



Shaping a sustainable future

2023 ECOM Group Sustainability Report

Welcome to ECOM's Group Sustainability Report

Welcome

We are pleased to bring you our 2023 Group Sustainability Report that highlights our actions and progress built around our Group-wide sustainability strategy and its three core pillars: Improving farmer and worker livelihoods; Protecting and regenerating nature; and Managing change through transparency and traceability.

With our creative spirit, and as an origin-integrated business, ECOM is able to invest into our diverse value chain, allowing us to ensure transparency and accountability throughout our operations.

This Report covers the Group's global activities across our three principal commodities of coffee, cocoa and cotton, which includes origin sourcing countries, secondary sourcing regions, our factories and offices. Throughout, you will find examples of how ECOM has put our sustainability strategy into practice, together with our progress against our sustainability commitments.

This year, we have increased our focus on the transparency of our reporting. We have prepared this Report with reference to the Global Reporting Initiative (GRI) standards for the entire ECOM Group

for the first time. Please refer to our GRI content index of this Report. A glossary that defines key terms used throughout this Report can also be found at the end of this document.

In recognition of the evolving regulations surrounding sustainability reporting, our environmental, social and governance (ESG) management system complies with emerging reporting regulations, including the Swiss Code of Obligations and the Ordinance on Reporting on Climate Matters.

All financial figures are reported in US dollars (US\$) unless otherwise stated. The programmes, initiatives and activities referred to in this Report were undertaken in collaboration with a range of partners, including clients, donors, non-governmental organisations (NGOs) and area experts. We have credited these partners in our disclosures, wherever possible.



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Spotlight key



1 Introduction

"We believe in continuous improvement in sustainability - doing things better year on year and working side by side with our partners to have a positive impact on society and the environment."

Benjamin Rimaud
Coffee Global Sustainability Manager



1.1 A note from our CEO

2023 marked a year of uncertainty on the global stage, which was felt through the high volatility seen in the markets where we operate. Macro events such as increasing geopolitical tensions, drastic changes in weather and several trade barriers forced us to adapt to circumstances outside of our control. As a trader, our role is to manage the consequences of these events and ensure that our operations and people remain resilient and forward looking.

All of these factors have highlighted the inefficiencies that exist in traditional forms of trading, and have created an opportunity for us to implement innovative changes to create a positive and sustainable impact in the industries that we work in. As an enduring, global supplier operating in more than 40 countries, we are in a position to drive meaningful change and impact in our supply chains.

By seizing these opportunities, collaborating with our stakeholders and through the efforts of our teams around the world, we have been able to reinforce our position as a leading supplier to our clients. Our field teams have successfully leveraged their experience and relationships as well as the expertise of partners to address the issues they are confronted with.

I am proud to say that ECOM has a long-standing commitment to sustainability and transparency, reflected in both our ongoing efforts and our past achievements. Throughout this Report, you will find our efforts and achievements in 2023, and the many ways in which we are working to put our sustainability strategy into practice. You will also find evidence of the dedication from our teams on the ground. They are a key factor in the success of our business and remind us of the love we have for our origins and our people.

It is through our spirit of innovation that ECOM can drive our sustainability agenda forward and build a sustainable future for our business, employees, farmers, workers and their communities. We have the right team and the right people in the right places that continually seek new ideas and innovations to benefit our clients, farmers and colleagues.

I would like to thank all of ECOM's people for their continued energy and determination to help us achieve our ambitions. Through their unflinching efforts, we can make a real difference on our mission to help create sustainable futures.

Alain Poncelet
ECOM Chief Executive Officer

1.2

About ECOM

ECOM is a world-leading soft commodity services group, specialising in coffee, cocoa and cotton. Operating in more than 40 countries around the world, we work with thousands of farmers and local businesses. To provide on-the-ground support, we employ over 1,000 agronomists and field technicians, and have more than 6,000 employees in total.



We are an origin-integrated company and we have our own traceable, sustainable, client- and partner-specific supply chains. We procure our commodities both directly from farmers and indirectly through suppliers, provide primary processing, logistics and risk management services, and sell to branded product manufacturers.

ECOM has four core businesses:

- **Coffee** – we are the world’s leading coffee dry miller and one of the largest coffee traders in the world, operating in more than 30 countries with over 20 origin countries and 85 sales destinations.
- **Cocoa** – we are one of the world’s largest cocoa traders and processors, sourcing through our origin operations in 11 countries and more widely from 35 countries.
- **Cotton** – we operate in 7 origin countries and 36 sales destinations.
- **Nuts and specialty ingredients** – we are providers of edible nuts and specialty ingredients, including almonds, cashews and sesame seeds, sourced from 9 countries in Africa, Asia, Europe and North America.

Research division

We believe that the best decisions are those supported by robust insights and evidence. That is why we have our own cross-commodity research department. Our dedicated team of analysts, meteorologists and data scientists carefully assess the risks surrounding critical issues like deforestation and climate change. Another part of their core work is to analyse market dynamics and crop predictions.

We also work in close partnership with corporations, universities, NGOs and other research organisations to invest in creating innovative agricultural techniques and processes.

Our origin countries and processing operations

- | | | | | |
|-----------------|---------------|----------------|---------------------|------------------|
| 1 Brazil | 7 Ecuador | 13 Honduras | 19 Nicaragua | 25 Tanzania |
| 2 Cameroon | 8 El Salvador | 14 India | 20 Nigeria | 26 Uganda |
| 3 China | 9 Ethiopia | 15 Indonesia | 21 Papua New Guinea | 27 United States |
| 4 Colombia | 10 Germany | 16 Kenya | 22 Peru | 28 Vietnam |
| 5 Costa Rica | 11 Ghana | 17 Mexico | 23 Rwanda | |
| 6 Côte d'Ivoire | 12 Guatemala | 18 Netherlands | 24 Sierra Leone | |

1.3

Applying our history to today's challenges

2024 marks the 175th year that the Esteve family has been in the commodity business. Starting in Barcelona in 1849 under Jose Esteve Thomas and expanding to work directly with origin operations by the late 1800s, ECOM has grown into new commodities – including coffee and cocoa in the 20th century. To this day, our global operations rely on our wide footprint in local markets and our extensive knowledge of supply chain and risk management. Our farmer friendly procurement and client focused distribution have created a valuable and profitable environment for all our stakeholders.

Our goal has been to preserve our years of market experience and family business heritage as we grow and evolve with new opportunities and challenges in an ever changing and complex world. We pride ourselves on our legacy and professionalism, including family members who are deeply involved in the operations and investment in the recruitment and retention of the right people into the right positions. The involvement of seven generations of family members in the business has facilitated efficiencies in processes and innovations.

Our long-term investment in the coffee and cocoa industries has positioned us to be an early mover in sustainability at the beginning of the 2000s, building trust and integrity in supply chains as we provided more services directly to farmers in an effort to connect them with interested clients. This has evolved over the past two decades to be a central part of ECOM's strategy for conducting business in a responsible and transparent manner. As the company has developed over 175 years, we have successfully built relationships with generations of coffee, cocoa and cotton farmers around the world.

Our sustainability teams have grown and learned to take on more complex challenges with the integration of technology and improved knowledge gained through years of field experience. This has shaped Group-level policies and led to many partnerships that will be explored in this Report. Each day, we continue to draw on insights from our past experiences as well as understand the long-term vision that the family history has instilled in us to continuously improve.



1.4

Our value chain

ECOM's value chain spans the globe and involves a large number of stakeholders. Our teams collaborate with farmers, suppliers, communities, partners and clients, among others, to minimise negative impacts and create shared value in our supply chain.



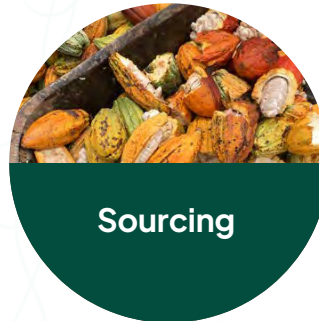
Farmers

We work with thousands of farmers and strive to support them in developing more sustainable agricultural practices that benefit them, the environment and their livelihoods.



Communities

We work with communities to develop economic and environmental resilience by tailoring programmes designed to increase economic opportunity and agency to fight poverty in rural areas. These programmes can also broaden knowledge on good social practices and human rights.



Sourcing

ECOM sources from around the world. Our origin teams are knowledgeable and experienced. They use their expertise to provide unique insights into the needs of our clients. We strive to be the preferred client to our suppliers and the preferred supplier to our clients.



Processing

Throughout our processing, we continually enhance the efficiency of our factory operations through upgrades and investments such as clean energy projects that support our carbon reduction roadmap.



Clients and marketplace

We collaborate with our clients on social and environmental programmes and interventions with farmers. Our progress around sustainability is not possible without their shared vision and support.

2 Sustainability at ECOM

"Combating the climate crisis and building a more sustainable future requires bold ambitions and decisive actions. We recognise that we have a tremendous opportunity to demonstrate this by embedding sustainable, ethical practices into our global supply chains."

Teddy Esteve

ECOM Head of Coffee and Chief Carbon Officer

2023 highlights

100%

100% traceability to farmer organisation/community achieved for all cocoa beans purchased through ECOM origin-sourced cocoa supply chains

2,290

Farmers, 50% of whom were women, registered and received training through our gender equality programme in Ghana

320,000+

Farmers trained and/or receiving technical assistance

Living income

Successfully completed our key performance indicator (KPI) to establish a living income baseline and roadmap to address identified gaps for all our cocoa origin-sourced supply chains

ERDA

ECOM Research Deforestation Analysis (ERDA) tool launched as a land use change detection tool and deforestation detection for EUDR for our core commodities

Net Zero

Submitted Net-Zero and near-term science-based targets to the Science Based Targets initiative (SBTi)

1 million+

Forest trees planted in critical areas of soil degradation

22,814

Farmers trained on good agricultural practices (GAPs) in Uganda, including 15,883 men and 6,931 women

42,500+

Farmers worldwide gained access to finance with ECOM's support in 2023

ECOM Carbon Impact Solutions

Launched a new carbon credits business unit to create further environmental and social benefits for communities in our supply chain

Improve farmer and worker livelihoods
Manage change through transparency
Protect and regenerate nature

