

Coffee LENS

Livelihoods,
Empowerment
and Nature
at Scale

2023 Impact Report

Coffee LENS 2023

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A word from our CEO – Vivek Verma

Welcome to our first impact report for our refreshed Coffee LENS strategy that outlines our approach, progress, and impact against our 2030 targets.

As announced at the beginning of the year, we've raised many of our sustainability goalposts to be more ambitious and connect with **ofi's** new overarching sustainability strategy, **Choices for Change** and 2030 targets. This means we're refocusing our efforts on customizing the livelihood support we provide and finding ways to cut on-farm GHG emissions by a further 15% in line with SBTi*. We're also working to new targets: to lift 20,000 farmers in our programs to a living income, deliver health and nutrition support which benefited 19,000 households in 2023, and apply regenerative agricultural practices to half a million hectares by 2030, with over 80,000 covered last year.

The backdrop to this was a year of unprecedented volatility for the coffee industry. Weather disruptions in the world's main growing regions were largely to blame for the supply shocks that have left all of us as consumers paying more for our cup of coffee. In Brazil, our teams reported smaller-than-usual beans on the trees after a period of heat and drought that harmed development. The resulting sky-high prices of robusta – the most 'robust' coffee species – reflects a coffee market that's increasingly sensitive to climate change. And it is coffee farmers who bear a lot of the risk.

Last year, our local coffee teams continued their efforts to help farmers adapt and become more resilient in the face of these challenges, reaching over 115,000 farmers with training and inputs to optimize yields, quality and incomes, as well as equipping as many as possible with the resources required to meet the EU's incoming requirements for

traceable, deforestation-free coffee. We believe this legislation will go a long way in helping the industry overcome some of the world's greatest climate and human rights challenges and we are doing our part to ensure we are ready to comply when the regulation becomes applicable. That said, as well-positioned as we are with our on-the-ground presence, digital systems, and sustainability programs; it's a herculean task to map the whole supply chain, especially the smaller more remote farmers.

Our coffee teams have been working hard to undertake ground mapping to plot level, with deforestation assessments conducted on over 135,000 coffee plots to date and an additional ~16,000 farmers registered to our direct sourcing network via **ofi's** digital farmer information system (OFIS) last year. Expanding these close connections gives us access to more of the primary data that feeds into the various tools and systems that are helping us plan and cost more targeted interventions on deforestation prevention, GHG reductions and living income.

The intensive technical work undertaken throughout 2023 – from enhancing data and traceability systems to building action plans – sits behind some of the more static progress we made on expanding our direct support to farmers, planting more beneficial trees and water saving initiatives. But our targets are still within reach and this groundwork will enable us to create real and measurable impact across the supply chain, while also catering to the increasing regulatory reporting and compliance requirements.

We are able to do this because we've invested over 30 years in being embedded deep in coffee farming communities and our 45+ impactful partnerships with customers, NGOs, and donors, among others, to help scale impact through sustainability programs. For our customers, the impact of our programs is visible through the granular insights available on AtSource, **ofi's** sustainability management system and generates a powerful provenance narrative for their consumers.

So from action plans to detailed scenario planners, we can offer our customers and partners the traceability, capability, insights and choices to drive positive change and protect the romantic story of the coffee we all sell.



Vivek Verma,
Managing Director & CEO,
Coffee - **ofi**

Coffee LENS:
Livelihoods,
Empowerment &
Nature at Scale

*New Science Based Targets to be submitted by the end of 2024 following SBTi FLAG & GHG Protocol guidance.

Adding value from crop to cup - snapshot of ofi's coffee supply chain



Sourcing at farmgate

We select green and specialty coffees from **30 origins** with deep-rooted presence in **18 growing origins**, offering reliability and quality at high volumes, unique micro-lots and everything in between

Processing at origin

60+ mills helping to improve market access for local farming communities, and influencing quality and quantity

Convening partnerships for impact

45+ active multi-stakeholder programs with expert **ofi** country teams helping drive the right practices; building resilience in farming communities, sustainability impact, and risk reduction for customers

Innovation everywhere

Sustainability and quality expertise enables innovation across the value chain, from improving traceability with digital tools, to creating new formats and flavor profiles

Manufacturing with care

Processing and production of soluble coffee in Brazil, Spain and Vietnam and roast and ground coffee from **ofi's** Club Coffee business, offering private label, retail and food service solutions.

Delivering good coffee choices

Offering **sustainable and traceable** coffee ingredients to all major consumption markets that support producers and cater to corporate and regulatory requirements

2023 highlights

The progress we make towards our 2030 Coffee LENS targets is guided by **ofi's** overarching sustainability strategy **Choices for Change**.



Coffee LENS

Thriving communities

26 Coffee Kindergartens set up in **3 origins** helping protect **166 children** from child labor risks

19,600 households received health or nutrition support

Climate action

Detailed **GHG footprints** generated for **23 coffee supply chains & ofi estates** using the AtSource Digital Footprint Calculator (DFC)

Commercialization of **traceable** and **certified** upcycled soluble cascara powder

Regenerating the living world

84,000 hectares under **regenerative** agricultural practices

4 active living landscape multi-stakeholder partnerships driving impact at scale

Supply chain excellence

Development of 'Track & Trace' **unified traceability system**

Granular **sustainability data** available to customers for **22 coffee supply chains** on **AtSource** (Verified & Plus)

Prosperous farmers

ofi's Living Income Calculator calibrated to assess living income gaps in additional **4 coffee origins**

First Social impact valuation conducted for coffee

2023 progress against our 2030 targets



Prosperous farmers

300,000 farmer households receive customized support to enhance their livelihoods

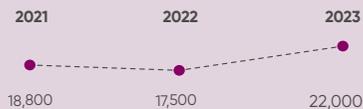
Farmers receiving livelihood support



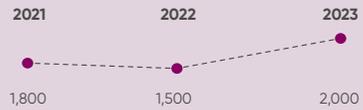
20,000 farmer households achieve a living income



60,000 women in coffee receive livelihood support



15,000 youth in coffee access vocational support



Thriving communities

Child labor monitoring & remediation system (CLMRS) implemented in all high-risk supply chains with any identified cases of human rights violations remediated



50,000 children benefit from educational support & infrastructure



3 partnerships established to support good food & nutrition in coffee growing landscapes



45,000 households receive health or nutrition support



Climate action

100% directly sourced volumes have verified decarbonization pathways to help customers meet their targets

2023: Detailed GHG footprints generated for 23 coffee supply chains & ofi estates

30% reduction of Scope 3 GHG emissions (from 2020 baseline year)

On track to submit SBTi targets in line with ofi Choices for Change in 2024 and report against baseline in 2025.

50% reduction of Scope 1 & 2 GHG emissions in our processing plants (from 2020 baseline year)

Absolute emissions reduction in ofi tier 1 sites



Regenerating the living world

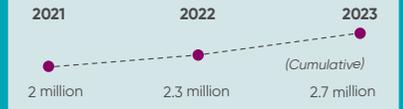
Remediation actions are taken whenever deforestation is an identified risk in our supply chains

On track to meet EUDR requirements for traceability and compliance when the obligations become applicable in 2025

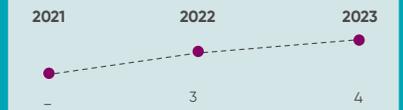
500,000 hectares under regenerative agricultural practices



10 million beneficial trees planted to fight deforestation



6 coffee living landscapes with measurable benefits for nature



1.5 million m3 of water saved annually



*'- ' denotes new 2030 target set in 2024 to align with ofi's Choices for Change strategy

**Reporting metric updated in 2024 from intensity to absolute emissions to align with SBTi.



Prosperous farmers

OUR FOCUS: Enhancing coffee farmer livelihoods and resilience through customized support that optimizes inclusive economic opportunities.

