

2021 SUSTAINABILITY REPORT





SUSTAINABILITY REPORT FOR 2019-2020

Which includes information regarding the progress we have made toward achieving our sustainability goals and the new challenges that we have come across and must work to support solutions, order to create a truly sustainable supply chain in which our business operations generate value for coffee-growing families, our exporting partners, and our clients.

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INTRO	01 Sustainability at the forefront of our operations	02 3E sustainability program Because we want to ensure a better future	03 Our Challenges for 2020 and beyond	04 The energy behind our commitments
Our Company	CEO Message	Caring for partners, community and environment	The road towards a better future	Piece of mind for farmworkers and their families
Our core values		Sustainable development for coffee communities		Family prosperity based on visible women
		Our commitments		Pollinating the energy of the community
		Sustainability validation		Building resilience towards climate change



Our core values guide the way in which we do business. **We promote collaboration and a partnership approach to developing sustainable supply chains at origin.**

Our company RGC Coffee is a private, family-owned and operated green coffee importer based in Montreal, Canada. **We are specialists in the premium and specialty coffee market, offering roasters in-depth expertise and valuable opportunities** in both the spot and forward coffee markets.



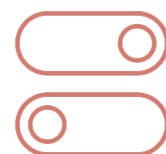
Service



Relationship



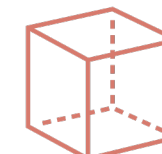
Value



Adaptability



Independent



Transparency



Sustainability



Responsibility

RGC Coffee is proud to conduct business
that positively contributes to longevity
and resiliency of the global coffee sector.



SUSTAINABILITY AT THE FOREFRONT OF OUR OPERATIONS



Our unwavering commitment to sustainability over the years has strengthened our confidence and expertise within the field and has in turn enabled us to establish and maintain a successful sustainable development program: **RGC Coffee 3E which strives to implement projects across our supply chains that Empower, Educate and Elevate.**

Embedded in this program is collaboration, accountability, and measurable results. Utilizing a data-driven, holistic approach, we work collaboratively alongside our suppliers and clients to enhance the resiliency and sustainability of our supply chains. We have made incredible strides over the years and are extremely grateful for the support we have received from our partners and the broader coffee community.

We truly believe collaboration coupled with forward-thinking innovation can result in a more vigorous and resilient coffee industry, in which all stakeholders can benefit.

As our sustainability efforts continue to expand, we want to ensure we provide ample transparency throughout our journey. Therefore, it is with great enthusiasm that we present RGC's first ever sustainability report. This report aims to provide a comprehensive overview of RGC's 3E Sustainability Program, highlighting some of our most notable achievements, lessons learned from past experiences, and insight into our future.

Ron Gabbay



A top-down view of various coffee cups and saucers scattered across a white background. The cups contain different types of coffee, including dark espresso, light brown coffee, and latte with heart and leaf patterns. Some cups have sad face or smiley face drawings on the foam. The saucers are mostly light blue or white.

SUSTAINABILITY

IS NOT A FAD FOR US

IT'S A
**CRITICAL
BUSINESS
STRATEGY**

We believe that without economic, environmental and social sustainability in our supply chains, **there will not be a future for high-quality Arabica coffees.**

CARING FOR PARTNERS, COMMUNITY AND ENVIRONMENT

ELEVATE, EMPOWER, AND EDUCATE

is the sustainability strategy with which RGC Coffee utilizes to mobilize positive change for its stakeholders. This framework defines and guides corporate decision-making, for both business and supplier relations, as well as actions to benefit coffee communities and the environment.



The 3E Program aims to create resilient, socially viable, environmentally responsible supply chains, in which all stakeholders and supply chain actors are prosperous.

THIS WORK IS FACILITATED THROUGH **TWO PRIMARY STRATEGIES:**



**SUSTAINABLE
DEVELOPMENT
FOR COFFEE
COMMUNITIES**



**SUSTAINABILITY
VALIDATION**





SUSTAINABLE DEVELOPMENT FOR COFFEE COMMUNITIES

Ensure a better future for the coffee communities and **connect those who appreciate fine coffees with those who strive to grow it**

OUR APPROACH?

