras

Copan, Honduras







Amazonas, Peru





Antioquia, Colombia



Risaralda, Colombia



Caldas, Colombia





Huila, Colombia



Cauca, Colombia



Minas Gerais, Brazil





RGC 3E® **IN NUMBERS**

ELEVATING COMMUNITIES AND TRANSFORMING ECONOMIES

95 LBS PRODUCED ANNUALLY BY 3E PARTNERS

PERU NICARAGUA **HONDURAS** COLOMBIA BRAZIL BURUNDI



17 LBS PURCHASED
BY RGC IN 2022

\$2.0M

Invested in Community Projects in 2022

\$3.1M

Planned Investment Budget for 2023

32,344 COMMUNITY COFFEE PARTNERS

7,625

Women Project Participants

16,049

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

BOOTS ON THE GROUND SUSTAINABILITY TEAM

Professionals in our Global team at origin

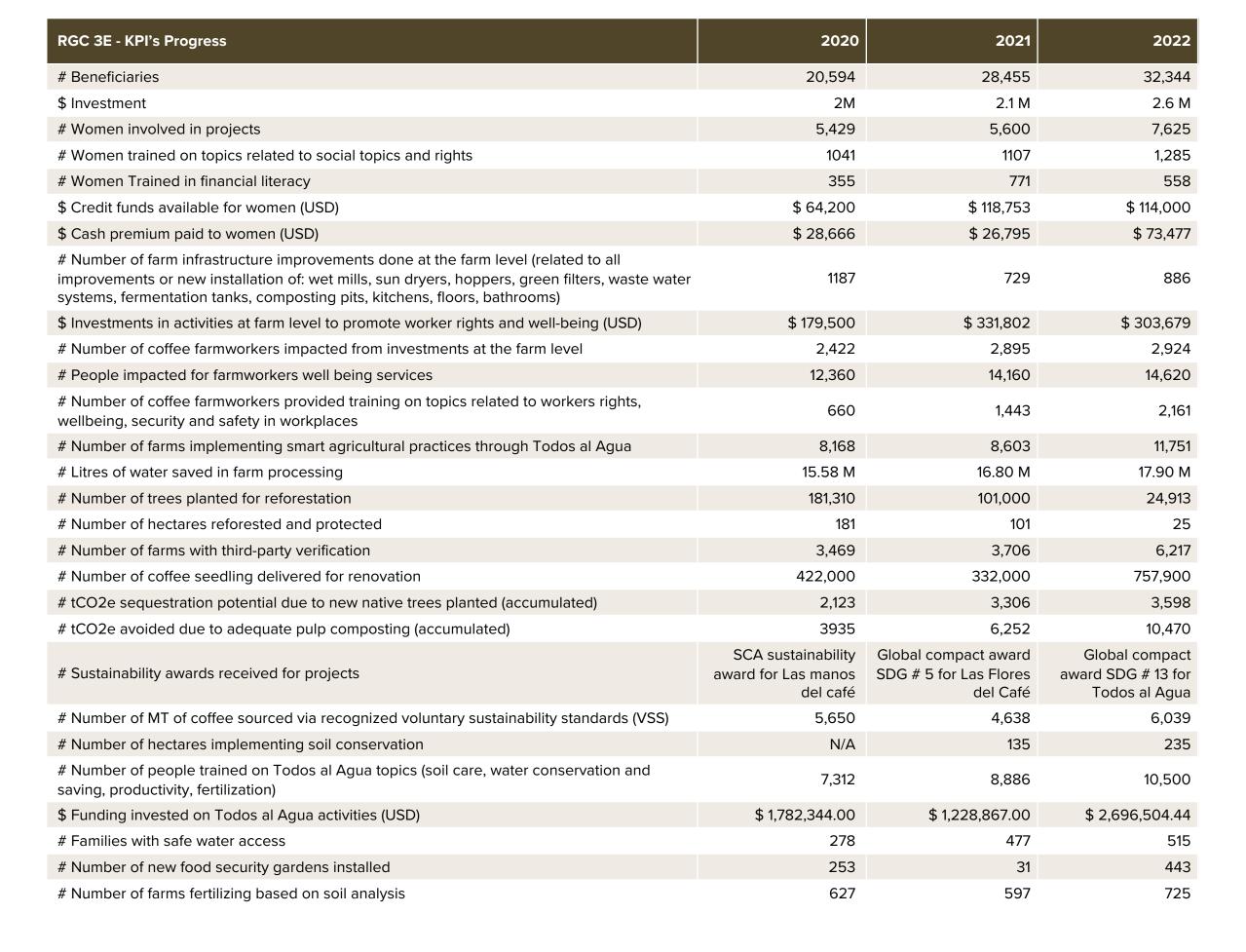
Implementing RGC 3E® projects in 2022

Technicians in the field



RGC 3E® IN NUMBERS

Here is our annual progress, as represented in our sustainability reports. Please note that the data reflects achievements for each year and is not cumulative.





RGC 3E® IN ACTION

Families are thriving through coffee farming while caring for the planet and communities

RGC's 3E theory of change has laid out a roadmap for concrete actions to be taken to ensure that by 2050, RGC's supply chains will have **60,000 families** thriving through coffee farming while caring for the planet and communities.

This theory of change, based on our 3 principles of Elevate, Empower and Educate, has been translated into 3 permanent sustainability projects aligned with achieving social, environmental and economic goals:





Elevate

We promote the prosperity and wellbeing of producers through a familycentered approach and implement solutions that uphold the aspirations, rights, and dignity of individuals.



Empower

With a focus on promoting the well-being and dignity of workers, we identify alternatives to make employment in the coffee industry more socially viable.