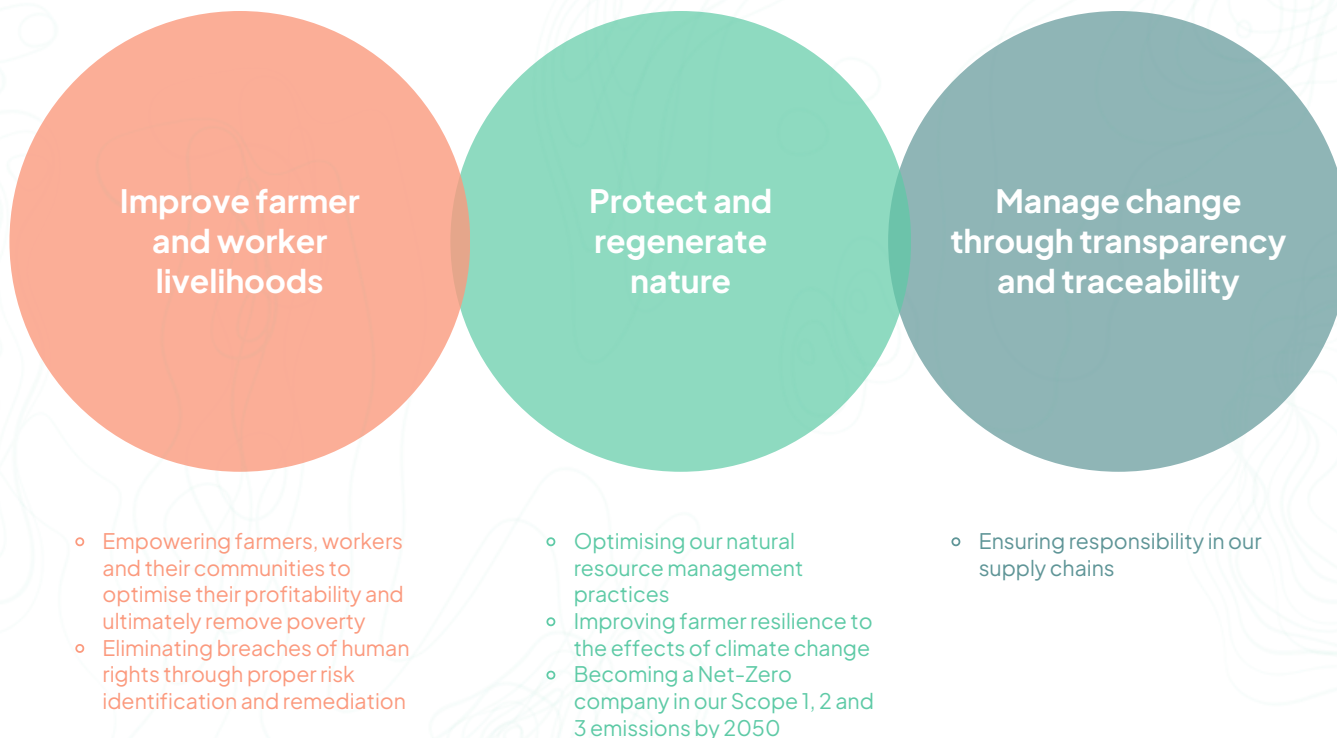
Launched Supply Chain Due Diligence Policy



2.1 Our sustainability strategy

ECOM has long recognised the importance of sustainability by embedding ethical practices into our operations and supply chains. Our Group-wide strategic approach is informed by our most material topics and addresses the creation of a more sustainable future, applied across our commodities. These material topics were determined through a series of materiality assessments. The first was conducted in 2019 and a refresh, using double materiality principles, was conducted in 2023.

Our strategy is built upon three key pillars and based around working collaboratively with farmers and other key partners. To achieve our aims, we have developed a set of clear commitments that guide our sustainability efforts.



One of the ways in which ECOM supports the delivery of these commitments is through our Sustainability Management Services (SMS). For 20 years, ECOM SMS has worked directly with farmers, delivering advice, technical and agronomic support, and targeted training programmes. In 2023, SMS implemented 140 programmes in our coffee and cocoa supply chains, reaching 415,000+ farmers worldwide.

2.2

Materiality update

We conducted a comprehensive materiality assessment in 2019. The priority issues identified from that assessment were used to set our Group sustainability strategy and commitments with specific goals and, in our cocoa supply chain, KPIs which can be found in our 2023 Cocoa Sustainability Report.

In recognition of the evolving nature of sustainability topics and impacts, and the guidance from regulations and best practice reporting frameworks such as the EU CSRD and GRI, we recently conducted a refresh of our material topics, applying the principles of double materiality:

- Financial materiality – how environmental and social factors affect our ability to do business
- Impact materiality – the impact of our business on the environment, society and people, including impacts on their human rights

Our next full double materiality assessment planned for the end of 2024 will be aligned with the CSRD double materiality guidelines. The findings of that assessment will support our efforts to update and reassess our sustainability strategy, ensuring we continue to direct our efforts where they can make the most positive impact.

Our process

Our recent materiality assessment refresh aimed to assess the relevance of our existing material topics and to ensure that they reflect our impacts, risks and opportunities today. Our process included five key steps:

- Research phase – identifying the wide range of potential material issues and topics
- Stakeholder identification – determining the key stakeholders we engage with, and how
- Stakeholder engagement – receiving stakeholders' ratings of the impact and likelihood of topics, and how they are affected by them
- Scoring and prioritisation – analysing and checking the data received from stakeholders
- C-suite approval – achieving sign-off on the updated material topics by ECOM's ESG Committee



2.2.1

Outcomes

The 2024 materiality assessment refresh identified seven topics as most material:

- Deforestation and land use
- Traceability and transparency
- Forced and child labour
- Agricultural productivity
- Farmer prosperity
- Regenerative agriculture
- Climate change resilience

We recognise that sustainability topics and their associated risks and opportunities are complex and often interconnected. As a result, as part of this analysis, we have moved away from the rigid numerical ranking of material issues and instead are grouping the seven topics identified as the most significant material issues for action and reporting purposes. The updated list is also shorter than our previous list of material topics and focuses on the issues of greatest importance and where we can have the most impact as a business. There are other topics that are important to our business and stakeholders but are less material. We have reported on these topics but have included more emphasis on the top seven topics.

Traceability and transparency, forced and child labour, and agricultural productivity remain priority topics for ECOM. Climate change resilience did not appear among the principal topics identified in the stakeholder results of the 2024 assessment, but given its impact on other material topics, and its importance to the business, to farmers and to the current global context, we have decided to maintain it as a top issue.

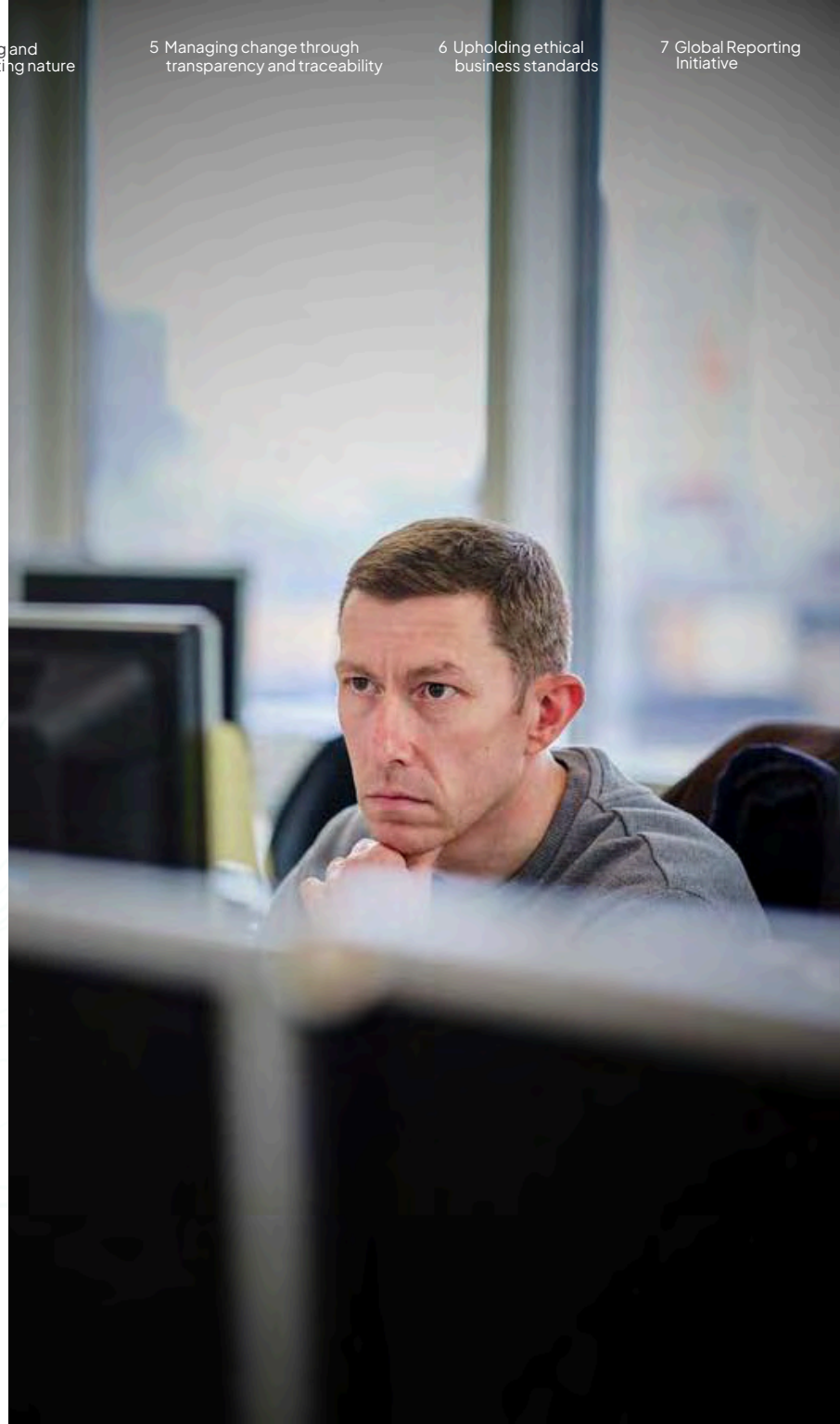
The outcome of the materiality assessment is also reflective of the upcoming European Union Deforestation Regulation (EUDR), which comes into force in 2024. EUDR presents both challenges and opportunities for ECOM and our stakeholders, and therefore deforestation and land use emerged as a high-priority topic.

Regenerative agriculture is a newly identified priority and covers a number of issues previously listed separately, such as water stewardship, soil management and biodiversity conservation.

Due to current geopolitical situations and sustainability trends, we have added the following topics to the wider list of topics relevant to ECOM:

- Conflict in origin countries
- Client value alignment
- Grievance mechanisms
- Managing grantor funding
- Market control and pricing
- Transparent communications

In anticipation of the upcoming requirement for ECOM to report in alignment to the EU CSRD, we will also conduct a double materiality assessment aligned to the EU CSRD's European Sustainability Reporting Standards (ESRS) later in 2024. The process will involve identifying and engaging with all our key stakeholders as well as conducting a more comprehensive analysis and scoring process aligned to the requirements of the Standards.