We directly invest in coffee communities across a range of integral sustainability issues. From social issues such as the empowerment of women, well-being and dignity for workers, and equity and generational change, to environmental issues such as water management, care to climate change, and the promotion of organic practices, to economic and transparency issues such as raising productivity, quality improvement, income diversification, credit access, implementation of good agricultural practices and quality premiums.





With coffee producing communities being strategic partners in our business, we are committed to working hand in hand with them in order to strengthen and **guarantee sustainable, long-lasting, vigorous supply chains.**



Collaboration is our key strategy, all our projects are built, implemented and evaluated jointly with the beneficiary communities and other partners who contribute their expertise which ensures the pertinency of investments.



Our sustainability work with communities is based in **8 commitments** for which we have a set of goals for this 2020 year.



We've measured our **strategies, goals and impacts** achieved up to December 2019.



Our unwavering commitment to sustainability over the years has strengthened our confidence and expertise within the field and has in turn enabled us to establish and maintain a successful sustainable development program.



OUR SUSTAINABILITY WORK WITH COMMUNITIES



COLLABORATION FOR THRIVING COMMUNITIES

Our **strategies, goals** and **impacts**
achieved up to December 2019.



WOMEN COFFEE FARMERS

GOAL 2020

500 women and 1500 family members participating in women projects.

- Support access to capital.
- Promote access to knowledge.
- Source coffee from women farmers

EMPOWERING WOMEN TO ACHIEVE FAMILY PROSPERITY

IMPACT 2019

- **1,621 women** accessed additional income
- **700 women** trained in financial literacy
- **381 credits disbursed**
- **1,041 women** trained in **leadership and gender equity**
- **USD 90,000 available** in rotating credit funds
- **1,621 women** have sold their coffee as **women coffee**





FARMWORKERS

GOAL 2020

400 farmworkers and 1600 family members being beneficiaries of services

- Support access to primary services.
- Support access to savings for their future
- Sourcing Coffee from supply chains that support farmworkers wellbeing.

FOSTERING FARMWORKERS WELLBEING AND DIGNITY

IMPACT 2019

- **3,030** people have access to **16** services from the project
- **375** workers in a **pension program**
- **415** workers with **accident insurance**
- **557** people used the **health service**
- **508** people enjoyed **recreation activities**
- **508** people trained in **health and safety at work**
- **163** workers **received PPE**



CLIMATE CHANGE

GOAL 2020

500 farmers participating in water protection programs and **500 farmers** participating in programs to be resilient to climate change.

SUPPORTING FARMERS TO PROTECT WATER SOURCES AND TO BE RESILIENT TO CLIMATE CHANGE

IMPACT 2019

- **48** wastewater treatment systems installed in farms
- **605** farmers trained in good agricultural practices
- **40** composting pits built
- **18** eco-wet mills built
- **139** farmers made soil analysis
- **50** farmers fertilized based on soil analysis.
- **181** hectares reforested
- **181,310** native trees planted
- **13** native trees nurseries working
- **1,953,000** liters of water saved





INCOME DIVERSIFICATION

GOAL 2020

100 farmers, workers and women participating in income diversification projects.



SUPPORTING FARMER INCOME DIVERSIFICATION

IMPACT 2019

- **120 beehives** installed in three municipalities
- **60 people** trained in beekeeping
- In 2020, **4,200 kg** of honey will be collected





SOCIAL AND ENVIRONMENTAL PROTECTION

GOAL 2020: 7,500 farmers implementing friendly production

SUPPORTING SOCIAL AND ENVIRONMENTALLY FRIENDLY PRODUCTION

IMPACT 2019

- **2,858** farms implemented a **Private Sustainability Verification Standard**
- **2,028** farms achieved **high performance** score in a **Private Sustainability Standard**.
- **USD 140,013** delivered as **High score sustainability premium**
- **177** producers **trained and working** as promoters
- **295** farms with **vegetable gardens** for self-consumption
- **48 million liters** of water saved per year
- **595** families have **water filters**
- **800** farmers supported for **trees renovation**
- **800** farmers **improved productivity in 10%**
- **194** farmers improved their **organic fertilization** practices



NEXT GENERATION

Goal 2020

250 young participating in entrepreneurship programs.