Educate

We support farmers in restoring native ecosystems, conserving water, and managing their environmental footprint through the principles of regenerative agriculture and in the context of climate change.



SUSTAINABLE SOURCING MODEL





A family-centric aproach for prosperity that uplifts women in coffee growing communities

Our project originated in a rural setting, where our technical team consistently noted that prosperous families are often distinguishable by their colorful houses adorned with vibrant flowers. Typically, it is the women of these households who manage them, exemplifying how their energy revitalizes the family and adds vibrancy to the community.

This is how the name of our program, Las Flores Del Café (The Flowers Of Coffee), was born. Flowers symbolize joy, gratitude, and progress. Without flowers, a plant cannot produce fruit, which aligns with the objective of this project: the prosperity of families.

Las Flores del Café aims to achieve prosperity by actively involving women as an integral part of both the family and the community. The original pilot program was launched in Huila, Colombia, in 2016 under the name *Las Rosas*. Since then, the initiative has expanded to Peru, known as *Cantutas*, and Honduras, referred to as *Hibiscus*. In these regions, we prioritize purchasing coffee from women farmers and place a strong emphasis on supporting their empowerment.

Our collaboration with these groups paved the way for the next phase, where the empowerment of women has become a central and overarching focus in all our programs aimed at enhancing economic prosperity. Today we've expanded beyond our initial 7 women-led groups, encompassing an additional 4 groups of coffeegrowing families. Our collective focus remains on economic prosperity, achieved through inclusive technical assistance. In this approach, every family member plays a pivotal role in decision-making. This holistic approach addresses multifaceted challenges, including productivity, food security, and overall family income.

This approach has accelerated our ability to achieve impactful results. We've witnessed profound transformations within these families, and our agronomists have become advocates of the belief that the most effective path to achieving our indicators is by harnessing the collective efforts of every family member, ensuring that no one is left behind.



Las Flores del Café is supporting 11 communities and 4,444 people to achieve family prosperity.

7 women led Las Flores groups, under a national flower name:



LAS ROSAS
Colombia

1 group with 432 women coffee farmers and their family members, participated in Las Rosas in La Plata, Huila, Colombia.



CANTUTAPeru

3 groups with 320 women farmers across three associations / cooperatives participated in Las Cantutas throughout the Amazonas region of Northern Peru.



HIBISCUS
Honduras

1 group with 66 women from the western region of Honduras, Ocotepeque, who exported their first lot in 2023.



PLUMERIA Brazil

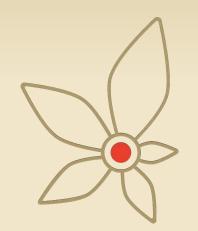
1 group 114 women farmers members of a coop.



ROTHECABurundi

1 group that includes 752 women farmers





Las Flores del Café Supply Chains

Additionally, we work with 4 more groups comprised of families in Tolima and Caldas, Colombia; Ocotepeque, Honduras; and Amazonas, Peru, encompassing a total of 2,760 beneficiaries. These groups are focused on improving the well-being of families by increasing income through different strategies:



Productivity improvement via production stabilization and improved cultivation practices.



Income diversification through the promotion of other crops.



Food security programs that improve family nutrition while generating savings.



Price incentives for quality.







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.



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 farming improvements.



The first exchange of women between two countries was made. Las Cantutas from Peru came to Colombia to learn from Las Rosas. The group received training in Las Flores methodologies, but more importantly, both groups inspired one another to continue expanding their work in their respective communities.

Las Rosas is now managing its own coffee purchasing station, ensuring traceability, quality, and fair prices for producers. This marks the inauguration of the first 100% woman-operated station, adorned in pink, and equipped with a dedicated space for breastfeeding and childcare—designed to cater to the needs of women and their children while they engage in coffee transactions.

A group of 5 women producers received training on carbon footprint methodology, using the Cool Farm Tool, and conducted a comprehensive assessment of Las Rosas' supply chain carbon footprint.

200 children have actively engaged in RGC 3E. We are strengthening child protection measures by providing support to schools, which includes environmental awareness initiatives and activities promoting food security.



Sustainable Development Goals

SDG1 – No Poverty

SDG5 – Gender Equality

SDG8 – Decent Work and Economic Growth

SDG10 – Reduced Inequalities

Awards and Recognitions



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 Flores del Café was a selected





Social Recognition – Project updates

The constant presence and support of RGC, which includes purchasing the women's coffee and nurturing a spirit of collaboration within their families, has significantly reshaped their perspective of the future. A remarkable shift has occurred, with men now actively pursuing opportunities with their wives within the projects. This transformation is particularly noteworthy, especially in regions like Honduras, where such a scenario would have been unimaginable in the past.



236 people participated in family prosperity and gender perspective trainings.



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



264 women trained on leadership, assertive communication, gender violence and discrimination.



4 producer women are participating in leadership and decision-making positions.



350 women participated in a summit to share ideas and get inspiration.





Economic Empowerment – Project Updates

Every year, Las Rosas sets its coffee export objectives. Since 2022, they have established their own point of purchase managed by women producers. This development has streamlined coffee volume management, sales planning, and has led to increased visibility and leadership within the region.

Las Rosas has experienced remarkable growth and increased visibility, thanks to the support provided by Las Flores del Café. This progress has enabled them to access resources from coop projects with the government. Consequently, they have advanced their investment plan focused on enhancing postharvest infrastructure.

Four women received awards for their outstanding coffee quality, and their coffee was purchased as high-premium microlots. This not only provided them with extra income but also garnered recognition in the market.