While the surge in coffee prices may seem beneficial to farmers, the perennial challenges posed by climate change, rising production costs, and lack of diverse economic opportunities are making it increasingly hard for coffee farmers to afford a decent standard of living.

The big change we want to make is to enhance the livelihood support we provide with a target to reach 300,000 farmer households by 2030.

Our approach is centered around customizing support to meet smallholders' diverse needs and with the origin teams designing a package of training and material benefits that help as many as possible increase their income. As part of this, we have explored and collaborated with industry members* on what it might take for farmers to prosper and not just earn an enhanced or even living income, most recently contributing to a study by Wageningen on the role a specific crop plays towards a household's total living income.

*ofi is part of industry initiatives on living income including: Living Income Community of Practice, Sustainable Food Lab and Anker Research Insitute



2023 impact

115,810



farmer households received training to support yields, quality and incomes. 2,690 farmers accessing medium to long-term finance

By 2030: 300,000 farmer households receive customized support to enhance livelihoods.

22,300



women in coffee supported with GAP training, technical skills, and income diversification activities

By 2030: 60,000 women in coffee receive livelihood support

6,000



farmers earning a living income across four origins according to 2023 assessments using ofi's Living Income Calculator

By 2030: 20,000 farmer households achieve a living income

2,290



youth with access to vocational opportunities

By 2030: 15,000 youth in coffee access vocational support

Hear from our expert

“ The livelihood support we provided last year combined with our multi-stakeholder programs allowed us to reach over 115,000 farmers. These partnerships are built on a strong foundation of mutual collaboration that requires putting in some extensive groundwork to agree the approach. Typically, we sit down with our partners – customers, NGOs, governments – to define available resources, program objectives, and a framework for action. The next step is to consult with the farmers themselves on the interventions that best suit their needs and circumstances, before returning to our partners with a proposed action plan. ”

Stefannie Corea
Operations Manager,
ofi Honduras

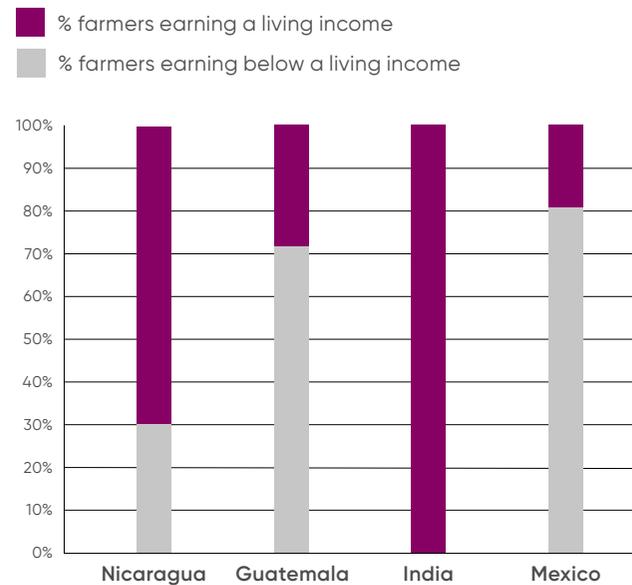


Prosperous farmers IN FOCUS

Living income: moving from measurement to action

Last year, we calibrated our Living Income Calculator for an additional four coffee supply chains allowing us to assess means that we can now more accurately assess the spread, size and nature of the living income gap across seven origins in total.

Share of farmers earning a Living Income (2023 assessment)



From assessing these four origins, we have identified living income gap hotspots in Mexico and Guatemala where over three-quarters of coffee farmers that we surveyed earn below the living income threshold. We've then used the Calculator to simulate the impact of specific income drivers which our local teams have reviewed to conclude that increasing adoption of Good Agriculture Practices to boost yields and optimizing nutrient management to reduce production costs, alongside income diversification activities could be some of the most meaningful interventions to build into existing livelihood programs in these two origins.

What gets measured gets managed: implementing social capital impact valuation

In 2023, we conducted ofi's first social capital impact valuation to assess the value of customized support delivered to approximately 1,000 coffee farmers as part of a living income project in Honduras with partner ALDI SOUTH Group.

The aim was to produce a Social Return on Investment (SROI) figure to measure the impact the social and environmental outcomes in dollars and cents, creating a holistic perspective on whether a project is beneficial and profitable.

ofi's team carefully analyzed the program impact using both hard outcome data and regular conversations with farmers and communities to gauge the project's contribution to positive social change. Once they collected a complete set of social outcome indicators, this change was given a comparable financial value to assign the value.

Analysis for crop years October 2021 to September 2022 and October 2022 to September 2023 revealed an SROI ratio of 8:1, meaning every dollar invested generated eight dollars in social value. This significant social return was made possible through the collaborative efforts of ofi, ALDI SOUTH, the farmers themselves and local institutions and was shortlisted in the Social Impact category at this year's Reuters Sustainability Awards.

“ ALDI is committed to fulfilling its responsibility to respect human rights and to addressing any adverse impact on human rights within its global supply chains. This project gave us valuable insights in how to measure investments and social value using the ground-breaking methodology of SROI. The results underpin how beneficial investments in farmer livelihoods and agricultural practices are! ”

Anke Ehlers
Managing Director of
International Sustainability
at ALDI SOUTH Group



ofi project partner

Prosperous farmers IN FOCUS

Empowering women leaders in North Sumatra's coffee communities

Growing up in Kuta Tengah, Karo in the heart of Indonesia's North Sumatra region, Normalina Br. Pandia was born into a coffee culture where women often become farmers but rarely on their own farms. She is one of over 950 women in her community who participated in training sessions last year to gain the skills and confidence to become a decision maker and leader on the farm.

Over 400 training sessions were provided in 2023 by **ofi's** team in Indonesia under Tim Hortons' 'Coffee for Communities' program with women making up over half of the 1,650 participants. They were organized into multiple kelompok tani, or local farmer groups, and taught new technical skills and land-management practices.



“ I’m a housewife but I’m also a coffee farmer. I’ve learned how to manage my land better and grow healthier coffee plants. Trainings by Tim Hortons’ project has given me the confidence to take charge of my farm and contribute more to my community. As a coffee supplier, I sell my coffee to **ofi**, which helps support my family financially. As a farmer leader, I actively share my knowledge with others in my village and regularly attend the training sessions provided by Tim Hortons’ project ”

Normalina Br. Pandia,
'Coffee for Communities'
program participant



ofi project partner



ofi
make it real

Farmer segmentation: a success story in Uganda

Under a one-year pilot project between **ofi** and the NGO 100WEEKS in Uganda's Sironko district, 94 coffee farmers at the bottom of the pyramid received weekly cash transfers and training to alleviate debt pressures and incentivize farm investment.

The project ended in August last year and according to the 2023 project survey, 80% of the participating farmers have found an additional income-generating activity with 78% saying the program has helped increase their income.