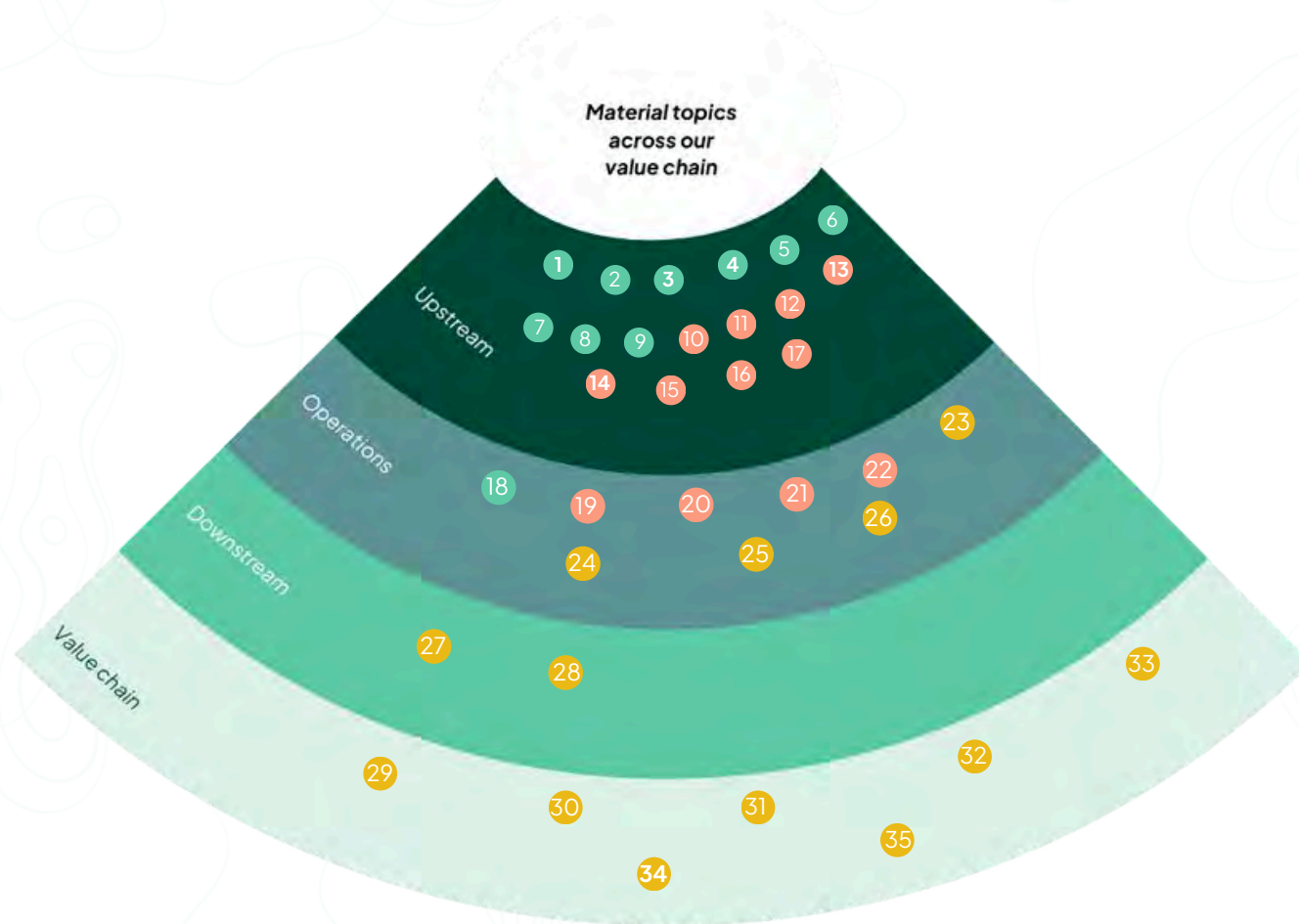


2.2.2 Material topics across our value chain

Given our global value chain and the complexities within it, we need to understand where our material topics take place and where we need to focus our efforts. This includes engaging with stakeholders upstream, downstream and in our direct operations.

Many of our material topics, such as our emissions and waste footprints, are relevant across our entire value chain, as is our role in training, education and protecting the health and safety of our workers and farmers. However, the majority of our most material topics occur upstream of our operations, within our supply chain. This is where we believe ECOM has the greatest potential to mitigate negative impacts and create positive value for our business, stakeholders, society and the environment.

The topics that are in bold represent our most material topics that were defined during the 2023 refresh.



- 1 **Agricultural productivity**
- 2 Biodiversity conservation and restoration
- 3 **Climate change resilience**
- 4 **Deforestation and land use**
- 5 Fertiliser and crop management
- 6 Genetic diversity of seeds and plants
- 7 Soil management
- 8 Water stewardship
- 9 Regenerative agriculture
- 10 Access to finance
- 11 Community, livelihoods and resilience
- 12 Conflict in countries
- 13 **Farmer prosperity**
- 14 **Forced and child labour**
- 15 Land tenure rights
- 16 Women and youth empowerment
- 17 Freedom of association and collective bargaining
- 18 Energy management
- 19 Diversity, equity and inclusion
- 20 Employee recruitment and retention
- 21 Living wage and fair employment
- 22 Price volatility
- 23 Governance and ethics
- 24 Grievance mechanisms
- 25 Managing grantor funding
- 26 Market competition and pricing
- 27 Client value alignment
- 28 Product safety and quality
- 29 Greenhouse gas mitigation
- 30 Waste and food loss management
- 31 Training and education
- 32 Health, safety and wellbeing
- 33 Impact monitoring and management
- 34 **Traceability and transparency**
- 35 Transparent communications

2.3 Case studies overview



[Read more](#)

Growing farmers' income in Uganda
Improving the quality of farmers' products and connecting them to new markets



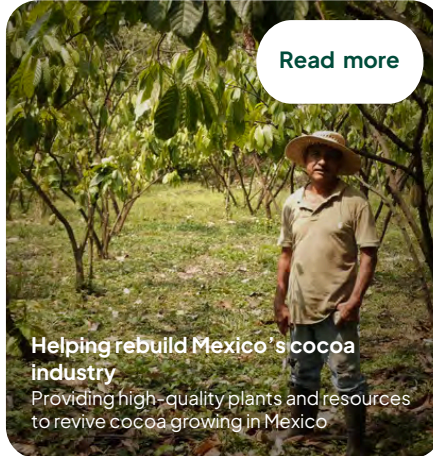
[Read more](#)

Financing growth in Vietnam
Providing farmers with access to finance to help them invest in their businesses



[Read more](#)

Building climate resilience in Vietnam
Improving yields and soil quality while removing carbon



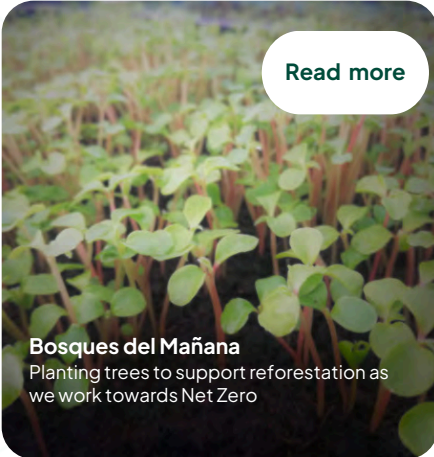
[Read more](#)

Helping rebuild Mexico's cocoa industry
Providing high-quality plants and resources to revive cocoa growing in Mexico



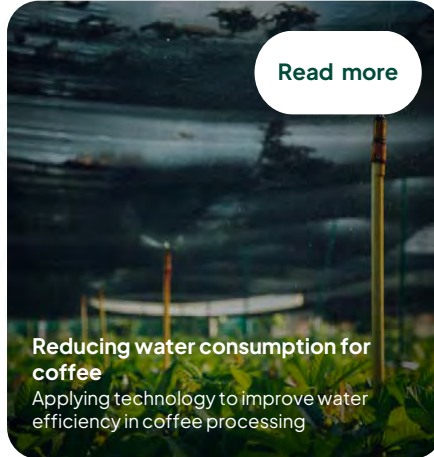
[Read more](#)

Providing safe spaces for children
Combating child labour by offering education and learning for workers' children



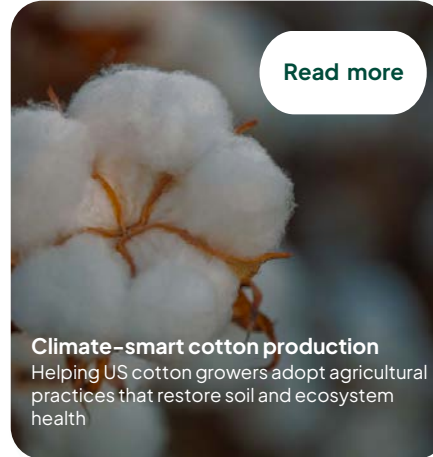
[Read more](#)

Bosques del Mañana
Planting trees to support reforestation as we work towards Net Zero



[Read more](#)

Reducing water consumption for coffee
Applying technology to improve water efficiency in coffee processing



[Read more](#)

Climate-smart cotton production
Helping US cotton growers adopt agricultural practices that restore soil and ecosystem health

3 Improving farmer and worker livelihoods

"If farmers, their families and communities prosper, so do we. Our frameworks and programmes aim to help farmers become more resilient while protecting the planet and its precious resources."

Pamela Schreier

ECOM Cocoa Global Sustainability Senior Manager

3.1

Improving farmer and worker livelihoods: Overview

Our focus

Supporting farmers, their families, workers and communities to achieve financial security is a challenge across the globe. Difficult growing conditions due to climate change, ageing plants or trees, a lack of resources, and conflict are among the factors that can impact the security and livelihoods of producers. Issues, such as gender inequality, child labour, workers' rights and safety, are often symptoms of poverty in agricultural areas.

As part of ECOM's sustainability commitments, we have programmes in place to identify and address the challenges farmers and their workers face to play a part in helping those we work with achieve security and opportunities to prosper.

Our commitments

- Empowering farmers, workers and their communities to optimise their profitability and ultimately remove poverty
- Eliminating breaches of human rights through proper risk identification and remediation



3.2 Farmer and worker livelihoods

Secure livelihoods for farmers are essential if agricultural supply chains are to thrive. We work closely with farmers to implement more sustainable practices through training, technological support, financing and advice.

Our aim is to empower farmers, workers and their communities to optimise their profitability and sustainably contribute to their livelihoods.

To achieve this, we encourage and support farmers to diversify their income sources by growing a wider variety of crops and engaging in other economic activities. We also work to eliminate breaches of human rights by identifying and remediating risks.