SUPPORTING THE NEXT GENERATION OF COFFEE FARMERS

IMPACT 2019

- **124** young farmers **trained** as community leaders
- **283** farmers **trained** in good agriculture practices
- **75** farmers **with** soil analysis
- **96** composting pits built
- **38** farms with **sun dry** systems installed



ORGANIC FARMING

Goal 2020

500 Farmers supported to improve yields of organic farming

ENHANCING ORGANIC COFFEE GROWING AND SUPPORT DIVERSIFICATION PROJECTS

IMPACT 2019

- **107** producers **trained** in good agricultural practices
- **125** producers **fertilized** based on soil analysis
- **107** producers **trained** in soil management practices
- **479** new hectares planted with **organic coffee**.



CHILDCARE

Goal 2020

The first childcare pilot program in place

SUPPORTING CHILDCARE AND EDUCATION TO PROTECT CHILDREN FROM CHILD LABOR



Based on the
most important
sustainability
standards and
our customers'
requirements



SUSTAINABILITY VALIDATION

Our validation methodology aims to **document supply chain performance** to ensure it meets sustainability expectations while promoting best practices to ensure a better future for all.



SUSTAINABILITY VALIDATION

It's bases are aligned with the best practices of **six certification and validation** coffee standards and the **10 principles of the UN Global compact** ensuring that our tool would take a comprehensive and holistic approach when examining aspects of suppliers' sustainability practices.

The intent is to enhance transparency of the sustainable supply chain practices being implemented by RGC Coffee suppliers.



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


RGC AMERICAS



The validation tool consists of three sections:

This validation process is comprised of 42 criteria, which are evaluated and assessed through a set of 56 questions which are related to sustainable practices in coffee production and the commercial supply chain. From the total set of criteria, 14 are classified as high relevance because validates practices on human and labor rights, environmental care and transparency in the supply chain.