“ I started my chicken farm with the money from 100WEEKS. I have 30 chickens and wanted it to grow up to 100 chickens so the farm can generate income. Besides, I use the manure from the chickens to fertilise my family coffee farm. ”

Ancessio coffee farmer
& CASH+ program participant

Prosperous farmers IN FOCUS

Creating young coffee entrepreneurs in Uganda

In Uganda, our five-year partnership, launched in 2022 with Italian roaster Caffè Borbone, the 'Mwani Women and Youth Project', is working to empower young men and women through vocational training to improve the viability of coffee production for the next generation of farmers.

By the end of last year, half of the targeted 1,000 young coffee farmers – both men and women – received training on financial literacy, record keeping and entrepreneurship, to help them to run their farms as a viable business. The project is also working with young adults in the local communities to improve rural employment opportunities through forming Village Savings and Loans Associations (VSLAs), with US\$8,000 saved so far between 230+ members.

Over 20 of the participants aged 18-24 from the Bushenyi and Ibanda districts are now professional service providers to local farmers, earning US\$50-100pcm having received training on the gamut of Good Agricultural Practices from mulching and de-suckering to pest-management and proper post-harvest handling. An additional 25+ young adults will also be able to benefit from selling up to 50,000 coffee seedlings growing in four UCDA certified coffee nurseries they were helped to establish.

For Borbone, the project provides a powerful provenance story that they are communicating to their consumers.



“ The Mwanyi project reflects Borbone/ Italmobiliare and ofi’s investment in the communities of coffee origin and our shared commitment to the families, especially to women and young people, by helping them develop agricultural skills and rural opportunities for the long-term. ”

Marco Schiavon CEO - Caffè Borbone



ofi project partner



Thriving communities

OUR FOCUS: Supporting the empowerment of coffee communities of today and tomorrow, to protect health, safety and human rights

Happier and healthier coffee farming communities are likely to be more productive, but also more respectful of human rights and better able to protect their environment.

We continue to roll out systems to address the root causes of child labor in coffee communities and work to prevent communities from having to resort to child labor in the first place. We are also choosing to support rural access to healthcare through new partnerships and a target to deliver nutrition or health support to 45,000 households by 2030.

2023 impact

CLMRS



in Guatemala and remediation actions implemented in 3 additional high-risk* origins, benefitting 300+ children

By 2030: CLMRS implemented in all high-risk supply chains with all identified cases of human rights violations remediated

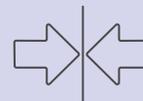
5,500



children benefitted from education support and infrastructure

By 2030: 50,000 children benefit from educational support and infrastructure

1



active partnership in Mexico with Rainforest Alliance & UNICACH*

By 2030: 3 partnerships established to support good food and nutrition in coffee growing landscapes

*University of Sciences & Arts of Chiapas, part of the Alliance for Sustainable Landscapes and Markets project

19,650



households received support such as medical check-ups, water points, and nutrition screening.

By 2030: 45,000 households receive health or nutrition support

*As per ofi's Country Risk Assessment conducted in collaboration with Wageningen University in 2021

Hear from our expert

“ Our field teams and social workers in all coffee origins currently identified as high-risk have been trained on the CLMRS process, so that they can start carrying out household surveys to uncover the places where we need to raise awareness and prioritize monitoring and prevention efforts. Last year, this support included school infrastructure projects and creating safe spaces for children to learn and play during the busy harvest periods. ”

Janhavi Naidu

Human Rights & Inclusion Manager, ofi.



Thriving communities IN FOCUS



Creating safe spaces for children with Coffee Kindergartens

The success of our first Coffee Kindergarten in Guatemala, run in partnership with NGO Funcafé in 2020, attracted support from donors and ofi customers allowing us to expand the initiative in 2023 to set up a further 22 Kindergartens in Guatemala and two in Honduras and Nicaragua with NGO Educo.

Set up by our origin-based social workers each year in areas they identify as high-risk through community surveys, part of our Child Labour Monitoring and Remediation System (CLMRS), the kindergartens provide a safe space for children to play and learn during the school holidays while their parents are harvesting coffee on the farms.



“ I like the fact that the children are in this safe space and not picking coffee with their parents. Here we instill good values in the children, which they will practice in their daily lives. ”

Carolina Zamorán

Teacher, Coffee Kindergarten, La Colmena

Watch a Coffee Kindergarten in action here:



Supporting health and nutrition in India

In its third year, **ofi**'s partnership with Lavazza Foundation in the Hassan district of Karnataka's coffee belt, provided health and nutrition support to over 350 households who work on and live around the local coffee estates.

The project, launched in 2021, is targeting health concerns identified through community surveys by **ofi**'s field teams, including high-blood pressure, diabetes, tuberculosis and poor eyesight, which by helping to treat, we hope can also contribute to better productivity and earning potential.

Project update 2023



20 water treatment systems installed (58 total)



1,000+ employees participated in the medical checkups (3,100 total)



750 employees participated in the vision checkups (2,250 total)



263 PPE kits were provided (713 total)

“ With support from Lavazza, **ofi** has given us solar streetlights, drinking water purifiers, garbage collection containers, PPE, first aid kits, and eye and medical examinations. This substantial support to our laborers has enabled them to raise their working standards and improve the educational opportunities for their children ”

Nischal H.S

Manager, Hosakare Coffee Estate, Sakleshpur

“ Empowering communities starts with well-being. Through our partnership with **ofi**, we're not only improving health, but also sowing seeds for a sustainable future where each family's strength and resilience become part of a thriving coffee ecosystem. ”

Mario Cerutti

Lavazza Foundation Secretary.



ofi project partner



Community outreach around our coffee estates

In the communities surrounding **ofi**'s AVIV certified estates in Tanzania's Ruvuma region, our team continued various engagement programs that focus on supporting grassroots education through a network of supported primary and secondary schools, as well as rural dispensaries and clinics that support among other things, maternal health and community outreach programs for malaria and HIV.

Project update 2023



Construction of additional classrooms in 2 schools with capacity for 30+ additional pupils



Installation of water supply for school canteen and washrooms, benefitting **400+** pupils



Construction of teachers' family housing, enabling teaching for 500+ children



Distribution of mosquito nets, malaria testing, and training on WASH (water, sanitation and hygiene) practices in six schools under **ofi**'s 2023 Healthy Living (OHL) campaign



Climate action

OUR FOCUS: Accelerating the decarbonization of our supply chain through climate-smart actions and resource efficiency that supports sustainable growth.

Our customers are asking for help to move the needle on climate targets, especially regarding Scope 3 emissions which make up the biggest part of **ofi's**, and consequently our customers' footprint.

Addressing this need, we've set targets to reduce our emissions from agriculture (Scope 3) by 30% and halve Scope 1 & 2 emissions in our coffee operations by 2030 in line with SBTi. We're working closely with farmers to incentivize and apply climate-smart practices, drawing on insights generated by our innovative digital foot printing tools to model and monitor interventions and offer our customers a pathway to low carbon ingredients.

Beyond the farm, we're finding ways to reduce Scope 1 and 2 emissions in our processing facilities with the introduction of biomass to increase our share of renewable and clean energy.



2023 impact

23 

23 coffee supply chains (29% of total) & ofi estates with detailed GHG footprints generated using the AtSource Digital Footprint Calculator (DFC)*

By 2030: 100% of our directly sourced volumes have verified decarbonization pathways to help customers meet their targets*

* Backend excel model of the AtSource DFC (the DFC methodology) has been certified by the Carbon Trust, demonstrating that the DFC is capable of calculating product carbon footprints in line with key international industry standards, such as the GHG Protocol, IPCC 2019, ISO 14067, and PAS 2050. Assessment by Carbon Trust of digital DFC tool operating in line with the DFC methodology due to commence late 2024.