As a fundamental component of economic empowerment, 294 women and 123 youths were trained in financial literacy in Peru, to teach them how to manage household budgets and improve their financial awareness.









Economic Empowerment – Project Updates



\$114,000 available for credits for women and youth.



Since 2016, **8,878 bags** of women's produced coffee have been exported from Las Rosas.



In 2022, RGC Coffee supported the project by **buying 16,517 bags** with additional premiums.



In 2022, Las Flores families were beneficiaries of investments and cash premiums for a **total amount of USD \$777,203**.



22 housing improvements were made in Las Rosas offering wellbeing to 110 people.



There are **four entrepreneurial projects** in operation : two coffee nurseries, one coffee shop, and one coffee exportation venture.



Forty-three families are cultivating food through the implementation of food gardens, resulting in annual savings of **up to \$426 per family**.







Quality and Productivity – Project Updates



USD \$23,000 was distributed as fertilizer support for new coffee plantations to increase farm productivity.



"We supported the renovation of coffee plantations with **757,900 seedlings**, equivalent to approximately 151.11 new hectares of coffee, contributing to increased family incomes."



8,000 plantain seedlings were planted to support income diversification and quality of soil.



360 producers were trained in diversification income, food security and productivity improvement.



65 women in Peru were trained In quality assessment.



61 sun driers were upgraded in Peru .



44 model farms have implemented improvements tailored to specific needs, encompassing productivity, diversification, and food security.



SUSTAINABLE SOURCING MODEL





Improving living conditions for farmworkers and their families

The Las Manos del Café Farmworkers Program was initiated in 2016 with the aim of making employment in the coffee industry more socially sustainable. This involves encouraging a diminishing labor force to actively engage in coffee production, addressing their needs, and transforming gaps into opportunities.

Farmworkers, often the most vulnerable and overlooked participants in the coffee supply chain, have traditionally been neglected by many projects that primarily focus on improving the well-being of coffee producers. The Farmworkers Program sets itself apart by directly benefiting the workers who play a crucial role in coffee quality and production volume.

Over the course of seven years, we have forged a partnership with rural workers, a community that has historically been distrustful and apprehensive, having rarely been heard or included in services and initiatives.

Four essential elements drive our work:

- 1. Building trust
- 2. Fostering social capital in a community unaccustomed to collaboration
- 3. Implementation through participation
- 4. Valuing the workers' perspective as the foundation

The program strategically focuses on delivering services that enhance the quality of life, job security, and peace of mind for farmworkers and their families. Simultaneously, it fosters stronger relationships among workers, producers, and local organizations.



Las Manos del Café Supply Chains

Las Manos del Café collaborates with 16,139 individuals to comprehend their concept of well-being for farmworker families. Together, we create solutions that transform gaps into opportunities, delivering tangible and meaningful results.

A total investment of **\$303,678 USD** was contributed to providing services aimed at closing the wage gap in four communities: Alto Occidente Cooperative in Caldas, Norte de Caldas Cooperative in Caldas, Aguadas Cooperative in Caldas, and Salgar Cooperative in Antioquia.





RGC participated in the living wage and living income study

Conducted by the Anker Research Institute on behalf of Verite, released July 2022.



Over the years of building close relationships with workers, we have been able to demonstrate that, as the study indicates, workers receive a decent salary during the harvest season, which nearly reaches living wage levels. However, their capacity to save is nearly nonexistent, as the earnings they receive during the harvest season cover their basic needs but leave no room for savings to bridge the gap during the other months of the year.

The study was conducted in two regions: Antioquia in one of las Manos del café project regions (Cooperativa de Salgar) and in Huila (Las Rosas women in coffee project). Field data was collected to establish the definition of a living wage in these regions.

The definition of a living wage, as applied by both the Global Living Wage Coalition (GLWC) and this study, is as follows:

"The remuneration received for a standard workweek by a worker in a given location sufficient to afford a decent standard of living for the worker and his or her family. Elements of a decent standard of living include food, water, housing, education, health care, transportation, clothing, and other essential needs, including provision for contingencies." (GLWC, 2016, cited in Anker and Anker, 2017).

The study reflected that "The living wage is similar to what coffee workers actually earn during the harvest season, but about 56% higher than the minimum wage they usually earn outside the harvest season." (Informe sobre salario vital, Dec 2021, Lykke E. Andersen and Natasha Nina Andersen)

According to the Anker methodology, a decent living wage encompasses several key factors: access to a basic yet nutritious diet, aligned with local preferences and resources; housing that meets both national and international minimum standards; access to education for children through secondary school; sufficient healthcare when needed; provision for all other essential needs and a reserve for emergencies. Moreover, a living wage should be adequate to keep the family together, preventing any necessity for some members to migrate in order to supplement household income. (Informe sobre salario vital, Dec 2021, Lykke E. Andersen and Natasha Nina An-dersen)

Seven years ago, at the inception of Las Manos del Café, the project organized numerous workshops involving workers in the villages. These workshops enabled us to collaboratively design the array of services that the project should provide. These services are essential for enhancing their living conditions and, without the project's intervention, would remain inaccessible to them and their families.

Correlation Between ILO Decent Work Conditions, Las Manos Del Café, and Components of a Living Wage

The services offered by the project are centered around five fundamental strategies, which we have discovered to be in harmony with the essential components of a living wage and the International Labour Organization's (ILO) Decent Work Agenda. The ILO has been a strategic partner of RGC for the past three years, actively supporting the establishment of decent working conditions within coffee supply chains.





Social dialogue and tripartism

Collaborative work between different agents through the value chain form workers to roasters and NGOs



Impact and Achievements - Project Milestones for 2022

14,620 people are benefiting from wellbeing services; the most valued among the health services are medical, visual and dental care.