Spotlight



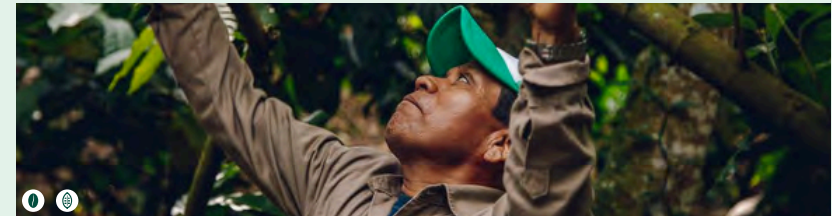
3.3

Improving productivity for smallholder farmers

An important part of our initiatives is promoting sustainable agricultural practices that enable farmers to increase their yields, and consequently their incomes. ECOM and our peers have a responsibility to contribute to the livelihoods of all the farmers we source from.

ECOM Cocoa successfully completed our KPI to establish a living income baseline and roadmap to address identified gaps for all our cocoa origin-sourced supply chains. In December 2022, our origin SMS teams completed the Cocoa Economic Analysis survey. For Ecuador, the survey results indicated that a 25% increase in yield would close the living income gap for the median farmer. Read more about our living income approach in our 2023 ECOM Cocoa Report that can be found on our [website](#).

Additionally, in 2023, we completed our 'Coffee, Cocoa and Climate Change' project in Nicaragua, in partnership with the German development agency Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ). Designed to improve the productivity of smallholder coffee and cocoa farms, the three-year project saw 100,000 native and climate-resilient forest, coffee and cocoa trees planted. In addition, 320+ producers – 30% of whom were women – received training on good agricultural practices such as soil conservation, crop diversification and integrated pest management as well as financial skills in 2023. An essential part of the project was empowering local women, supporting them in establishing tree nurseries to create jobs and build a stronger local economy.



3.4

Fostering prosperous coffee and cocoa supply chains

MOCCA – Maximising Opportunities in Coffee and Cocoa in the Americas – is a programme aimed at facilitating a resilient and growing trade in coffee and cocoa from the Andean and Central American regions. Its goal is to see this trade sustained by profitable farmers who make ongoing investments to maintain the health of their trees and the performance of their farms. In February 2020, NGO Lutheran World Relief (LWR) and ECOM agreed to implement the MOCCA programme called 'Development of a sustainable cocoa supply chain in the central jungle of Peru', for a period of three years.

In Peru, MOCCA supports more than 18,000 small and medium-sized coffee and cocoa producers in the Amazonas, Cajamarca, San Martín and Central Jungle regions to increase their productivity and improve their marketing. Through the programme, ECOM works with LWR to offer training, technical assistance, increased productivity and sales in ECOM's certified collection centres, distribution of planting material and post-harvest packages to guarantee cocoa farmers' profitability from their crops. To date and through ECOM, MOCCA has supported 2,612 producers, established two nurseries that have provided 68,000 higher-quality plants each year, and seen 50 agrarian promoters trained to pass on their knowledge to producers.

ECOM Peru and SMS are currently looking to expand our activities and sustainable supply chain to new regions of Peru, such as the Central Forest corridor. In doing so, we hope to promote sustainable cocoa production in the region and integrate producers into the international market, offering them better prices, training and technical assistance, and promoting care for the environment.

"My wife and I have been working with cocoa for 15 years. MOCCA has provided us with tools and fertilisers, and ECOM's field technicians have helped me improve my knowledge. They have also enabled me to access the Cacao Móvil application, which provides practical information. Cocoa has improved the quality of my life and my family's, and my daughter is now studying at high school. To maintain this, I want to keep improving my performance and continue with marketing my crops."

Cleber Adriano Castillo, Cocoa Producer, Peru

Farmer and worker livelihoods continued

Spotlight



3.5

Improving farmer income and resilience

ECOM and Deutsche Investitions- und Entwicklungsgesellschaft (DEG – the German Investment Corporation) are supporting cocoa farmers in Côte d'Ivoire, Ghana and Nigeria to increase household income and economic resilience through the production of non-cocoa crops.

In 2021, 60 Decibels – an impact measurement company – spoke directly with 158 farmers about their experiences with ECOM and the impacts on their farms and lives. Having used the data gathered to establish baselines, in 2023 60 Decibels conducted a follow-up with the same farmers and 125 additional participants, to identify any changes.

The results show an increase in the use of alternative income streams, especially cassava and maize, in Côte d'Ivoire and Ghana, although in Nigeria 93% of farmers continue to rely on cocoa as their primary income source. In all, nine out of ten farmers reported an increased household income because of non-cocoa crops, while three out of ten described the increase as significant. In Ghana especially, nearly one-quarter (23%) had begun earning additional income to cocoa for the first time.

The survey also recorded that 87% of farmers felt secure about their household's livelihood, up from 49%, with most ascribing this to ECOM's support. There were also good levels of farmer satisfaction with ECOM in Côte d'Ivoire and Nigeria, where ECOM gained Net Promoter Scores (NPS)¹ of 47 and 39 respectively, though in Ghana our NPS rating was 4, indicating we have room for improvement.

An important finding was that, compared with the baseline results, farmers at follow-up were more likely to reinvest income from additional crops back into cocoa and more than 60% reported improvement in cocoa management.

¹ The Net Promoter Score is a gauge of customer satisfaction and loyalty. The NPS is the percent of farmers rating 9 or 10 (promoters) on a scale of 0 to 10 minus the percent of farmers rating 0 to 6 (detractors). Those rating 7 or 8 are considered "passives"



3.6

Growing farmers' income in Uganda

In Uganda, more than two million smallholder farmers rely on coffee and sesame for their livelihoods. However, many live below the living wage level, due to poor productivity, low crop quality and crop failure, as well as limited access to markets and little diversification of farm enterprises. These factors, together with climate change, have greatly affected the livelihoods of farming communities.

In 2023, ECOM's Kawacom Uganda Ltd partnered with the US Agency for International Development (USAID) to implement the Uganda Smallholder Farmer Livelihoods Initiative to mitigate these challenges. The project aims to increase exports of coffee and sesame from Uganda, especially to the growing US market.

The project's key objectives were to connect 10,000 new sesame and coffee farmers to the export market and assist them to achieve Organic, Rainforest Alliance (RA) and Starbucks' Coffee and Farmer Equity (C.A.F.E.) Practices certification.

By the end of the year, 10,836 new farmers (6,811 men and 4,025 women) had been onboarded. We also renewed Organic and RA certificates for 31,191 existing sesame and coffee farmers (21,335 men and 9,856 women).

Additionally, 182 coffee and sesame farmers (152 men and 30 women) were selected to be demonstration hosts to support the capacity building of farmers in GAPs. This enabled us to provide GAP training to 22,814 farmers (15,883 men and 6,931 women), who are currently undergoing Organic and RA certification.

To ensure the quality of coffee and sesame, and reduce side selling (when farmers sell products outside regular channels), we established 193 buying units and built a warehouse to store produce from project participants. This has resulted in increased purchases from farmers as well as higher export volumes and sales. Two sesame seed multiplication centres have also been established to provide high-quality seeds for farmers in 2024, helping to boost their productivity and resilience.

3.7

Access to finance

We work with farmers to expand their access to capital and financial services that enable them to invest in productivity, facilitate smoother household cash flows, gain broader access to markets and manage risks and impacts more effectively. This support can include other financial services such as crop insurance mechanisms.

Improving access to financial services

Access to finance is one of ECOM's material issues, and we work with partners to run initiatives that support farmers to gain access to financial services and credit. Developing productive, cost-efficient and resilient businesses can make a transformative difference to farmers.

In 2023, we helped more than 42,500+ farmers in our cocoa and coffee supply chains to gain access to credit, loans, insurance and other financial services. This included a new scheme in Vietnam that enabled 500 coffee farmers to obtain higher-quality fertiliser for improved yields. Across our direct cocoa origin supply chain, we have 1,353 active Village Savings and Loans Associations (VSLAs).

Village Savings and Loan Associations

VSLA's are small community groups, set up and run by the farmers themselves. All members pay affordable amounts (with a maximum amount everyone is able to contribute) into a savings fund, and any member who needs financial support can seek assistance. This means that members can access credit at much lower interest rates and invest in their cocoa farms or income-generating businesses such as shops and poultry keeping.

In Ghana, to support our Gender Equity and Social Inclusion strategy (read more [here](#)), we promote the use of VSLAs in cocoa-growing communities. As of September 2023, 52 VSLAs had been set up in 36 communities, with 1,283 women. The VSLAs had an average of 23 members and 260 people were elected for executive leadership positions (250 women and 10 men). In total, the VSLAs have collected \$66,049.82 in savings to date (~\$1,270 per VSLA) and disbursed \$42,284.39 in loans for their members (\$813 per VSLA).



42,500+

Number of farmers worldwide who gained access to finance with ECOM's support in 2023

Access to finance continued

Spotlight



3.8

Financing growth in Vietnam

In 2023, ECOM's SMS team partnered with IDH Farmfit Fund – the world's largest public-private impact fund for smallholder farmers – to provide access to inputs through affordable finance in Vietnam. Through the project, smallholder coffee farmers benefit from preferential loans/credit lines to access existing agronomic services and products, such as high-quality organic fertilisers and tailored nutrient packages as well as coffee and shade tree seedlings, all of which will improve their yields.

Repayment schemes and rates are individually tailored to the historical relationship with the producer, without a required commitment on the final coffee sale. All producers from the relevant district(s) can access this financing scheme, even if they are not part of ECOM's network. Farmers also receive training and soil analysis to support optimisation of fertiliser use, enabling them to further increase their yields while limiting costs and emissions.

Alongside this, the project also distributed fruit tree seedlings to farmers to diversify their crops and acquire supplementary income streams, making them less dependent on the success of a single crop.

The programme successfully reached 493 farmers in 2023. The aim now is to expand the scheme into what we hope will become a self-sufficient business, supporting more coffee farmers to develop sustainable businesses.



3.9

Overcoming communities' barriers to investment in Uganda

As demand for specialty coffee increases, there is pressure on smallholder farmers, the main contributors to the specialty coffee volume, to scale up production on their small farms. Increased production on their farms can only be achieved through increased investment in farm inputs, something that is hard to achieve by these farmers due to the low household income and limited access to finance. Another barrier is that available financial institutions are expensive, as they require collateral and have high interest rates.

Kawacom has continued to sensitise the smallholder farmers on the VSLA structure, group dynamics and the benefits of these groups, to strengthen the group operations. In partnership with Taylors of Harrogate, Private Sector Foundation and Agricultural Business Initiative, Kawacom has been able to distribute more than 100 VSLA group starter kits containing savings boxes, record books, calculators and stationery to newly created groups in the Sipi Falls, Kasese, West Nile and Albertine regions.