12 

active decarbonization projects.

On track to submit SBTi targets in line with ofi Choices for Change in 2024 and report against baseline in 2025.

By 2030: 30% reduction of Scope 3 GHG emissions (from 2020 baseline year). (2020 baseline: 6.7mMT CO2eq (Scope 3 FLAG))

11% 

absolute reduction of scope 1 & 2 GHG emissions in ofi tier 1 sites

By 2030: 50% reduction of Scope 1 & 2 GHG emissions in our processing plants (from 2020 baseline year)

Innovating to create a more circular coffee economy



Powering processing with biomass

ofi's soluble coffee facility in Vietnam which supplies spray dried, freeze dried, granule and frozen coffee extract in bulk, is partly powered by biomass.

Using coffee husks, spent coffee grounds, various nuts shells and wood pellets, the facility reached a 65% share of renewable energy in 2023.



Creating novel upcycled cascara products

We have developed a process to develop cascara ingredients by rescuing coffee pulp and skin from the waste stream on our estates in Laos, Tanzania and Zambia, and from farmers across our sourcing network in Democratic Republic of Congo, Indonesia, Guatemala and Peru.

This upcycling process means we can bring valuable nutrients back into the food supply, reduce greenhouse gases, and increase revenues for coffee farmers.

For our customers, it means we can offer a soluble cascara powder that's traceable and certified as an upcycled ingredient by the Upcycled Food Association (UFA). With desirable notes of caramel, molasses, honey, and tamarind, it can bring a unique flavor to many applications from iced teas and energy drinks to confectionary and desserts.

Converting waste to compost

In 2023, ofi and Starbucks embarked on a three-year project to convert waste from the coffee harvest on our Zambia estates into high-quality compost and biochar (similar to charcoal powder), to be applied back on the farms to improve soil health and plant growth.

This project aims to understand how the introduction of biochar could help reduce greenhouse gas emissions from coffee production while improving fertilizer use efficiency. The biochar feedstocks can consist of parchment skins, dried coffee pulp, and woody materials from pruning coffee plants. A high-quality kiln with a continuous feedstock conveyer system allows pyrolysis of the coffee waste at high temperatures (>300C) and low-oxygen environments.

This first phase tests different mix ratios of biochar, compost and fertilizers for maximizing its beneficial effects. We apply these mixtures to newly planted as well as mature coffee fields, monitoring closely how the crop responds and the resulting emissions.

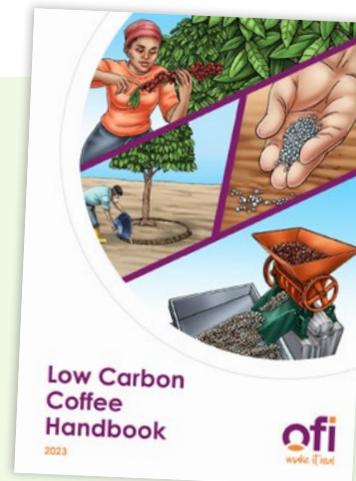
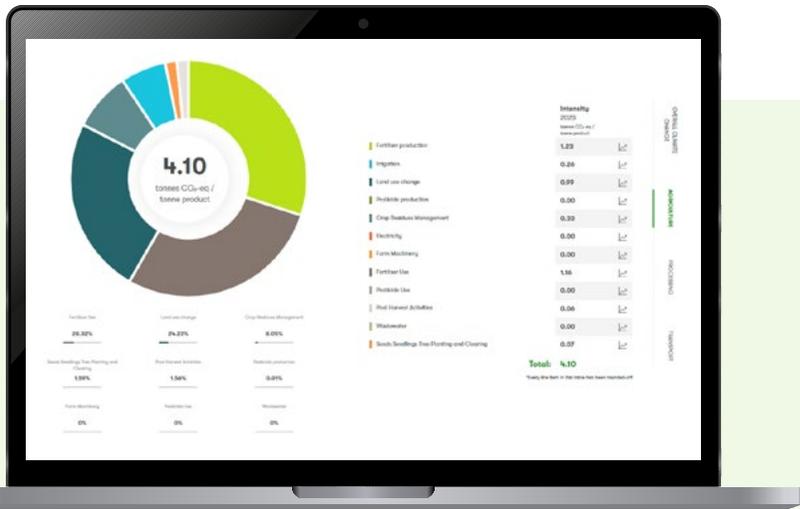
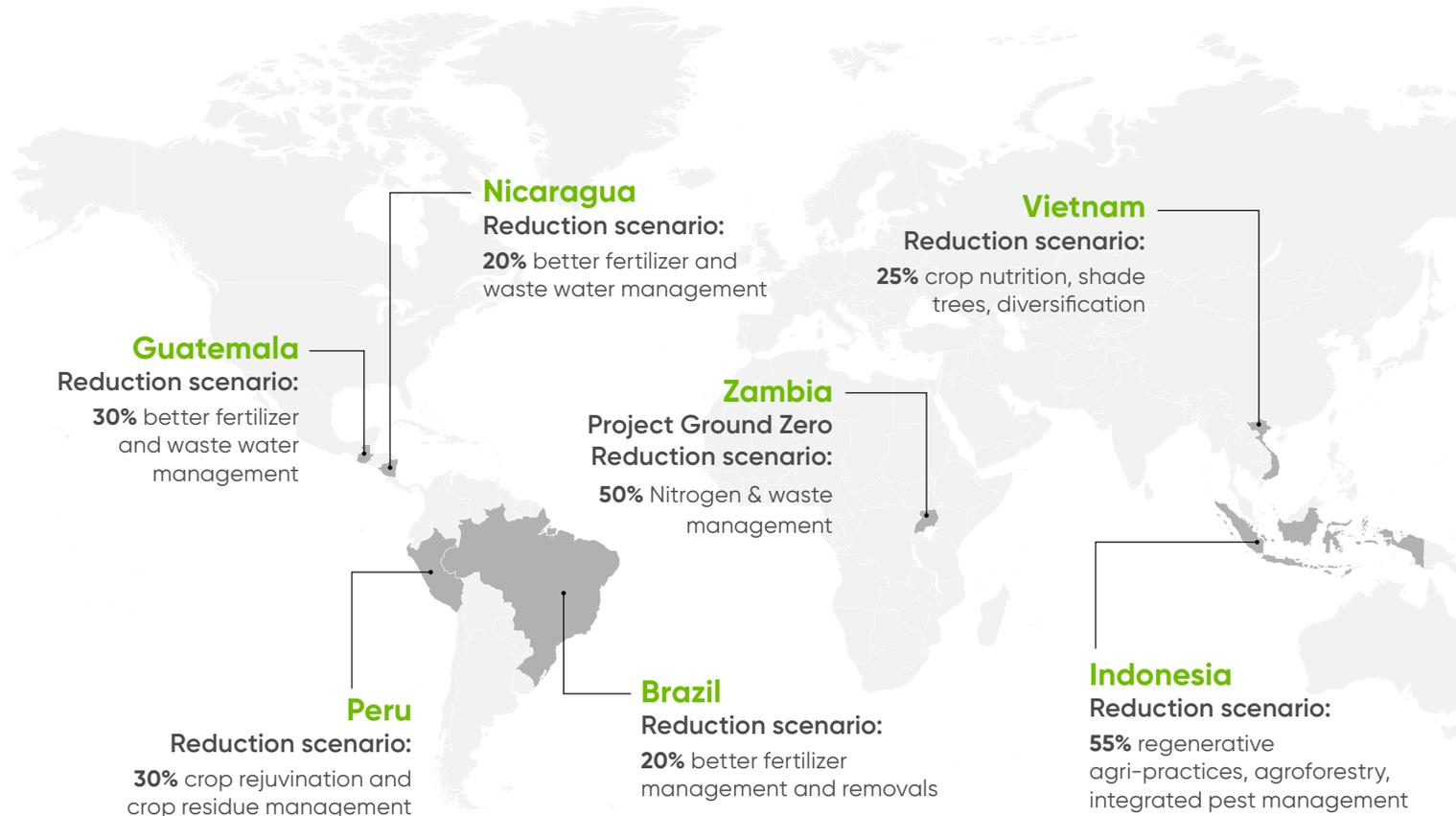
The project will run over three crop cycles until the end of 2026, with sufficient data to determine the optimal use of biochar in field applications for healthy coffee yields with a lower carbon footprint - learnings that farmers and customers alike could benefit from.