126 workers are benefiting from cholinesterase tests.

50 food gardens were implemented with 37 women and 16 men, to promote income stability.

5,196 people have access to funeral services throughout the project

1,187 school-age children of workers received a school kit (books, pencils, crayons)

1,942 farmworkers are saving money through BEPs (savings for the future program) and are covered with life insurance service.

4 calamity funds were established to provide support to workers in case of an unforeseen event.



SUSTAINABLE SOURCING MODEL

Sustainable Development Goals

SDG1 – No Poverty

SDG3 – Good Health and Wellbeing

SDG8 – Decent Work and Economic Growth

SDG10 – Reduced Inequalities

Awards and Recognitions



WINNER

Las Manos del Café was honored as the recipient of the **2020 Specialty Coffee Association's Project Award**, acknowledging the project's exceptional contributions to 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.



Impact and Achievements - Project Milestones for 2022

9 entrepreneurial initiatives were supported including a coffee mechanics venture, coffee nurseries, a coffee harvesting project, and beehive operations.

576 workers were trained on health and safety practices in partnership with ILO.

100 workers were trained in children rights protection using ILO's methodology.

1650 farmworkers received personal protective equipment to improve posture and protect them from environmental conditions during harvesting season.

Professional support was extended through **four social workers** dedicated to the well-being of families. This service is particularly unique and significant for them since cooperatives typically focus exclusively on producers.

715 workers and their families participated in recreational activities in their villages.

687 workers attended trainings in agricultural practices to improve their skills.







During the main harvest of 2022 in Antioquia, we made significant efforts in the assisted harvesting pilot project. Four worker groups were established to trial the use of 'Lonas' (fabric sheets placed on the ground to facilitate coffee collection), with the participation of 23 workers and two farmers. Notably, one of these groups consists of eight female workers.

These activities yielded significant results: worker productivity increased from 8.6 kg per hour using the traditional basket method to 15.5 kg per hour with the use of 'Lonas'.

Given that this pilot involves a transition from old practices to acquiring new skills, the conclusion is that workers need ongoing support in adapting to this novel technology. It is also essential to engage producers in the adoption and implementation of these technologies.

In general, participating workers have shown a high degree of openness. Despite initial apprehensions, they view this as a viable alternative for offering harvesting services. The project's approach, where it assumed the risk on behalf of workers and producers, played a crucial role in encouraging them to embrace this initiative. It's worth noting that this technology has been available in the country for years, but its adoption has remained nearly nonexistent due to the reluctance to take risks, particularly among workers who are the most vulnerable and cannot afford to bear the consequences of any potential failures.

An intriguing finding is that these methods could significantly enhance the income of female pickers, as they typically exhibit lower productivity than their male counterparts, which affects their earnings. In 2023, Las Manos del Café plans to support a group of women in organizing and offering this new service to producers in the region.





SUSTAINABLE SOURCING MODEL





Regenerative Ecosystems

Todos al Agua signifies our corporate commitment to guide coffee communities in transforming their farms into regenerative agricultural ecosystems, ensuring sustainable coffee production while promoting soil health and biodiversity.

Our engagement with Todos al Agua commenced in 2017, and since then, the program has made significant strides, particularly in empowering communities to safeguard their territories, reinforcing forest protection, and enhancing soil quality through cover crops and improved fertilizer management, all while prioritizing water conservation.

In 2022, RGC dedicated efforts to measuring the carbon footprint within our primary supply chains and at the corporate level, laying the groundwork for a comprehensive decarbonization plan set for 2023.

Additionally, we expanded our network of communities working toward coffee cultivation systems that bolster family incomes and nurture ecosystems. This expansion includes the inclusion of three new groups in Honduras and two new groups in Colombia.





Todos al Agua is supporting 11,751 families across 31 supply chains, with different type of interventions according to their own needs. In 2022 USD 1.6M was invested to support these communities. This year marked significant growth in our efforts in this action line, particularly in Colombia and Honduras, where new supply chains were integrated.



Colombia
8,139 families
16 supply chains



Nicaragua
531 families
2 supply chains



Brazil
117 producers
1 supply chains



Honduras
2365 families
7 supply chains



Peru
599 families
4 supply chains







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.

Biodiversity

Todos al agua will pilot a
Biodiversity management
plan with a community in
Mistrato, Risaralda Colombia.
Lessons learned will serve to
scale solutions in other
Todos al agua supply chains.



2022 was a very important year for Todos al Agua with four major milestones:

1. Todos al Agua added one of the most important coffee producing origins to support sustainable development, Honduras.

RGC initiated a collaborative multi-stakeholder project involving RGC, GIZ, Lurvin Ventura, Cafico, Inloher, and Technoserve (MOCCA).

The Objective: Create value for the livelihoods of coffee-growing families in the 'Cacique Lempira Señor de Las Montañas' Biosphere Reserve in Honduras through carbon footprint management.

Coffee Region: Ocotepeque, Copan, Lempira in Western Honduras, including Montaña de Celaque National Park.

Cacique Lempira was declared a Biosphere Reserve by UNESCO in 2015.

Beneficiaries: 1,150 people.



Sustainable Development Goals

SDG6 – Clean Water and Sanitation

SDG13 – Climate Action

SDG15 – Life on Land

Awards and Recognitions



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 in 2021 to support the country achieve a carbon neutral economy.



The Colombia Chapter Todos al Agua, was awarded **The Global Compact Colombia Recognition 2022** for its contribution to United Nations SDG #13 for its Good Practices in Sustainable Development.