ELEVATE

Wellbeing and value creation

EMPOWER

Social empowerment

E=DUcate²

Sustainable environmental practices



GOOD TREATMENT FOR WORKERS AND GOOD LABOR CONDITIONS



ACCESS TO DRINKING WATER



PROMOTION AND PROTECTION OF HEALTH AND WELLBEING



HUMAN RIGHTS



LABOR LEGISLATION



TRAINING ON HEALTH AND SAFETY AT WORK



TRACEABILITY AND TRANSPARENCY



CONSERVATION AND PRESERVATION OF NATURAL RESOURCES



CLIMATE CHANGE ADAPTATION



PRODUCTIVITY AND PROFITABILITY



TRAINING

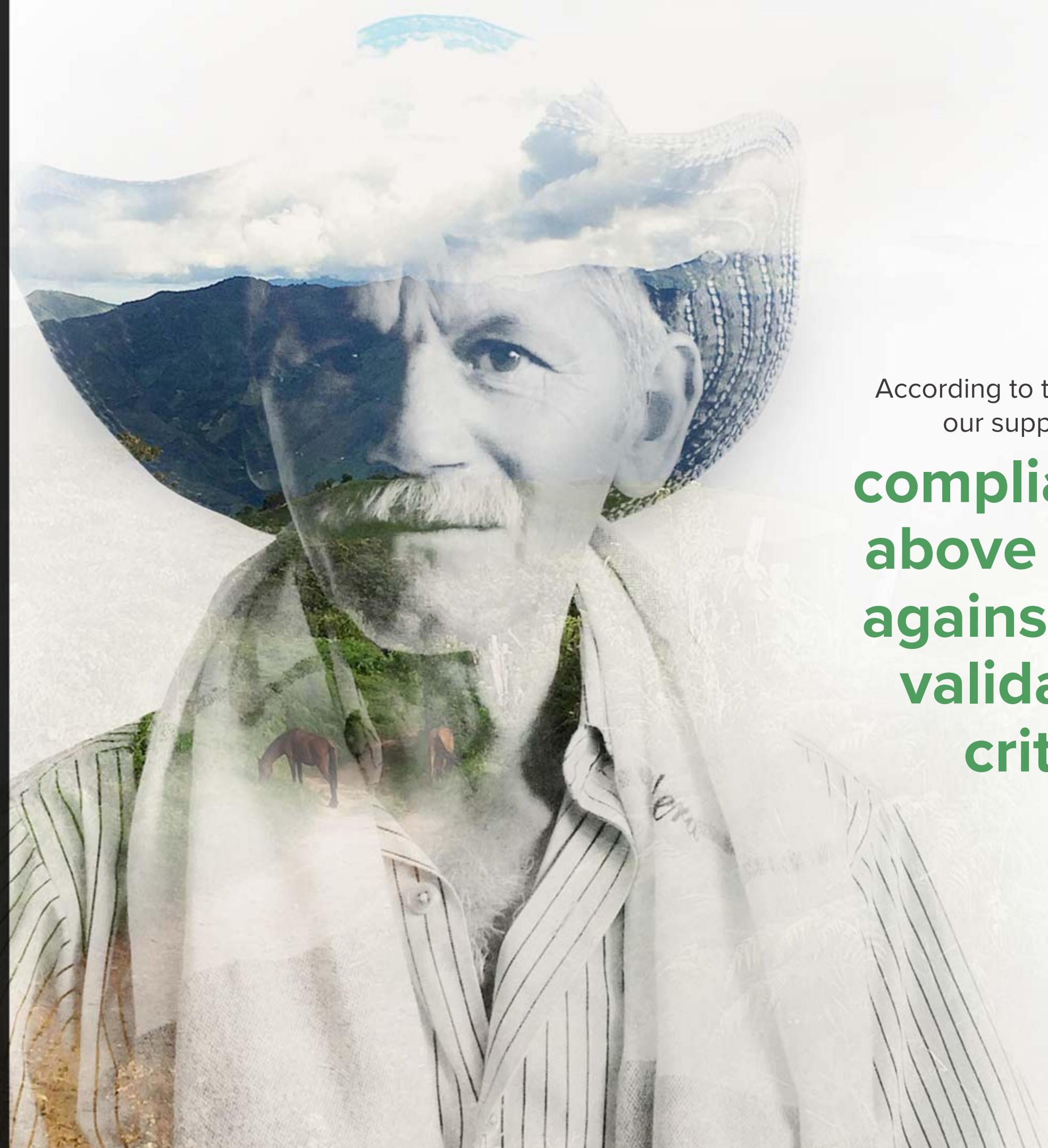


SUSTAINABILITY VALIDATION

In February 2020

RGC Coffee carried out the first supplier validation

7 strategic suppliers from **Colombia**, **Peru**, **Brazil** and **Honduras** were surveyed, the survey aims to provide information and evidence on the actions implemented by them during 2019 on social, environmental, economic and transparency issues in their supply chain.



According to the results,
our suppliers show

**compliance
above 80%
against the
validation
criteria.**



Wellbeing and value creation

ELEVATE

Good Treatment for Workers And good labor conditions



100% Written Policies for good working conditions

100% Guarantee good and safe Workplace

98% Internal inspections and external audits

100% Trainings

75% Labor policies implementation in farms

Access to drinking water And good labor conditions



100% Filtered and potable water and workplaces

80% Training programs in safe drinking water

75% Internal inspections

20% Water analysis

Promotion and protection of health and wellbeing



100% Payment of Health Insurance (Mandatory)

100% Trainings

60% First Aid kit for farms



Social empowerment

EMPOWER

Human Rights



100% Human rights policies (internal)