Our aim is to see these groups and their farms achieve self-managed growth, with long-term improvements in their incomes.

3.10

Price volatility

Macro and microeconomic volatility create uncertainty, as they can have serious effects in terms of price fluctuation. Frequent and/or significant changes in prices for crops can be challenging for many farmers, as it can make it hard for them to maintain a steady income and achieve financial security. We work with farmers and other stakeholders along the value chain to find practical solutions to these uncertainties and mitigate the risks of substantial price fluctuations in agricultural commodities.

We do so in a range of ways, including offering farmers long-term contracts, price risk management tools, access to market information, diversification of crops and livestock, and technological adoption as well as collaborating with NGOs to leverage their expertise.

Spotlight



3.11

Increasing cocoa farmers' income through market systems

Because of the volatile nature of primary commodities, ECOM works with farmers to mitigate the risks of these fluctuations. We have been implementing a project in Côte d'Ivoire, Ghana and Nigeria from 2020 to 2023, together with BMZ and develoPPP. The main goal is to improve farming households' incomes and achieve at least 15% of additional farmer income from non-cocoa crops based on income according to the baseline income level.

We have supported 5,000 farmers through diversifying crops and supporting the marketing of their products.

Another key aspect is that at least 5,000 farmers produce additional crops:

- 2,500 in Côte d'Ivoire
- 1,000 in Ghana
- 1,500 in Nigeria

Farmers' adoption of and earnings from non-cocoa alternative livelihoods have increased over the two years between baseline and follow-up. These additional livelihoods are helping farmers increase their household income and reinvest a portion of it in their cocoa farms.

3.12

Resilient communities

ECOM aims to positively contribute to the communities in which we operate. We have identified a number of material topics, including community, livelihoods and resilience, women and youth empowerment, and forced and child labour. Our approach to each of these topics and our progress in 2023 is described within the following pages.

Community, livelihoods and resilience

Our focus at ECOM is to ensure that the farmers we work with, their families, communities and labourers are able to face multifaceted challenges that extend beyond environmental factors. Our projects aim to develop resilience through the promotion of GAPs, access to seedlings for farm renewal, and access to better education. All of these focus topics are necessary for communities to thrive and build resilience.

Across portions of our origin sourced supply chains, we also provide digital support such as accessible apps. These provide information and advice and offer access to financing schemes that enable investment in modern equipment, machinery and fertilisers.

Spotlight



3.13

Educating farmers' children

The ECOM Foundation is committed to long-term sustainability that will provide a permanent positive change in producer communities.

In El Salvador, the Foundation's Satellite School Programme offers multi-curriculum, all-grade studies for school-age children, as well as for the adult farming communities.

One such satellite school, the San Andres School in Apaneca, opened in 2022. Equipped with 31 computers, the school started with 360 enrolled students, which increased to 418 (50.9% boys, 49.1% girls) in 2023, with a 95% attendance rate.

The schools encourage students to reach high school or even university-level education, and acquire the skills needed for jobs in their communities.

The San Francisco Satellite School in the Ataco-Ahuachapán community provides education to 548 students in a coffee-growing region of El Salvador, and a further three satellite schools operate in the city of Sonsonate.



3.14

Helping rebuild Mexico's cocoa industry

In the early 2000s, cocoa production in Mexico declined dramatically, due to disease, ageing trees, and farmers switching to more profitable, easier-to-manage crops like maize. However, in recent years there have been attempts to revive a sustainable cocoa industry in the country, supported by the Mexican government and ECOM's largest clients.

Over the last decade, more than 1,000 producers have been provided with cocoa varieties that have a higher tolerance to disease to promote increased production.

ECOM's nursery can produce up to 500,000 tolerant, high-quality cocoa plants and agroforestry trees each year for dispersal to farmers. We also offer producers training to assist them in growing the new varieties, which can contribute to increased income for farmers and a long-term future for Mexican cocoa.

A clonal collection garden in Chiapas is testing over 17 different varieties of cocoa to understand which fare best in different conditions and which are disease tolerant. Through this work, ECOM is helping pave the way for profitable and fruitful cocoa production in Mexico.

3.15

Human rights

At ECOM, we are committed to promoting human rights throughout our supply chain. As an origin-based business, we can monitor our supply chain closely to identify and mitigate human rights breaches wherever we see them. Thanks to the trusted relationships we have built over many decades across our indirect supply chain, we can also monitor human rights on a larger scale.

The programmes we have in place provide farmers with advice and practical support to prevent the use of illegal labour, have access to safe and fair workplaces, and create communities where their children can thrive.

Our human rights policies have been developed in line with leading international standards including:

- The United Nations Universal Declaration of Human Rights
- The International Labour Organization core labour standards, conventions 182 (worst forms of child labour) and 138 (minimum age)
- Applicable laws governing child labour, slavery, forced or compulsory labour, and human trafficking

We have our own **Supplier Code of Conduct**, which outlines the behaviours and standards we expect from stakeholders across our supply chains and details our position on legal and ethical compliance, human rights and labour, and health and safety. We also have our **Supply Chain Due Diligence Policy**, designed to enable us to identify, prevent, mitigate and address potential adverse human rights and environmental impacts, both across our operations and within our supply chain.



3.16

Gender equity and social inclusion

Women are a hidden workforce and are involved in all aspects of crop production, but their contributions, ideas and opinions are often overlooked. ECOM runs programmes and initiatives designed to empower women and achieve a gender balance throughout our value chain. We also recognise the importance of education in equipping people to break out of poverty, and we aim to support young people's education and skills development.

ECOM is continuously working to empower women and youth to ensure opportunities across the value chain are unlocked by giving them access to the skills, quality education and training they need to thrive. This includes supporting succession planning in family farming by helping to make farming a more attractive option to younger generations.

Under our Smarter Cocoa Charter, we have a KPI to have 100% of ECOM origin-sourced cocoa supply chains covered by the Gender Equity Index (GEI) and improvement plans by 2025. The assessment covers five areas:

1. Organisational Capacity
2. Gender Analysis and Programme Design
3. Reach Women
4. Benefit Women
5. Empower and Transform

In our coffee supply chain in Ethiopia, we worked with GIZ and Equal Origins to run a series of online workshops based around the GEI.

The application of the GEI is the foundation for the project and the Better Together Workshop Series. This series instructs organisations on integrating gender-responsive strategies into broader training programmes, and an in-depth orientation to the GEI. In total, sixteen participants from three organisations attended the Better Together Workshop: seven from GIZ, six from ECOM, and three from Fahem Plantation.

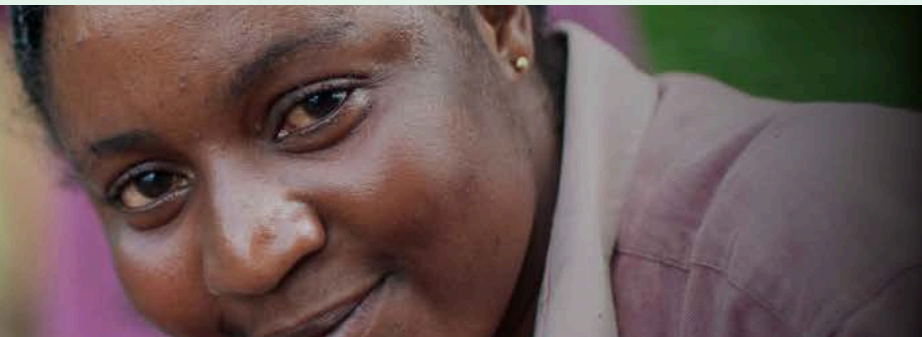
Read more about our work in **Ethiopia**.



Gender equity and social inclusion continued

Spotlight

3.17 **Working towards gender equity in cocoa**



Ghana is the second-largest cocoa producer in the world, making cocoa a vital part of the country's economy. However, gender inequality is pervasive within the cocoa sector, due to a combination of unequal access to productive resources such as land and harmful gender norms at the household, community and institutional levels. Although women are involved in nearly all activities of cocoa production in Ghana, cocoa is largely considered a man's crop, and women's roles and contributions remain unrecognised, undervalued and often unpaid.

In 2021, ECOM Ghana partnered with USAID to pilot a comprehensive gender mainstreaming into its operations. This included using the GEI,² conducting a gender analysis, developing a Gender Equality and Social Inclusion (GESI) Strategy, and implementing a series of gender-responsive activities.

The partnership was implemented between 2020 and 2023 under the USAID Integrated Land and Resource Governance (ILRG) programme, a global mechanism managed by Tetra Tech.

In response to these barriers, ECOM has partnered with USAID to promote gender equality and empower women in the cocoa value chain in Ghana. Our goal was to increase gender responsiveness in our internal policies and practices and pilot targeted women's empowerment activities in cocoa communities.

To reach this goal, specific objectives included strengthening ECOM's GESI capacity; promoting women's economic empowerment (WEE) in cocoa communities through increased access to resources and shifts in harmful gender norms; and promoting income diversification and economic resilience for women.

Training farmers

Our Empowering Women in Cocoa Communities project – part of our GESI strategy – aimed to empower women by strengthening their land rights and promoting gender equality. This included training on cultivating alternative crops and non-crop ventures, such as baking and soap making, for additional income and providing seed funding to help participants set up new ventures.

² The GEI is a diagnostic tool to support organisations to assess their current practices and approaches through a gender lens and identify opportunities for capacity building, action and impact.

Farmer training on gender equality and social inclusiveness issues (totals to date)

Topic	Sessions	Communities	Men	Women	Total	% of target
Gender-based violence and gender norms	228	37	1,213	1,433	2,646	115.6%
Land rights and literacy	79	37	961	1,139	2,100	
Female entrepreneurship	239	37	N/A	1,402	1,402	122.45%
Alternative crop cultivation			N/A	109	109	109%
Non-crop additional livelihood training	42	47	N/A	1,502	1,502	103%

Training staff

Our GSP training manual was updated to include six new modules on gender topics, and 26 field staff undertook a three-day training session on the new modules. During 2023, we exceeded our targets for training ECOM staff on the GESI and gender-inclusive farmer engagement. While this programme is currently specific to Ghana, we are hoping to build on its success by adapting it for use in other origins.

Staff training on GESI/gender-inclusive farmer engagement

	Men	Women	Total	Target
Management	14	7	21	12
Field staff	114	45	159	135
Total	128	52	180	147

Read more in our Cocoa Sustainability Report that can be found on our [website](#).

Gender equity and social inclusion continued

Spotlight



3.18

Developing youth skills to create Bosques del Mañana

In Nicaragua, ECOM and Nestlé have joined forces on the Bosques del Mañana (Forests of Tomorrow) project. Bosques del Mañana is part of Nestlé's Shared Value Creation model, where there are additional pillars led by the local market including topics like youth, human rights and regenerative agriculture. It is also an integral part of Nestlé's Global Reforestation Program and is aligned with the goal of achieving Net Zero carbon emissions by 2050. The project employs female nursery workers and more than 100 young people.