Biosphere reserves, as defined by UNESCO, serve as 'learning places for sustainable development,' where activities are implemented to strike a balance between conserving biodiversity, fostering community development, and contributing to climate change mitigation and adaptation

The CACIQUE LEMPIRA BIOSPHERE RESERVE holds immense significance for coffee communities. Nearly 50% of the territory comprises natural forests, while 18% is dedicated to coffee, and 27% is allocated for fields, grasslands, and other crops.

Key threats to this ecosystem include wildfires, pest infestations, and the conversion of forests into agricultural lands. Long-term collaborative programs are essential to assist communities in their conservation and sustainability endeavors.

2. We have expanded our efforts to a new region in Colombia—Risaralda. This coffeegrowing region boasts significant ecological importance due to its proximity to two protected areas, La Cristalina and Cuchilla del San Juan. Consequently, our landscape regeneration initiatives align with regional objectives for landscape and biodiversity protection.









3. The Colombia Chapter of Todos al Agua received the Global Compact Colombia Recognition 2022 for its outstanding contributions to United Nations Sustainable Development Goal #13 and its commendable practices in sustainable development.

4. RGC has made significant progress toward measuring its carbon footprint:

- 4.1. Colombia: Carbon footprint measurements were conducted in three key regions—Risaralda, Antioquia, and Huila. This data, combined with the measurements from Caldas in 2021, forms the foundation for our work in managing the carbon footprint in 2023 and beyond.
- 4.2 Honduras: Carbon footprint measurements encompassed all supply chains in Honduras, situated in Ocotepeque, Copan, and Lempira departments. These findings will guide our sustainability efforts in Honduras for 2023 and beyond.
- 4.3 RGC also conducted a corporate carbon footprint measurement for the years 2019 to 2022 in preparation for our decarbonization plan in 2023.

Furthermore, we achieved an annual **water savings of 17.9 million liters**, a 57% increase from 2021, thanks to infrastructure improvements in Caldas and Antioquia, Colombia.





Impact and Achievements - 2022

6,700 firewood trees were planted, serving both as a deforestation mitigation measure and a sustainable source of wood for 215 eco-stoves distributed to families in Antioquia.

Additionally, **304 new composting systems** were installed to ensure proper composting of pulp waste, reducing GHG emissions, and enriching the soil with valuable nutrients for families in Antioquia.

We've also made strides in reforestation, with **24,913 native trees planted** to safeguard watersheds, adding to a total of 125,913 trees planted in our supply chain since 2019.

515 families gained access to safe water through the distribution of water filters.

725 farms underwent soil analysis to tailor their fertilization practices effectively.

We installed **306 wastewater treatment systems** to prevent future pollution and discharges into local watersheds.

A total of **9,845 individuals**, including producers, family members, and workers, participated in training sessions on regenerative agricultural practices.

6,217 farms have been third-party verified for adherence to sustainability standards.



We've trained 19 farmers in **native tree nursery management**, enhancing our commitment to reforestation.

Across 235 hectares, we're implementing cover crops to bolster **soil conservation** efforts.

133 pilot farms have been established as regional models, showcasing various practices such as informed fertilization, effective cover crop management, food security measures, and the implementation of Good Agricultural Practices (GAP).

4,900 farmers benefit from dedicated **technical support** delivered by our team of 18 agronomists.



Our Carbon Footprint Journey – Colombia and Honduras Supply Chains

As regenerative agriculture hinges on soil health, a pivotal carbon sink, our Todos al Agua initiative prioritized acquiring data on the carbon footprint of our main supply chains in Colombia and Honduras during 2022. This crucial effort, undertaken in collaboration with SOLIDARIDAD and employing the Cool Farm Tool methodology, enables us to track the impact of our regenerative agricultural practices on carbon footprint indicators.

In Colombia, we assessed a sample representing 1,400 farms spanning Antioquia, Risaralda, and Huila. The findings revealed an average emission of 3.18 kg of CO2 per kilogram of coffee parchment and 4.180 kg of CO2 per hectare.

Similarly, in Honduras, our evaluation encompassed a sample of 1,240 farms in Ocotepeque, Lempira, and Copan departments. Here, we observed an average emission of 1.92 kg of CO2 per kilogram of coffee parchment and 3.679 kg of CO2 per hectare.



Fertilization and shade are two fundamental factors responsible for the large difference in carbon footprint between Colombia and Honduras.



There is room to enhance proper composting practices of coffee pulp in both countries.



Reducing water consumption and treating wastewater must continue as an important strategy for Colombia.



Improve coffee growing nutrition management is key to enhance productivity while reducing footprint and cost of production in both countries.