Data-driven climate action

Insights from ofi's Digital Footprinting Calculator and Climate-Scenario Planner, built into AtSource are allowing us to look at the most cost effective and efficient way of driving down emissions.

Based on these insights, we've simulated GHG reduction targets for over twelve active decarbonization projects with customers in our coffee supply chains.

One project launched last year in the robusta coffee growing province of Lam Dong, Vietnam is a partnership with NESCAFÉ to support their climate goals of halving greenhouse gas emissions by 2030 and reaching net zero by 2050. We've used the Carbon Scenario Planner to simulate a GHG reduction scenario of up to 25% by 2028 based on improving fertilization efficiency and canopy density with pruning and supporting farmers with integrated weed management to minimize herbicide use, optimize irrigation, and intercropping their farms with beneficial trees.



To support the process of embedding the most impactful climate-smart practices within our existing sustainability programs, we've produced a Low Carbon Coffee Handbook for our field teams to guide their training sessions with farmers.

Climate action IN FOCUS

Packaging solutions for a lighter footprint

ofi's North American roast and ground coffee business Club Coffee conducted a Life Cycle Analysis with York University in Toronto to determine the carbon footprint and plastic reduction of its commercially compostable and recyclable paper-based packaging for pods and roast/ground coffee versus traditional plastic cups and bags.

As a partnership with Canada's largest retailer Loblaw Companies for their private label coffee, the assessment has identified and quantified a significant reduction in both carbon emissions and plastics attributable to award-winning innovative sustainable packaging solutions.

Hear from our expert

“With sustainability experts embedded in farming communities and our ingredients capabilities, the opportunities for innovation are everywhere. For example, in Mexico, we are experimenting with extended fermentation to elevate the cup quality of washed Arabicas, while our field teams are training farmers on Climate-Smart Agriculture and wastewater management to drive down emissions as part of the Alliance for Sustainable Landscapes and Markets.”

Siva Subramanian
Head of Innovation, ofi Coffee



← PurPod100®

Commercially compostable
single-serve coffee pods

- Biodegradable Products Institute-certified commercially compostable
- Made with upcycled coffee bean skins
- Diverts nutrient-rich organic coffee from landfill
- Plastic waste reduced by 1,755T*

Reduction of 13,680t/CO2e*

*Since 2021, vs. traditional #5PP plastic cups.

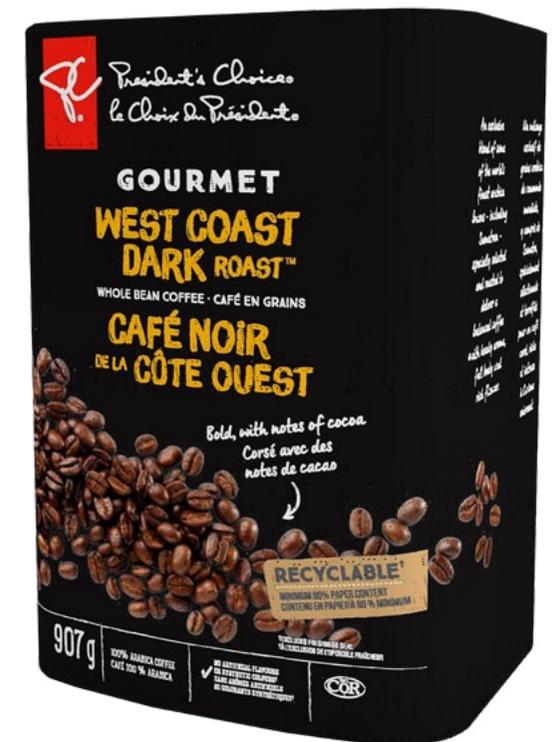
AromaPak®/Boardio® →

Recyclable ground/whole bean
coffee containers

- Sustainably sourced paper-based board certified by the Forest Stewardship Council
- Plastic waste reduced by 55%

Reduction of 1,450+t/Co2e*

*Since 2022, vs. multilayer bags.





Regenerating coffee landscapes



OUR FOCUS: Working towards a regenerative production system that will restore coffee landscapes and preserve healthy ecosystems.

In the landscapes where our coffee originates, our teams are finding ways to restore nature by acting to identify and remediate deforestation risks, bring half a million hectares under regenerative agriculture and participate in six living landscape partnerships by 2030.

Last year, our teams delivered sustainability support to 115,000 farmers across coffee supply chains to help make their existing land more profitable and incentivize more environmentally-sound practices. In turn, this can help our customers comply with deforestation-free policies and laws, and ultimately deliver real change.



2023 impact

On Track



to meet EUDR requirements for traceability and compliance when the obligations become applicable in 2025

By 2030: Remediation actions are taken whenever deforestation is an identified risk in our supply chains

84,408



hectares have practices to benefit soil, water, biodiversity and climate

By 2030: 500,000 hectares under regenerative agricultural practices

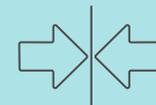
2.8 mm



non-coffee trees planted (species include Gmelina arborea, Albizia, Laurel, and Cedro) (cumulative)

By 2030: 10 million beneficial trees planted

1



new living landscape multi-stakeholder partnership (total 4)

By 2030: 6 coffee living landscapes with measurable benefits for nature

300,078m³



water savings, largely generated by efficiency improvements in wet mills

By 2030: 1.5 million m³ of water saved annually

Hear from our expert

“ Coffee farming affects soil health, water use, biodiversity and carbon, so together with farmers we co-design context-specific practices ranging from precision soil management, to recycling the nutrients in crop residues, and planting to attract beneficial insects. ”



Piet van Asten
Head of Sustainable
Production Systems, ofi

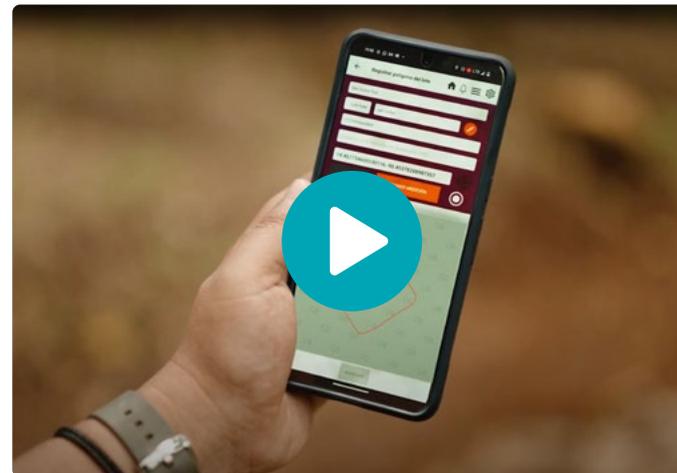
Regenerating coffee landscapes IN FOCUS

Our approach to deforestation monitoring

Due to our long-term focus on reducing deforestation in smallholder supply chains and advancing sustainability programs we regularly perform extensive deforestation risk assessments including use of Google Earth Engine planetary libraries and Global Forest Watch. This provides near-real time and historical monitoring of over 70% of ofi's direct coffee supply chain using our digital solutions.