We are pleased to report that we have achieved the 2023 goal, reflecting both the success of the project and the constant pursuit of excellence and innovation.

In collaboration with 233 producers who are part of the Nestlé milk and coffee supply chain, we achieved the successful planting of 1,282,090 forest trees in critical areas of soil degradation. The positive impact of the project has been felt in various regions of the country, from Wiwilí to Nueva Guinea, generating environmental benefits and encouraging community participation.

Since the project's launch in 2021, we have planted 2,600,315 native trees. Producers have been provided with constant support, follow-up and supervision in the field, consolidating our connection with the local communities.



3.19

Improving farmers' productivity in Burundi

ECOM is a long-time buyer of coffee from Burundi, but recent years have seen difficult political and economic times for the country. Coffee growers were among the first to be affected. To support them, we launched the Akawa project in 2016 to help farmers reach financial autonomy, which goes beyond just producing coffee.

Through Akawa, we identify and select Leader Farmers, who receive training in GAPs which they then disseminate to other farmers in their area for maximum impact. The project also targets support for women through empowerment groups that enable participants to achieve greater independent decision making around their businesses and livelihoods. This improves families' resilience and enhances the inclusion of women in community decision making. Read more about Akawa on our [website](#).

3.20

Child and forced labour

We continuously work with our clients and suppliers globally to eliminate and minimise the risks of forced labour, modern slavery, child labour and trafficking across all our supply chains.

We have policies aimed at preventing the worst forms of child labour and forced labour in our supply chains (read more in [Upholding ethical business standards](#)). We monitor our operations for any instances of child or forced labour and have assessed the risks throughout our origin-sourced and partner-sourced supply chains.

In Côte d'Ivoire, Ghana and Nigeria, we deploy a child labour monitoring and remediation system (CLMRS) in our cocoa supply chains, which alerts us to any instances so we can assess their prevalence and address them. When risks are identified, we work closely with our field teams to monitor communities and prevent these risks from materialising. In our indirect/partner supply chains, we cooperate with our suppliers to have forced labour and child labour risk mitigation practices in place.

In 2023, we completed child and forced labour risk assessments for the coffee, cotton and cocoa supply chains. We continued to operate our CLMRS systems for cocoa in West Africa, as well as completing a cocoa KPI.³ We are also developing community grievance mechanisms and education programmes to reduce the risk of forced labour migration in Côte d'Ivoire and Ghana.

In Ethiopia, ECOM and GIZ collaborated in 2023 to provide awareness raising for staff around child labour in our coffee supply chain.

3 Assess the risks of child and forced labour in all our cocoa supply chains by the end of 2023.

Spotlight



3.21

Combating child labour and forced labour in our supply chains

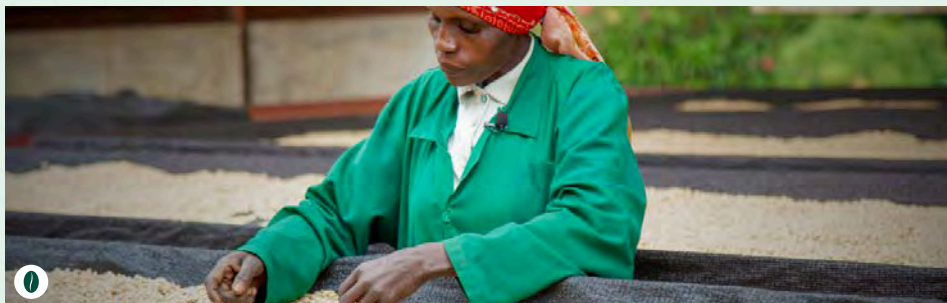
In 2023, ECOM conducted three separate desk-based risk assessments for cocoa, coffee and cotton, assessing the risk of child and forced labour in 100% of origin-sourced and partner-sourced supply chains.

The information gained from these assessments will enable us to design strategic interventions to prevent the risk of child labour and forced labour in our supply chains. In the origin-sourced supply chain, the risk assessment will be used to prioritise where we will intervene, while in the partner-sourced supply chain, the assessment will inform the prioritisation of capacity building together with our suppliers.

Read more about ECOM's progress against the child labour KPIs of the Smarter Cocoa Charter, as well as more information around our child labour strategy in our 2023 ECOM Cocoa Sustainability Report found on our [website](#).

Child and forced labour continued

Spotlight



3.22

Promoting sustainability and strengthening the Ethiopian supply chain

ECOM partners with GIZ on its Sustainability and Value Added in Agricultural Supply Chains in Ethiopia (SUVASE) project to improve human rights and the environment in one of the world's largest coffee-producing countries. The SUVASE Project is implemented by GIZ on behalf of the German Federal Ministry for Economic Cooperation and Development (BMZ). It has four key areas:

- Traceability
- Coffee quality and yield
- Sustainability and environmental impact of coffee
- Social standards in the coffee production

Within this, there are special focuses on assisting producer organisations to become more professional, empowering female farmers and promoting gender equality, measuring carbon emissions and addressing child labour.

So far, 200 farmers in the Jimma region have begun operating through the ECOM SMS Code and 125 farmers in the Illubabor region have been trained in good agricultural practices, quality and sustainability. In 2023, in collaboration with Equal Origins we conducted a gender assessment and collected data on gender inclusion, which has informed our Gender Equity Development Plan, to be rolled out in 2024.

Within the partnership an assessment of child labour was carried out by the International Cocoa Initiative (ICI) and awareness training has started thereby embarking together with our partner farmers and other stakeholders on this learning journey. Staff were trained to work with communities, farmers and their families to help them understand and recognise forms of child labour, and special pictorial materials developed to facilitate engagement.



3.23

Providing safe spaces for children

Alianza de Sueños (Dream Alliance) is a project operated with Nespresso's AAA farms during the coffee harvest season in Costa Rica. It seeks to provide a safe space for the children of seasonal coffee pickers to avoid child labour.

The first Casa de Alegria (House of Joy) opened in December 2022, with 30 children, along with a teacher, an assistant and a cook. The space was built out of a container and features open spaces that support the development of skills, values, physical activity and fun.

It is also a socially, economically and environmentally sustainable project that meets different objectives to improve the living conditions of the children, such as providing access to high-quality education. A qualified teacher leads daily activities and learning, and children have access to nutritious food, water and rest areas. Health and wellness are catered for by a visiting company doctor. As well as benefiting the children, the project has provided employment for 12 people from the local area.

Following the project's success, other producers joined the scheme in 2023 and there are now three casas in operation in Costa Rica, supporting 120 children and their families, with similar schemes in Nicaragua and Guatemala.

A day in the life

What does an average working day look like for you?

Sometimes I work from home, sometimes in the office, sometimes in the field. I love the fact that we are given the opportunity to work freely. I can make my own decisions, as long as they fall in line with ECOM's overall objectives, KPIs and targets.

From your perspective, what have been the biggest issues within cocoa farming?

The cocoa supply chain faces vast and complex challenges, particularly concerning human rights, deforestation and illegal mining issues. Despite conscious efforts, these issues remain difficult to tackle, but interventions and support from local and international sources, such as the Rainforest Alliance certification programme, are making a positive impact.

Have you seen actual improvement?

I joined ECOM in 2014. I think there has been some improvement and the trends are positive. Traceability, which started to be implemented by ECOM due to issues such as deforestation, was initially overlooked, but today most companies aim to procure traceable beans, not just conventional ones. And so, gradually, you can see there have been improvements: a lot more trees are planted each year and payment of ecosystem services have been established to encourage farmers to plant even more trees. But more still needs to be done.

What is the situation regarding education in the communities you work in?

In Ghana, there are both public and private schools. Public schools often lack the resources to match the quality of private schools, resulting in disadvantages such as less-qualified teachers. Additionally, access to education can be a significant issue for many children.



Abdallah Bin Issah,
Assistant Programmes Manager,
responsible for liaison with Mars and
Lead for Ghana

How does your work address this?

I am helping coordinate ECOM's work and serve as ECOM's liaison with Mars and Lead for Ghana (LFG), an NGO that helps children gain access to quality education in rural areas while simultaneously addressing gender inequality and illegal child labour. LFG, in collaboration with Mars and ECOM, works in the Ahafo region to help provide children with opportunities to enhance their learning and secure better long-term futures. As part of the partnership, LFG placed 22 Fellows in 7 schools within the Sankore communities in the Asunafo South district. Their model takes on a community-based approach to influence key local stakeholders to improve learning opportunities and outcomes. They also raise awareness around illegal child labour and female empowerment. Since being launched in 2022, our ECOM field team has been regularly visiting the 10 districts the initiative operates in to provide updates and monitor its impact.

What have they found?

In contrast to private schools, many students in public schools lack confidence. but in schools where LFG Fellows are present, children are confident and actively participate in class. Also, Lead's approach is to have one person in charge of teaching one subject, making them experts, whereas government-appointed teachers are required to teach three or four subjects.

What happens next?

Well, good progress is being made. My plea for future action and positive impact would be to also consider supporting infrastructure and facilities such as Information and Communication Technology labs (ICT). This could help schools in cocoa-growing areas to be on a par with their city counterparts or those with highly resourced facilities.

Read more about LFG in our 2023 Cocoa Sustainability Report found on our [website](#).

3.24

Conflict in origins

Several areas we source from have experienced conflict, both in 2023 and historically. ECOM has a responsibility to manage the challenges of operating in these regions, and we aim to minimise the negative impacts of conflict and criminal activity on operations, workers, farmers and communities, while closely monitoring and adapting to the political situations in these areas.

Responding to impacts of conflict in origin countries

We monitor the status of potential conflict in our origins and respond in a variety of ways to protect our workers and farmers in the supply chain. This can sometimes require us to make challenging decisions, but our overriding priority is always the safety of our workers and suppliers.

We have clear rules and guidelines in place to protect our staff and proactively ensure those are followed. Lack of safety in regions experiencing conflict can make it difficult to build loyal relationships with farmers, who look to sell what they can each day to whichever buyer they can find, which can make traceability difficult. Even where areas are safer, corruption can remain a significant problem.

For companies operating in regions where conflict exists, information becomes essential - knowing the up-to-date situation on the ground and the exact nature of risks. In Uganda, for example, we work with local authorities, including the police, the army, the Uganda Cocoa Association and the UN, to make sure we know the best local information and can make informed decisions.

In Mexico, coffee farmers can face challenges due to competing drug cartels disrupting coffee production and transportation. This can contribute to farmers leaving the area and migrating to find better employment prospects elsewhere, further weakening coffee production in the area. We acknowledge the impact this situation is having on local coffee producers, and we are hopeful that there will soon be government intervention that provides a resolution of this conflict.