Colombia Supply Chains

Antioquia-Huila-Risaralda



N° Fincas

Agua beneficio,

Procesamiento,

Producción fert,

25.7%

0.1%

10.8%

Transporte, 2.2%

Pesticidas, 0.6%

Energía campo,

Residuos, 6.1%

1.1%



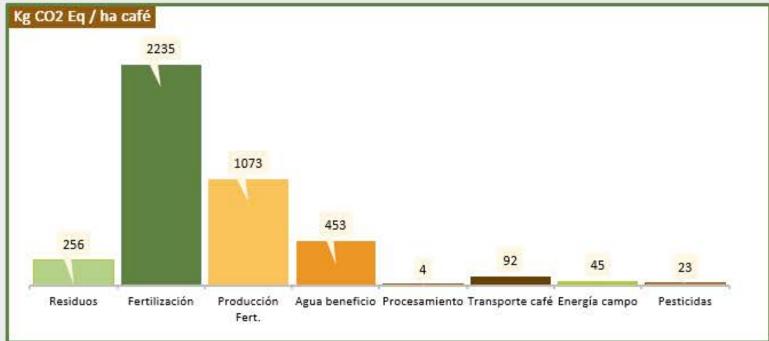
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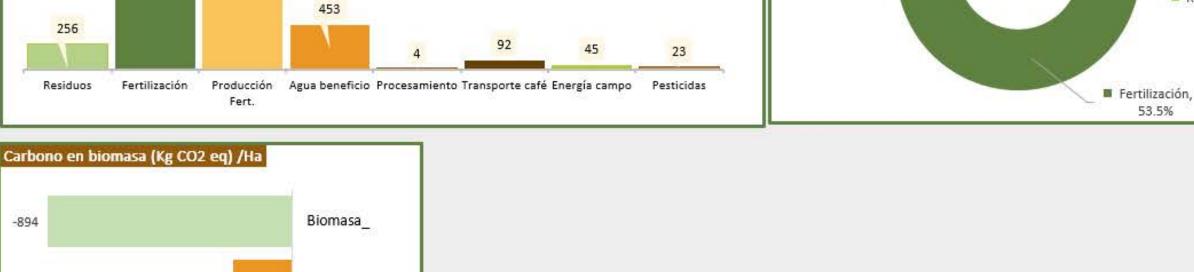


| Reservas de Carbono (Kg CO2 eq / ha | | |
|-------------------------------------|------|--|
| Carbono en suelo | -214 | |
| Biomasa_ | -894 | |

-894



Carbono en suelo





Honduras Supply Chains Carbon Footprint

Ocotepeque-Lempira-Copan

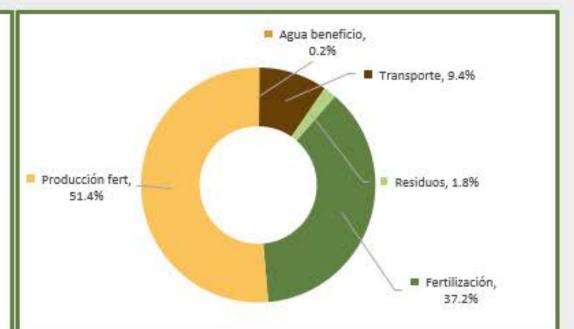


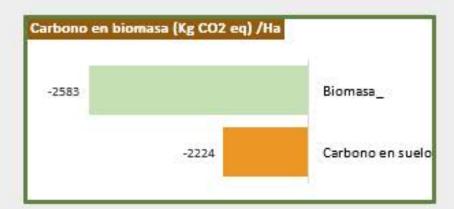


| Kg CO2 Eq / ha café | |
|---------------------|------|
| Residuos | 65 |
| Fertilización | 1370 |
| Producción Fert. | 1889 |
| Agua beneficio | 7 |
| Transporte café | 346 |
| Total | 3679 |

| Reservas de Carbono (Kg CO2 eq / ha) | | |
|--------------------------------------|-------|--|
| Carbono en suelo | -2224 | |
| Biomasa_ | -2583 | |











Our corporate carbon footprint journey

In 2022, RGC took a significant stride toward addressing climate change by embarking on the journey of quantifying our corporate carbon footprint. This undertaking is a testament to our commitment to playing a constructive role in the fight against climate change and aligning with the emission reduction objectives of the countries in which we operate.

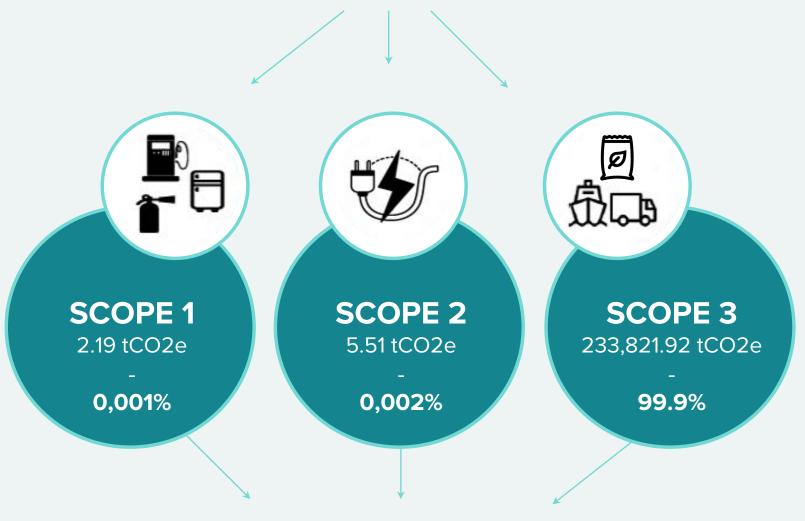
Our Greenhouse Gas (GHG) emissions inventory, or carbon footprint, is meticulously calculated in accordance with the GHG Protocol's standards. This comprehensive methodology allows us to measure our environmental impact, encompassing emissions arising from activities such as combustion processes, electricity generation, and waste management.

The inventory encompasses all scopes, including Scope I (direct emissions), Scope II (indirect emissions), and Scope III (other indirect emissions), across RGC Coffee Inc.'s operations from January 1, 2022, to December 31, 2022.

As we venture into 2023, our next crucial steps involve crafting a robust decarbonization plan and defining our Science-Based Target Initiative (SBTI) to further guide our climate action efforts.



A staggering 99.9% of RGC's carbon footprint originates from our value chain, falling within the Scope 3 category. Ocean transportation contributes a modest 1.93%, while the lion's share, 98.06%, is attributed to coffee production."