Our field teams have been rolling out polygon mapping over the last few years, allowing us to make sure the volume of coffee we purchase is within the farm's capacity and take targeted action through sustainability programs as necessary. Polygon maps for coffee sourced from farms over 4 hectares are one of the traceability requirements under the incoming EU Deforestation Regulation.

Watch how it works in practice:



ofi
make it real

Promoting climate change resilient coffee and cocoa agroforestry

The The Landscape Approach to Sustainable and Climate Change Resilient Cocoa and Coffee Agroforestry (LASCARCOCO) is a powerful public-private partnership launched in Indonesia last year by USAID, ofi, The Hershey Company and Rikolto.

With a joint investment of USD\$8.2m over three years, the partnership aims to work with over 6,000 farmers across Indonesia, training them on climate-smart agroforestry, and removing 250,000 metric tons of carbon emissions by improving the management of 14,000 hectares of watershed and buffer vegetation surrounding coffee landscapes.

In the first year of the program, 1,800 farmers received livelihood co-benefits, either directly as LASCARCOCO's beneficiaries or their household members through training and coaching, and the provision of cocoa and coffee seedlings. These resulted in the improved management of 1,245 ha of agroforestry farms comprising 75 ha of coffee farms located in non-forest (on-farm) areas. Training included planting tree species that sequester carbon, prevent soil erosion, and provide shade for crops and new techniques for making bokashi fertilizer, seeding coffee, pruning, and improving the post-harvest and planting process.

Regenerating coffee landscapes IN FOCUS

Contributing to the conservation of protected areas in the Cavally region

The Cavally region in Côte d'Ivoire, one of the country's main forested areas and home to protected areas such as the Taï National Park (UNESCO), has lost more than 80% of its forest cover in the last decades which has been mainly attributed to coffee and cocoa production.

In January 2023, ofi joined a three-year 'Sustainable Forest Management' program with IDH and customer JDE Peet's, to conserve forest resources and promote sustainable coffee production in the region, referred to as the "ecological lung of Côte d'Ivoire" by the 4th vice-president of the Cavally Regional Council.

At a time when coffee production is reviving in the region in response to higher global prices, the partnership is working to reduce pressure on the Taï National Park and Cavally nature reserve while improving incomes in the surrounding communities.

The partnership is focused on sustainable agricultural production and social inclusion and in its first year delivered:



25,000 shade trees to mark farm boundaries, reforestation and creation of agroforestry systems.



52 forest stewards from trained youths to contribute to the protection and preservation of the classified forest through patrols



Training to ~3,400 farmers on good agricultural practices integrated farm management, water protection, ecosystem conservation, and forest protection through 18 'trained trainers'



Entrepreneurial opportunities for 750 women through establishing 20 Village Savings and Loans Associations (VSLAs) and training on creating biochar from cherry husks for additional income and firewood replacement

“ The main objective of the project is to ensure that the revival of coffee production in the Cavally region does not come at the expense of the forest cover and sustainable development, as it happened in the past. We are particularly delighted that this resonates with a partner like ofi ”

Matthew Spencer,
Global Director,
Landscapes, IDH



ofi project partner

“ At JDE Peet's, we are committed to fostering a sustainable future for coffee by embracing origin diversity and strengthening our footprint in Africa. This project in the Cavally region is a significant step towards protecting vital ecosystems like the Taï National Park while promoting sustainable coffee production. By working together with our partners, we aim to create an environment where both nature and communities can thrive for generations to come. ”

Judith de Boer
Global Green Coffee
Partnership
Program Lead,
JDE Peet's



ofi project partner





Supply chain excellence



The success of our Coffee LENS ambition and contribution to ofi's overarching sustainability strategy Choices for Change, relies on a strong foundation of supply chain excellence.

This means traceability through the coffee supply chain, the collection of data which can be shared with farmers and with customers, and the understanding of risks and ways to mitigate them, so we can collectively drive positive impact.

This is why we developed our sustainability management system AtSource, so that we could offer deep granular level data from primary sources to mitigate risks and drive positive impact across multiple origins and products. From action plans to detailed scenario planners we can offer the tools, third party verification and more to help the sector be the change that both farmers and consumer need.

Alongside our global sourcing network and on the ground intel, data plays a key role in our ability to offer a safe, secure supply of traceable and sustainable coffee. This is why we are constantly innovating and developing new tools to gather even better data, improve traceability, and deliver more efficient and impactful sustainability programs.



2023 impact

98.2%



origination volumes sourced from suppliers engaged on the ofi Agri Supplier Code

16,000+



new coffee farmers registered on ofi's Farmer Information System (Total: 63,500)

47,000+



farmers with direct market access enabled through the ofi Direct app.

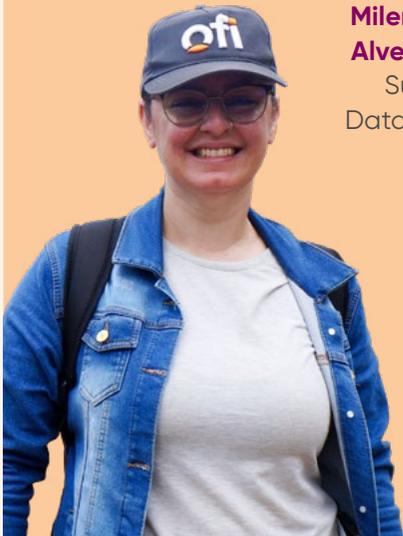
22



coffee supply chains on AtSource (Verified & Plus) offering customers rich, granular social and environmental data

Hear from our expert

“ Customers and regulatory bodies need to see the big picture. This is where technology can play a crucial role in making our supply chains more transparent and traceable and why we deploy proprietary digital tools like AtSource offering access to actionable data, to help deliver the impact and traceability the law demands and the Earth needs ”