Spotlight



3.25

Growing the 'Fruits of Restitution' – a triumph over conflict in Colombia

In the decades of violence that blighted Colombia, many coffee producers were forced to abandon their lands. Thanks to the Victims and Land Restitution Law, and a programme run by the Land Restitution Unit (URT), producers have been able to return to their land and resume farming.

Condor, ECOM's Colombian operation, works with URT to help producers cultivate high-quality, specialty beans and sell these to buyers. The rich, volcanic soil on which they farm means the beans are of particularly high quality. This educational project has enabled producers to move from being conflict survivors to commercial entrepreneurs.

URT describes the coffee from these families as the 'Frutas de Restitucion' (the 'Fruits of Restitution'). It's a fitting name, and ECOM is proud to help these farmers and their families bring their exceptional product to a worldwide audience.

4 Protecting and regenerating nature



"We are aware of the contribution agriculture makes to climate change and biodiversity loss. We are committed to the spread of regenerative agriculture and climate smart farming techniques to combat climate change and boost biodiversity."

Ana Nicod
Head of Climate Change Strategy

4.1

Protecting and regenerating nature: Overview

Our focus

The global agricultural sector is facing severe impacts from climate change and biodiversity loss. We work with expert partners and our farmers to improve soil management, productivity, resource management and biodiversity. Our aim is to support producers to adapt to the rapidly evolving impacts of climate change and adopt more sustainable farming practices to help safeguard their futures.

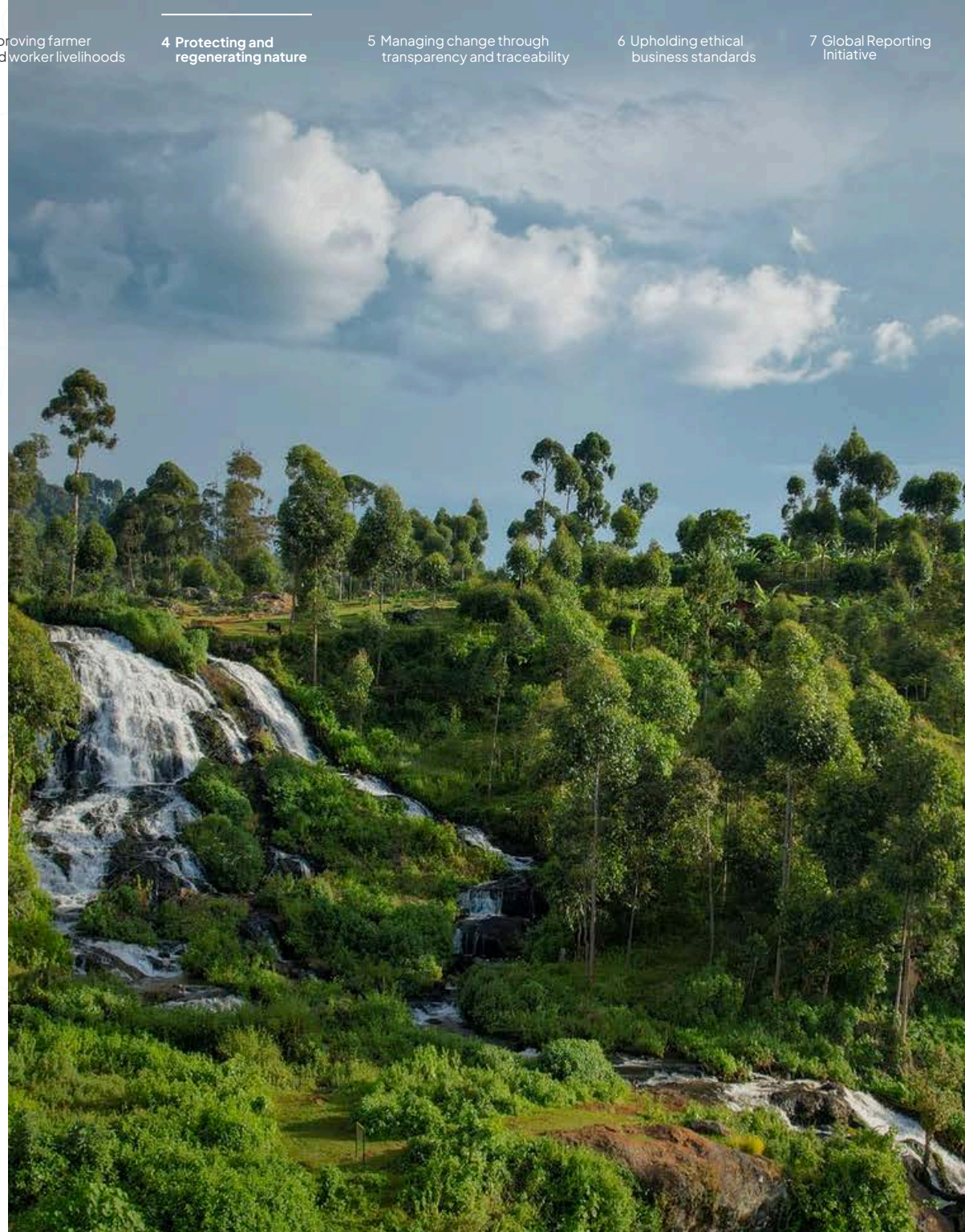
Our commitments

- **Optimising our natural resource management practices**
- **Improving farmer resilience to the effects of climate change**
- **Becoming a Net-Zero company in our Scope 1, 2 and 3 emissions by 2050**

During 2023, we developed a climate roadmap setting out the key steps and actions we can take to reach our Net-Zero goals in our operations and value chain.

During the year, we refined our methodology for calculating our Scope 3 greenhouse gas (GHG) emissions and submitted our Net-Zero and near-term science-based targets, both Forest, Land and Agriculture (FLAG) and non-FLAG, to the SBTi. These are currently awaiting validation.

We also successfully completed our KPI to conduct country-wide climate change risk assessments in all cocoa origins by the end of 2023.



4.2

Climate change

The increased incidence of extreme weather events such as droughts and floods, changes in temperature averages, precipitation patterns and volumes, and ranges of diseases and pests, are all serious risks to our activities. ECOM needs to prepare for adverse weather conditions disrupting commodity prices, especially due to the interconnected nature of the global markets we operate in.

ECOM is committed to improving farmers' resilience to the effects of climate change. We use measurable targets, research and predictive modelling to inform our actions, projects and initiatives designed to mitigate the effects of climate change.

Our Cocoa division is guided by our Smarter Cocoa Charter, which provides the framework for our work with farmers to mitigate the impacts of climate change. In 2023, we successfully completed our KPI to carry out country-wide climate change risk assessments in all cocoa origins by the end of 2023. We did this by modelling the future climate risk across 12 key origins within our cocoa supply chain, covering West Africa, Central and South America, South East Asia and East Africa. Our research used a combination of statistical and machine learning techniques to study forecasted changes in future climatologies to predict risks decades ahead. You can read more about this in our 2023 Cocoa Sustainability Report found on our [website](#).

Spotlight



4.3

Building climate resilience in Vietnam

In Vietnam, we have implemented initiatives designed to improve the climate resilience of the Robusta supply chain in two of the main producing provinces in the Central Highlands. Actions taken include the following:

- Promoting and distributing grafted clones of Robusta, ensuring pest-resistance and higher productivity levels
- Implementing intercropping and agroforestry models, along with the distribution of fruit trees and forest trees, to support income diversification and higher carbon sequestration rates on farms
- Implementing soil conservation practices, with distribution of organic fertilisers, soil amendments, cover crops and mycorrhizae products, supported by the development of nutrition programmes on a large scale, with up to 4,000 farms provided with soil analysis

4.4

Developing resilient farming

Across the world, agricultural systems are under pressure from climate change and increasing demand for food and land. Better agricultural practices that increase productivity while protecting, nourishing and preserving the soil and the environment are essential if the farming system is to adapt and thrive.

Regenerative agriculture

ECOM uses a holistic regenerative agriculture and climate-smart approach in coffee, cocoa and cotton to help create resilient farming systems that benefit the environment and the agricultural community.

We provide training and technical support, and implement strategic initiatives to support regenerative farming practices, such as composting, mulching and the use of organic rather than synthetic applications.

In 2023, we made progress across our commodities and origins through a variety of regenerative farming programmes. Our project to establish more climate friendly cotton production in the US was boosted with a \$30 million grant from the USDA. Read more in the Managing change through transparency and traceability section. The programme will see cotton producers in three states use regenerative farming practices to reduce the carbon footprint of their crops.

Spotlight



4.5

Applying regenerative agriculture

The Solo Verde project in Brazil supports the transition towards more regenerative soil management practices with the distribution of cover crops (a mix of grass and leguminous seeds selected for their suitability to the region) to producers, who plant them in the corridors between coffee plants, and then use them as mulch for the ground. Planting cover crops offers a range of benefits, including soil erosion management, microbial activity in the soil, improvement in soil structuring and aeration with a potential impact on farming practices such as reduction of agrochemical use and of mineral fertiliser use.

This approach also promotes water infiltration and storage in the soil, contributing to more efficient and sustainable management of water resources. This investment in regenerative agricultural practices that value soil biodiversity and promote ecosystem resilience not only helps food to be grown more sustainably, but also builds solid foundations for a healthier and more productive agricultural future.

The project is now expanding, aiming to triple its area and reach over 3,000 hectares of coffee plantation.

Resilient farming continued

Spotlight

4.6

Adopting regenerative practices on coffee farms

regenagri® is an international regenerative agriculture programme supported by ECOM that is designed to secure the health of the land and help those who live on it to prosper. It is a way of farming that builds and improves soil fertility, while sequestering and storing atmospheric CO₂, increasing on-farm diversity, and improving water and energy management. The coffee growers in Brazil who ECOM has partnered with have made commitments to regenerative practices and were early adopters of the same – with an element of improvement. regenagri® also provides farmers with routes to additional funds through carbon credit markets and environmental subsidies. The initiative aids in the regeneration of farmland and contributes to securing a sustainable future for agricultural products and their supply chains.

When a farm sets out on its regenagri® journey, an improvement plan is created and agreed, setting out a medium- to long-term strategy for the adoption of regenerative methods. Certification requires continuous improvement. To retain its certificate, each participating farm must provide ongoing evidence to demonstrate what it has improved and how, with outcomes periodically assessed.





Resilient farming continued

Spotlight

4.8

Regenerative farming for Mexican cotton

In 2022, we launched a regenerative cotton programme in Chihuahua, Mexico. To begin with, we carried out research to better understand how cotton was being grown, and the needs and perspectives of the growers. Using the information gathered, we set up a pilot scheme in 2023 with a select number of growers. Our aim was to target GHG emissions, pesticide and fertiliser use, soil health, irrigation, water consumption and biodiversity loss.