YEAR 2022

RGC Coffee carbon footprint

233,829.52 tCO2e



RGC 3E® Sustainability Validation Scheme

Impact, Information Hub, Risk Assessment, and Continuous Improvement

The RGC 3E® Sustainability Validation Scheme is a voluntary sustainability mechanism developed by RGC Coffee to foster a sustainable and thriving coffee supply chain. In order to ensure the mechanism's integrity and quality, RGC 3E® is aligned with the coffee industry's most recognized sustainability standards, covering key practices related to social, environmental, economic, corporate governance, and transparency.

In 2022, **after four years of dedicated work with our scheme**, RGC reached a significant milestone. We participated in the GCP Beta testing, laying the groundwork for our system's presentation in 2023 for assessment by the GCP Equivalence Mechanism.

Enhancing the transparency and accountability of the sustainability practices in our supply chains while contributing to 9 SDGs:



















RGC 3E®

The core of the sustainability validation scheme

The RGC 3E® scheme is rooted in sustainability principles organized into three core sections, Elevate, Empower, and Educate. These correspond to the three pillars of Economic, Social, and Environmental sustainability. The primary goal of the RGC 3E® scheme is to promote sustainable coffee production by encouraging the adoption of sound agricultural practices. These practices aim to enhance the productivity and profitability of coffee-producing families while safeguarding the health of forests, soil, and water. Additionally, the scheme advocates for the respect of community, human, and labor rights.

The RGC 3E® scheme operates on two key tiers within the supply chain. The first level pertains to trading companies that supply coffee to RGC, with evaluation based on nine criteria assessed through 45 indicators. Among these indicators, 20 are mandatory due to the inherent risk they pose to all stakeholders in the supply chain. The second level targets groups of farms within a supply chain participating in an RGC 3E® program. It employs the same nine fundamental criteria, translated into 86 indicators, with 12 being mandatory.

Elevate

PROSPERITY

Communities thriving



PEOPLE

Respect for fundamental rights



PLANET

Regenerative agricultural practices



Promotion and protection of health and wellbeing



Traceability and transparency



Access to Drinking Water



Productivity and profitability



Human rights



Labor legislation



Health and safety at work



Regenerative agricultural practices



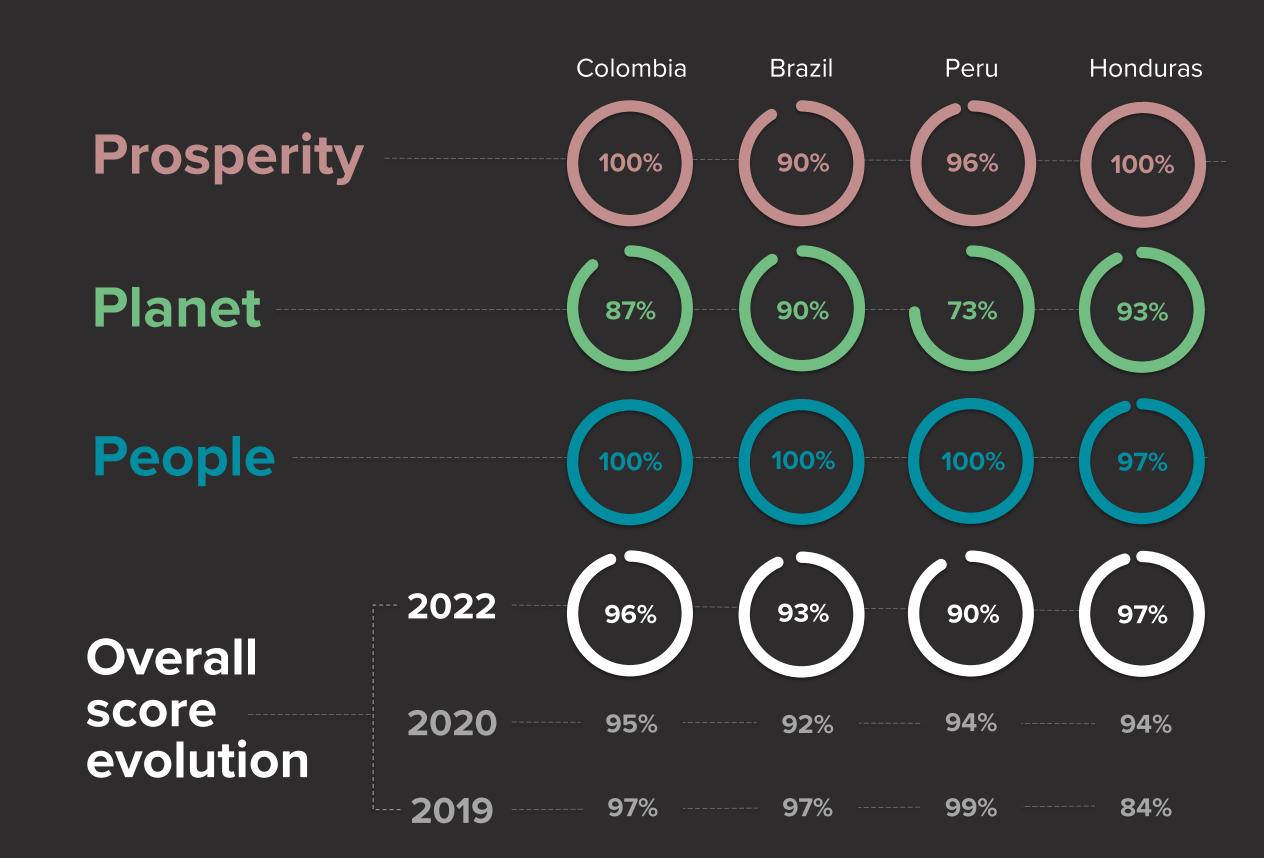
Climate change adaptation and mitigation

RGC 3E®

Three years of assessment give us a path toward continuous improvement

In the 2022 evaluation, RGC introduced supplementary criteria following the GCP equivalence mechanism's beta testing. These additional criteria encompass specific policies, expanded requirements for areas such as grievance mechanisms, corporate governance, and continuous improvement protocols.