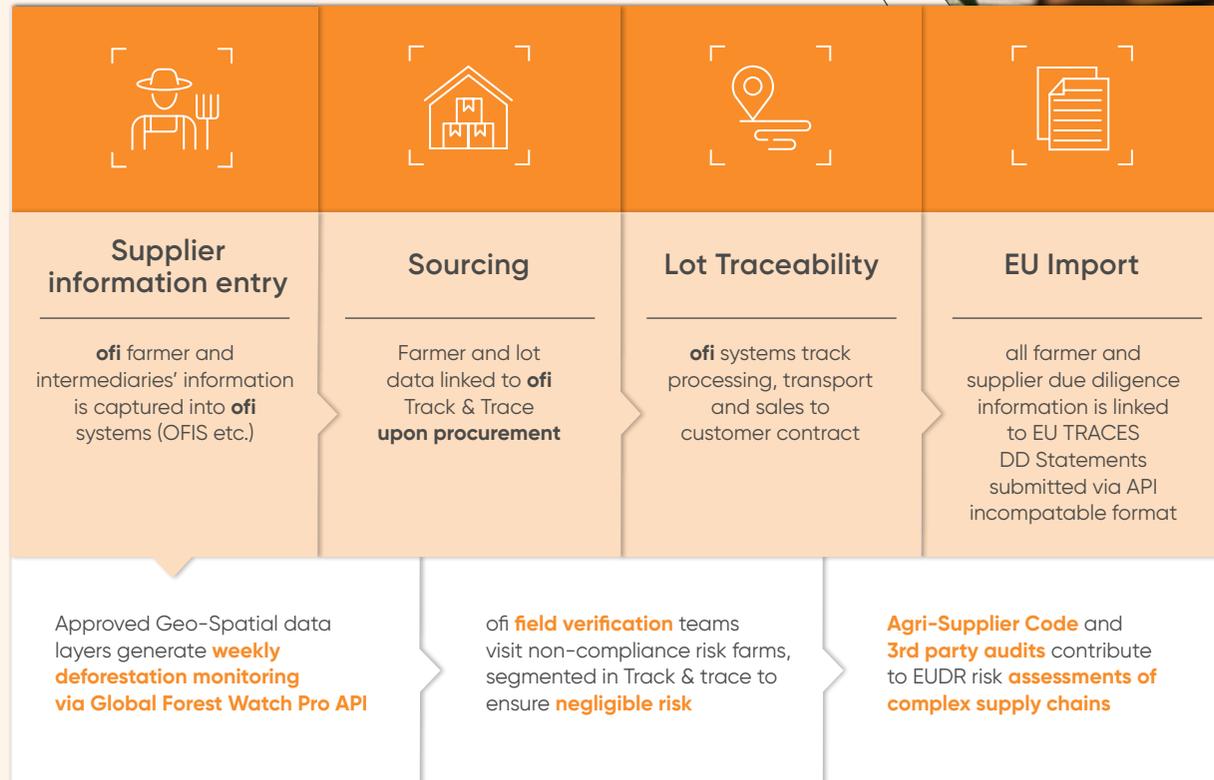


**Milene Amancio
Alves Eigenheer**
Sustainability
Data Analyst, ofi

Supply chain excellence IN FOCUS

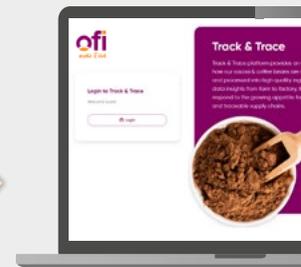
Driving traceability right back to farmer groups

ofi **Track and Trace** is our internal digital solution for farm-level traceability. It integrates information from our on-the-ground digital apps – including ofi's farmer information system and ofi Direct – and ERP systems to enable traceability from farm plots to customers and provide visibility across the supply chain. The enhanced Track and Trace system is one of the key tools ofi is using to respond to EUDR compliance requirements.



ofi Track & Trace

Unified traceability data is combined via ofi Track & Trace



Due diligence Statement (DDS) & auditable data



The steps we're taking to prepare for the EU Deforestation Regulation (EUDR)

In conversation with **Florian Schmidt**,
Vice President Coffee, Germany **ofi**.

What does the EUDR mean for coffee companies?

ofi recognizes the EU deforestation law (EUDR) is a necessary and positive step, helping to strengthen the industry's efforts to tackle issues ranging from deforestation to human rights and create a level playing field.

The Regulation requires companies that place or make available on the EU market, or otherwise export from the EU coffee (among other products), to ensure the products have not originated from deforested land or contributed to forest degradation after December 30, 2020. Products must also comply with the laws of the production country.

Is ofi ready to comply?

Our on-the-ground presence, integrated business model, systems and technology solutions, and sustainability programs, mean we are well-prepared to provide the required due diligence and traceability obligations for our coffee and cocoa products destined for the EU market when the regulation begins to apply.

In summary the measures we are taking to support our customers include:

- **On-the-ground presence and farmer networks:** Our deep-rooted presence in major growing regions allows our local subsidiaries to directly engage with farmers to promote compliance with EUDR standards.
- **Enhanced traceability and data systems:** Our existing traceability and data systems are being further refined to meet EUDR requirements. For direct supply chains, this is from **ofi's** internal digital solution (Track & Trace), including traceability to individually mapped farms.
- **Risk assessment and mitigation:** We conduct thorough risk assessments to identify and mitigate deforestation, legal, and human rights risks. Our trackable improvement plans and programs ensure ongoing compliance reliably.
- **Industry engagement:** We actively participate in discussions with the EU, industry associations and sectoral forums to try to shape and gain clarity on the implications of EUDR.

How will ofi meet every coffee customer's EUDR need?

From the unified traceability data on Track & Trace, along with due diligence statements, **ofi** will provide:

For EU customers: The EU-TRACES Reference Number and Verification Code for all shipments linked to their procurements via the TRACES 'Domestic' Activity linked to their profile on TRACES, ensuring access to their obligatory Due Diligence information on cleared shipments.

For customers who need to report to the EU TRACES platform themselves as the importer/ FOB: The **ofi** due diligence statement required and auditable information to be made available upon request of Customs Responsible EU Agencies for 5-years.

For customers who want compliance plus additional assurance and impact opportunities: AtSourceV and Plus tiers can offer EUDR-ready products in addition to actionable insights for improving sustainability performance of individual supply chains, with impact monitoring, external assurance, risk benchmarking and geo-visualization of sourcing origins and procurements.

Thank you

to all Coffee LENS partners who have supported our initiatives in 2023

ALDI SUD GROUP	SAINSBURY
BORBONE	STARBUCKS
DUNKIN'	STRAUSS
HEIFER INT	SUNTORY
JDE PEET'S	SURGES
JJ DARBOVEN	TCHIBO
LAVAZZA FOUNDATION	TECHNOSERVE
LIDL	TIM HORTONS
MELITTA	UCC
NAJJAR	USAID
NESTLÉ / NESPRESSO	WALMART FOUNDATION
PAULIG	WCS
RAINFOREST ALLIANCE	WESTROCK
S&D	

Get in touch to find out how you can engage in our Coffee LENS journey and be the change with us: sustainability@ofi.com



Looking forward

“ I’m incredibly proud of the positive energy and dedication our origin teams have demonstrated over the last 20 months in setting the groundwork to meet growing regulatory requirements for due diligence whilst also refocusing our on-the-ground efforts and goals to contribute to our new Choices for Change ambitions for 2030. For instance, choosing to enhance the way we engage with hundreds of thousands of coffee farmers by more closely tailoring support to their specific needs is a challenging step to take, but the right one if we want to drive the major change that farmers need and we all desire. Looking forward, I’m excited by what we can deliver by 2030 – with our farmers, our customers and other partners across our coffee supply chains. ”

Jeremy Dufour

Head of Sustainability Execution – Coffee, **ofi**





Sustainability glossary



Agri Supplier Code

Agri Supplier Code (ASC): details the environmental, social, and governance principles stated in our corporate policies that we expect all our suppliers to respect (including respect for laws; corporate governance and integrity; quality and safety; labor rights; respecting the natural environment; and human rights).

Agroforestry (relevant for the trees metric)

Use of woody perennials like trees and shrubs on land that is primarily used for crops or livestock. The integration of trees on farms helps to diversify and sustain production at farm and landscape level and increases social, economic and environmental benefits. The additional value from agroforestry is particularly crucial for improving smallholder resilience.