100% Trainings and socialization of policies

85% Internal inspections in farms

70% Woman equity programs

75% Producers human rights awareness

Labor Legislation



100% Labor legislation policy

100% Labor contract

100% Child labor prohibition

100% Training in labor practice

Training on health safety at work



100% Occupational Safety and Health policy

100% Risks management and mitigation

60% Trainings

30% Agrochemical lockers and PPE aids

Tracability and transparency



100% Standards procedure to ensure tracability

100% Trade conditions socialised

100% Responsible and traceable sourcing

100% Trade conditions socialised with farmers



Sustainable environmental practices

EDUCATE

Conservation and preservation of natural resources



90% Environmental protection policy

70% Carry action plans to protect the environment

85% Trainings

20% Intervention in water protection

45% Reforestation programs

Climate change adaptation

100% Implementation programs focused on climate change adaptation

Trainings



55% Water resource management and conservation

100% Good agriculture practices

30% Climate change adaptation

40% Optimization of productivity costs

100% Sustainability practices implementation

100% Implementation of climate change adaptation practices

Productivity and profitability



100% Soil analysis and fertilization

100% Coffee area renovation

60% Trainings

100% Productivity improvement

70% Have a program for income diversification





Understanding Sustainability gaps

With the purpose of complementing the information collected in the supplier surveys, **RGCA team carried out the first pilot of in-farm surveys to highlight the main challenges of implementing sustainable practices, by differentiating associated and non-associated producers to producer organizations.**

The analysis of the information collected in the field allows us to conclude that in criteria that represent additional investment, both types of producers are not in the capacity to achieve compliance by themselves, issues such as social security for producers and workers, social welfare activities, investments to reduce water consumption and wastewater treatment, are not feasible without collaborative work with the value chain.

After the pilot validation carried out through the surveys, it is concluded that it is essential to design services that producers are not able to cover by themselves.

Joining efforts with the supply chain actors from roasters to producers, to improve performance in sustainability is key to achieving a socially and environmentally viable coffee business. and economically prosperous.



RGC 3E Sustainable Coffee Program has built its bases toward a better future, the lessons learned in all these years have help us to trace the road we will towards a better future.

Based in our 8 commitments and the experience collected in the implementation of our 33 projects, we have identified 6 challenges where we want to focus efforts in conjunction with our partners in origin and our customers for the next 5 years.



2020 will be the year to **define** our **2025** goals



Support water conservation efforts in communities

Investments are needed, and solutions are not affordable by farmers themselves.



Support productivity programs

In regions where yields are substandard affecting farmers income (specially in Peru and Honduras)



Continue tackling farmworkers scarcity

Wellbeing conditions are the focus to address the issue in order to retain people in their communities



Implement next generation of coffee farmers strategies

Entrepreneurship and leadership programs



Support Climate change

Adaptation and mitigation.



Access to credit for small farmers

Rotating credit funds with very low interest rates.



THE ENERGY BEHIND OUR COMMITMENTS

Sustainability efforts have sense if **people is perceiving wellbeing improvements.**



That's the footprint that RGC Coffee wants to leave through the collaborative work with Customers, suppliers, NGOs and communities.

THE ENERGY BEHIND OUR COMMITMENTS

Having this support gives peace of mind.

Know that if I get sick, or one of my children, I can count on a descent medical service. I have financial support to get the medicines. I was able to get an appointment with the ophthalmologist and with the financial support I was able to have glasses, something that I never imagined was possible.

Farmworker woman



LAS MANOS
DEL CAFE

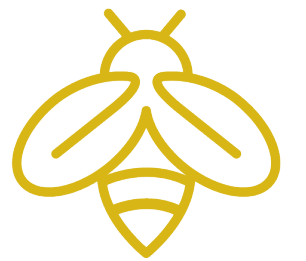


THE ENERGY BEHIND OUR COMMITMENTS

I will have at least 50 beehives

Andrés is 32 years old, the son of a producer associated to the cooperative. He has served his entire life as a coffee worker and now is beneficiary of the beehives Project.

I will repopulate the area with bees and I will be a promoter so that other workers and producers in the area are as passionate as I am with this entrepreneurship program



BEEHIVE
COFFEE PROJECT



THE ENERGY BEHIND OUR COMMITMENTS

Arturo Cañaveral is a producer from Anserma Caldas

After his first participation in a workshop of Todos Al Agua Project he decided to compose a song that is now the Project hymn representing the energy that this project has injected in the community who has suffered water scarcity and pollution for more than 30 years.

THANK YOU