Honduras stands out as an origin that has made significant advancements in sustainability practices, largely attributable to the implementation of RGC 3E projects.



Sustainability Strengths

All our suppliers are committed to implementing practices aimed at fostering prosperity for coffee-growing families and ensuring strict adherence to human rights principles.



Identifying the Gaps in Sustainability

Our most significant challenge revolves around climate change management, encompassing the measurement of our carbon footprint and the development of a comprehensive plan to reduce our impact and enhance our adaptation strategies.

Suppliers have diligently established mechanisms to ensure traceability and transparency in transactions. Our comprehensive training program for producers has also shown positive evolution with expanded coverage. Furthermore, our suppliers are fully compliant with fundamental rights and national legislation.



In Honduras, suppliers have made progress in measuring their carbon footprint, both at their own operations and at the farm. However, the challenge for 2023 is to define their carbon management plan. There is also an opportunity to document the activities that suppliers undertake to promote due diligence practices, as their fieldwork lacks proper documentation.

It is important to highlight the effectiveness of our labor policy compliance mechanisms and the implementation of actions related to organic agriculture.



All aspects of climate change management must be addressed by 2023, as no climate risk management actions have been implemented to date. Additionally, there is a need for enhanced documentation of business policies and mechanisms for addressing complaints and grievances.

We have made significant progress in the implementation of voluntary sustainability standards among our suppliers, enhancing their capacity for field improvements and risk management.



There is room for improvement in carbon footprint management, and it is also desirable to initiate actions to create opportunities for closing the living wage gap. Furthermore, exploring diversification options could be of interest for Brazil.

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 and the data collected on our implementation guide us adjust the roadmap every year towards achieve our goals.



Based on our RGC 3E®the main areas of opportunities include regenerative agriculture, carbon footprint training and education, food security and diversification and documentation of due diligence mechanisms.



Strategic + Collaborative Partnerships

COLLABORATION IS KEY TO ACHIEVING REAL IMPACT

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

































































































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).

| Sustainability Commitment | SDG | 2025 Targets | Cumulative Target Progress (2022) | Progress % |
|--|--|--|---|------------|
| Fostering prosperity and wellbeing of producers using a family-centric approach to provide scalable solutions that will support the aspirations, rights and dignity of people. | 1 NO POWERTY TO REDUCED 10 INEQUALITES AND PRODUCTION AND PRODUCTION AND PRODUCTION AND PRODUCTION AND PRODUCTION AND PRODUCTION TO REDUCE BEAT WORK AND BECOMMING GROWTH EXAMPLE BEAT BEAT BEAT BEAT BEAT BEAT BEAT BEA | 40,000 coffee farmers and workers impacted from investments at the farm level | 21533 | 53.83% |
| Promoting farmworkers wellbeing and dignity and identifying alternatives to make employment within the coffee industry more socially viable. 8 DECENT WORK AND POWERTY 3 GOOD HEALTH POWERTY 4 MON WELL-SEING | 16,000 coffee farmworkers and family members impacted from investments at the farm level | 17034 | 106% | |
| | 16,000 coffee farmworkers and family members who are provided training on topics related to worker right and wellbeing | 4264 | 26% | |
| | | 16,000 farmworkers and family members who benefit directly from efforts to close the gap on living wage / income | 14620 | 91.37% |
| Supporting farmers to restore native ecosystems, conserve water and manage their environmental footprint. 6 CLIANWATE NO SANTATION TO PROJECT OF THE OWNER OWNER OF THE OWNER OW | 200 of hectares restored | 235 | 117% | |
| | 2,000 tCO2 removed (i.e. sequestration) | 3598 | 179% | |
| | 3,000 tCO2 emissions avoided | 10470 | 349% | |
| | 15,000 coffee farmworkers impacted from investments at the farm level | 11751 | 78.34% | |
| | | 20 million liters of water saved per year by 2025 | 17.90 MM | 89.50% |
| | 200,000 of trees (i.e. non-coffee) distributed to increase tree cover on farms | 307223 | 153.61% | |





Salgar Antioquia, Colombia

SB

"For many people, coffee beans represent an exquisite beverage. For me coffee beans represent my life, my hope, and my livelihood. Today I feel proud to be a worker of Las Manos del Café because our voices are heard, and our work is visible in the coffee industry."



GG

"Now that I have more time, I can send my children to school; I take advantage and take care of my corn and banana crops, because now washing the coffee takes little time. Before having this equipment (Ecoline Wet Mill) it was more difficult because it consumed a lot of water, and it demanded a lot of effort."







RGC is deeply committed to empowering women in all our supply chains. In Honduras, we are witnessing the beginning of a remarkable transformation. In 2023, we proudly received the first 100% women-produced coffee, supporting the dreams of courageous women who have been working tirelessly for recognition and equality.

36

The women of Sensenti (Honduras) are becoming empowered; today we are involved in coffee production processes, so the support of Todos al Agua and Las Flores is key because it helps us to improve productivity and thus the income that contributes to better living conditions".



GG

"For us, the program has been very valuable, not only for the support of inputs, but also for the technical assistance they provide us and for the way they have changed our way of thinking. They have made us realize that we have a grocery store in the farm, all we need to do is set our minds to planting and producing our own food."















ELEVATE





LAS ROSAS COLOMBIA











EDUCATE





EMPOWER