Beneficial trees distributed in agroforestry systems

A beneficial tree refers to native or non-native trees, not including **ofi**'s target crop species, which are planted in or around farms for any useful purpose (e.g. shade, timber, fodder, fruit and other crops, medicinal products, biological control, windbreaks, soil stabilization, hedging, etc.). An Agroforestry Program refers to the distribution of trees to farmers for use on their farms.

Child labor

Work that deprives children of their childhood, their potential and their dignity, and that is harmful to physical and mental development (work that interferes with schooling or is hazardous) (ILO convention 138). The worst forms of child labor include children being enslaved, separated from their families, exposed to serious hazards and illnesses, and/or left to fend for themselves on the streets of large cities – often at a very early age.

Child labor remediation actions

Child labor remediation actions refer to actions taken to remove a child from child labor or mitigate the consequences of child labor by providing alternatives and promoting their safety and wellbeing.

Child Labour Monitoring and Remediation Systems (CLMRS)

System to identify and target prevention, mitigation and remediation actions to children involved in or at-risk of child labor.

Choices for Change

ofi's overarching sustainability strategy and targets for delivering transformative change by 2030. It is focused on four interconnected impact areas: Prosperous farmers, Thriving communities, Climate action, Regenerating the living world and built on the foundation of supply chain excellence. It is how we will achieve our vision to be the preferred partner of choice for positive change. Discover Choices for Change in full [here](#)

Climate-smart practices

Climate-smart agriculture (CSA) practices aim to tackle three main objectives: (i) sustainably increasing agricultural productivity and incomes; (ii) adapting and building resilience to climate change; and (iii) reducing and/or removing greenhouse gas emissions, where possible.

Customized Support

We define Climate positive as a state of removing more GHGs than we emit after reducing emissions across all scopes to a minimum level that is aligned to a 1.5°C pathway. A company can achieve this status by rapidly decarbonizing through committing to SBTi Net Zero Standard which includes the following key elements that make up a corporate net-zero target:

- Two socio-economic groups have been identified by **ofi** field teams and provided with differentiated support
- The needs of women and youth have been considered.

Decarbonization

The process by which CO2 emissions associated with production activities of a company or the industry e.g.; Energy use, farm inputs use, transport are reduced or eliminated. (Source: SBTi Glossary | Version 1.0 |).

Deforestation-free

Deforestation-free supply chains do not cause or contribute to deforestation, as defined by the Accountability Framework Initiative. The EU Deforestation Regulation requires a deforestation-free cut-off date of 31st December 2020.

Direct sourcing / Direct volumes

Volumes procured by **ofi**, or its subsidiaries, directly from farmers, or from farming co-operatives, farmer groups, community/growing areas or their representatives (Including Local Buying Agents who are restricted to a specific community/growing area). This also includes sourcing from **ofi**'s in-country subsidiary-owned estates, orchards or farms.

Due diligence

Due diligence means, in the context of supply chains, a bundle of inter-related processes through which enterprises can identify, prevent, mitigate and account for how they address their actual and potential adverse impacts on their supply chains including people, the environment and society, as an integral part of business decision-making and risk management systems.

Education infrastructure

Education infrastructure involves the construction or rehabilitation of schools, classrooms, school latrines, school canteens, playgrounds, among others.

Education support

An intervention aiming to improve children's access to quality education. This excludes any type of infrastructure-related interventions. Examples of interventions that are considered are the establishment of birth certificates and the distribution of school material & equipment (school kits, schoolbooks, etc).

Sustainability glossary continued

Enhanced livelihood support

A package of support combining one or more relevant trainings, and at least one material support including inputs, services, and access to finance and premiums, or infrastructure, designed to improve yields, quality, resilience, or return on investment, as part of a multi-year program. Training and support must have been received during two different years at minimum. These years do not need to be consecutive, and the oldest year of support cannot be more than 5 years in the past. A farmer that did not receive any type of training/support w/in the current year can still count towards this number if the criteria are met. If at the time of reporting, the household is no longer an **ofi** farmer household, this unit still counts as long as the training/support was received when it was still considered to be an **ofi** farmer household.

Farmer

Any individual that (1) owns / co-owns a farm holding, (2) is a member of the farmer household who is working on the family farm, or (3) is employed to manage a farm or is a Tenant farmer (sharecropper)

ofi Farmer household

A farmer household is composed of the group of people living in the same dwelling space who have at least one common farm plot together and extract a significant part of their income from farming. An "ofi farmer" consists of a farmer that is registered within **ofi**'s supplier base, whether it be in **ofi**'s farmer information system or outside of this app.

Forest positive

We define this by the CGF – Forest Positive Coalition definition: 1. accelerate efforts to end deforestation in our own supply chains, 2. set higher expectations for suppliers to end deforestation across all their supply chains, 3. drive transformational change in strategic landscapes, and 4. track and report using common metrics.

GHG emissions

Refers to the release of Greenhouse Gas into the atmosphere in tons of carbon dioxide equivalent (tCO₂e). We follow the definition of the Greenhouse Gas Protocol, which classifies emissions into scopes 1, 2 and 3:

- **Scope 1:** Direct GHG emissions occurring from sources owned or controlled by **ofi**
- **Scope 2:** Indirect GHG emissions from the generation of purchased electricity, steam, heat and cooling consumed by **ofi**
- **Scope 3:** Indirect GHG emissions that are a consequence of the operations of **ofi** but occur from sources not owned or controlled by the company

Human rights remediation

The proportionate restitution of an affected person or persons or communities to a situation equivalent or as close as possible to the situation they would be in had an adverse impact affecting human rights not occurred.

Indirect supply chain

Volumes procured from non-supported farmers, or not associated with any sustainability claim. This is consistent with a vast majority of trade in the past and still occurring today; and include volumes procured from third parties, for example government entities, exchange trading, other national and international companies, as well as from intermediaries (e.g., Local Buying Agents, LBAs) or primary processing partners (e.g., crackers, milling), who are not restricted to a specific farmer group/community/growing area.

Livelihood support

At least one relevant training, or one material support including inputs, services, including access to finance and premiums, or infrastructure, designed to improve yields, quality, resilience, or return on investment provided during the year of counting.

Living landscape partnerships

A Living Landscape Partnership is a multi-functional sourcing area where **ofi** has a long-term and large-scale plan to achieve holistic transformational change for nature and people by leveraging multi-stakeholder partnerships that co-design & foster a common vision and goal for managing the landscape sustainably. Living landscapes are strongly rooted in a theory of change that seeks to address root causes of unsustainable outcomes across environmental and socio-economic dimensions, therefore aiming to demonstrate impact beyond program implementation.

Living income

We adopt the guidance of the Living Income Community of Practice (LICOP): "The net annual income required for a household in a particular place to afford a decent standard of living for all members of that household. Elements of a decent standard of living include food, water, housing, education, healthcare, transport, clothing, and other essential needs including provision for unexpected events."

Regenerative agriculture

Regenerative agriculture is an approach to food production, working with nature to build and restore Natural Capital (Soil, Water, Biodiversity and Carbon) on and around farms whilst optimizing inputs and ending harmful and destructive practices. Regenerative practices are context specific, adapted to agro-ecological conditions.

Traceable/traceability

Any volumes for which we can provide chain of custody documentation back to the farm, farming co-operative / community, farmer group, or growing area.

Transparency

Supply chain transparency refers to the strategy of how to disclose supply chain and sourcing information to stakeholders. Transparency is defined by what data you are going to be transparent about, to whom, and how often, or when. Any company pursuing visibility needs to consider transparency upfront. (Source: BSR, 2019)

Youth/Young Adults

Individuals aged 15-24



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