Through the programme, growers were given training in regenerative farming practices, help with using efficient techniques for irrigation and crop rotation, and access to biological and biorational forms of crop protection to replace synthetic inputs.

In all, 46 growers participated, covering 14,000 hectares – including 3,000 hectares of conservation area, with 95% of the land placed under a crop rotation programme. More efficient irrigation strategies were suggested, including drip, mobile drip and pivot irrigation, along with better weather monitoring. The 2023/24 crop produced 27,000 bales of cotton from over 11,000 hectares of cropland and achieved the first ever regenerative agriculture certification in Mexico.

Building on this success, we are extending our investment and making biological crop protection and fertilisers available to producers, regardless of whether they are enrolled in the scheme, as part of our commitment to add value to growers.



A day in the life

How do you like to start your day?

I generally start my day around 7am in my office. It gives me a chance to get some work done before anyone else is around. Farm employees stop by around 8 o'clock to check in on what needs to be done for the day and we spend about 20–30 minutes discussing jobs before they head out to the farm. After this, farmers begin to come into the office for morning coffee. I'll discuss their plans for the day, get updates on crops and ask about their families. I spend the rest of the morning on emails, finances, contracts, marketing and paperwork.

What do you focus on during your day?

During the day, I will make several trips to the gin plant to check on the progress of whatever projects are being worked on. I typically spend my afternoons and evenings on the farm, again checking progress and making plans for the next day. I usually make it to the house around nightfall each day. I also spend a lot of time in my mobile office (my pickup!) talking on the phone. Bluetooth is a wonderful thing!

What are the biggest challenges of your job?

One of the biggest challenges in farming is being a price taker, not a price maker. We are told what prices we have to pay for our inputs and what we have to sell our products for. It makes it extremely difficult at times to be profitable.

How do you tackle these challenges?

I am attempting to change the narrative of being a price taker by adding certifications and farm data to my crops. This changes my products from a simple commodity to a value-added product that offers some negotiating power. The regenagri® programme helps, as it has given me a place to obtain marketing premiums for my cotton. It's opened several doors for me to work directly with brands and retailers to deliver a product, not just a commodity. I plan to find outlets for the other crops that I grow that will allow me to obtain premiums there as well. I have also implemented regenerative farming practices on my farm.

What benefits are you seeing from regenerative agriculture?

My farm is now completely untilled – every acre of land has some kind of cover on it, so our soil is never bare. This enables us to 'bank' the moisture we receive during the winter months to use on growing our summer crops. I also keep cattle – it is amazing how much added soil biology you get from having an animal hoof walk across it.

The largest benefit beyond soil health is time. Before we stopped tilling and started using cover crops, we spent many hours on a tractor trying to keep wind and water from eroding our topsoil. I spent many Sunday afternoons ploughing the ground after rain. Now I get to spend those Sundays with my family!

We are also trying an experiment this growing season to reduce our cotton planting population by half. In theory, each cotton plant should be able to sustain itself longer on less water, due to less competition from neighbouring plants.

What is your biggest learning from introducing regenerative farming?

The thing about regenerative farming is that what works on my farm might not be suitable for someone 1,000, 100, even 50 miles away. We all have our unique situations, and regenerative farming can't just be put in a box. I feel very fortunate to be on the leading side of regenerative and sustainable discussions. I have a voice to help people understand what we do on the farm – and to understand that farmers are the ultimate environmentalists.



Todd Straley,
Cotton farmer, Texas

4.9

Understanding our emissions

To help us reach our Net-Zero goal, in 2022 ECOM Research used cutting-edge techniques to assess risks in deforestation and climate, as well as measuring land use change (LUC) emissions in our supply chain. Through a combination of expert data scientists, meteorologists, machine learning and robust datasets, we forecast ahead to help our farmers and our clients prepare for change.

We achieved our goal of quantifying ECOM's Scope 1, 2 and 3 GHG emissions by the end of 2022. Given the robust approach taken to determine our emissions footprint in 2022, we made the decision to adjust our baseline year for ECOM's GHG emissions reduction targets to 2022. Our 2022 data includes changes in the carbon accounting methodologies we applied to generate a more accurate view of our footprint.

These changes included mainly incorporating direct land use change (dLUC) emission factors for both coffee and cocoa where available, using causal statistical land use change (sLUC)⁴ emission factors for cocoa in Côte d'Ivoire and Ghana, incorporating new business units, new emission factors and more precise data collection.

Read more in our [2022 ECOM Group Sustainability Report \(pages 28–30\)](#).

⁴ A definition of causal sLUC can be found in the Glossary of terms.



4.10

Our total emissions

The baseline corporate carbon footprint of ECOM Group is:

20.2 million tCO₂e

Key insight: Our Scope 1 and 2 emissions are mostly classified as non-FLAG. All FLAG emissions are related to Scope 3.

FLAG: Represents GHG emissions associated with LUC and land management

LUC emissions: CO₂ emissions associated with a transformation from one land use category to another (e.g. biomass and soil carbon losses from transformation from natural forest to cropland, also known as deforestation)

Land management (non-LUC) emissions: All agricultural emissions, excluding those related to LUC (e.g. crop residue, fertiliser application)

Non-FLAG: All other emissions unrelated to FLAG (e.g. upstream transportation and distribution of commodities)

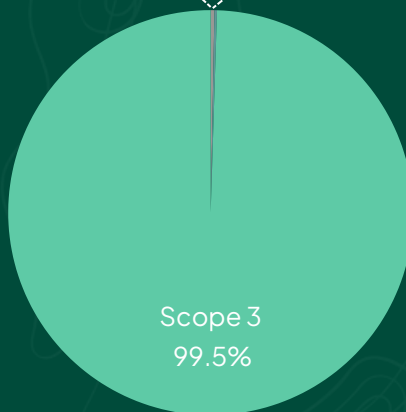
We collect primary data, using remote sensing technology and carbon calculators, to measure carbon emissions and removals at farm level. A significant proportion of our carbon footprint comes from LUC. To improve data accuracy, ECOM Research conducted dLUC assessments on both coffee and cocoa polygons and GPS points to further refine our footprint to represent the real impact, decreasing our use of generic emission factors from secondary databases.

Our corporate carbon footprint includes only emissions. No removals have been reported yet, as we are upscaling efforts to collect data on carbon sequestered from our sourcing farms.

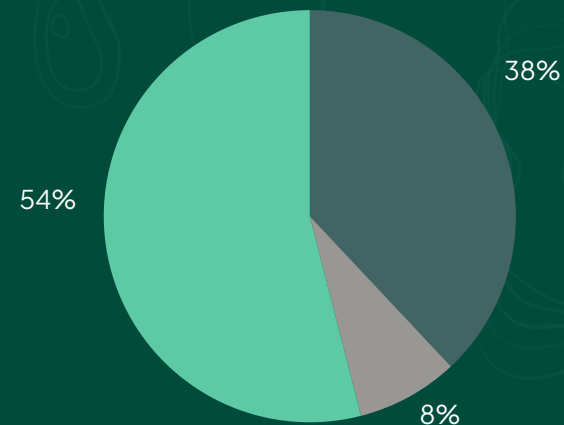
Read more about our actions in our [2022 Group Sustainability Report](#), (page 32).

Scope 1
0.3%

Scope 2
0.2%



Scope	tCO ₂ e
Scope 1	0.055 million
Scope 2	0.043 million
Scope 3	20.14 million



Category	tCO ₂ e
Land use change	10.8 million
Land management	7.7 million
Non-FLAG	1.7 million

4.11

Emissions reductions targets

In 2023, we continued our methodologies in measuring our corporate carbon footprint and setting ambitious emissions reduction targets. As part of this, we committed to achieve Net Zero GHG emissions across our value chain by 2050. We also submitted our Net-Zero and near-term science-based targets (both FLAG and non-FLAG) to the SBTi, and these are pending validation.

Our climate team and a leading carbon accounting consultancy are developing an internal carbon calculator that will be used to measure the carbon impact of our commodities at the farm and processing levels. It has been designed with the technical expertise and agronomic knowledge of our origin teams. This calculator will be aligned to the GHG Protocol carbon accounting standards and the latest GHG Protocol Land Sector and Removals guidance. It will undergo third-party verification and will be officially launched in 2024. We have also developed an agroforestry and soil organic carbon monitoring guidance to accurately sample farms, collect data and monitor carbon removals. These initiatives are used to ensure we remain on track to reach our carbon targets.

Spotlight



4.12

ECOM Carbon Impact Solutions

Recognising our role within the supply chain and the impact we can have on farmers and clients, ECOM has launched a new, dedicated business unit focused on offering high-quality carbon credits. Using existing tools and refined data collection processes, we offer a 'one-stop shop' to clients and partners to access the Voluntary Carbon Market.

The new venture has three key pillars:

- Provision of high-quality carbon credits to clients
- Development of carbon credit projects
- Financing new carbon credit projects

Our focus is on nature and climate solutions such as reducing emissions from deforestation and forest degradation, reforestation, agroforestry and agricultural land management, as well as biochar production. Community-based projects such as cookstoves and water sanitation will also be covered.

4.13

Energy management

ECOM is reducing energy use and improving energy efficiency while transitioning towards renewable energy sources.

To achieve our Net-Zero emissions goal, we have been exploring alternative energy sources for our facilities. This includes straightforward changes like installing solar panels and more strategic solutions such as using biomass instead of fossil fuels for energy-intensive processes and heating.

As of 2023, nine sites have installed solar panels, covering approximately 4% of the electrical energy consumption of our processing facilities. Since cocoa plants are the main energy consumers at ECOM, our strategy has focused on these sites. In 2023, we launched the 'Become Zero' programme to advance our decarbonisation strategy for these plants. The programme consists of several tracks: the first focuses on energy management to improve measurements and data acquisition, while the others address energy reduction, integration possibilities, and the availability and implementation of technologies to reduce our carbon footprint.

For biomass integration, we are investigating methods to optimise the utilisation of biomass at our facilities. For instance, most dry mills currently combust on-site coffee husk in biomass furnaces. We are assessing new technologies that could potentially enhance energy production while generating valuable by-products that we could integrate back into our supply chain.



4.14

Protecting natural resources

ECOM strives to protect natural resources and prevent future deforestation events. We want to ensure responsible management of the planet's resources, and this requires ambitious actions to adapt to the challenges of climate change.

We aim to ensure the long-term productive potential and environmental functions of resources, including soils, water, animals and plants, causing as little harm as possible, as well as avoiding any significant conversion of natural and/or critical habitats (by ECOM or other primary suppliers). We contribute to reforesting and protecting forested areas of high carbon stock (HCS).

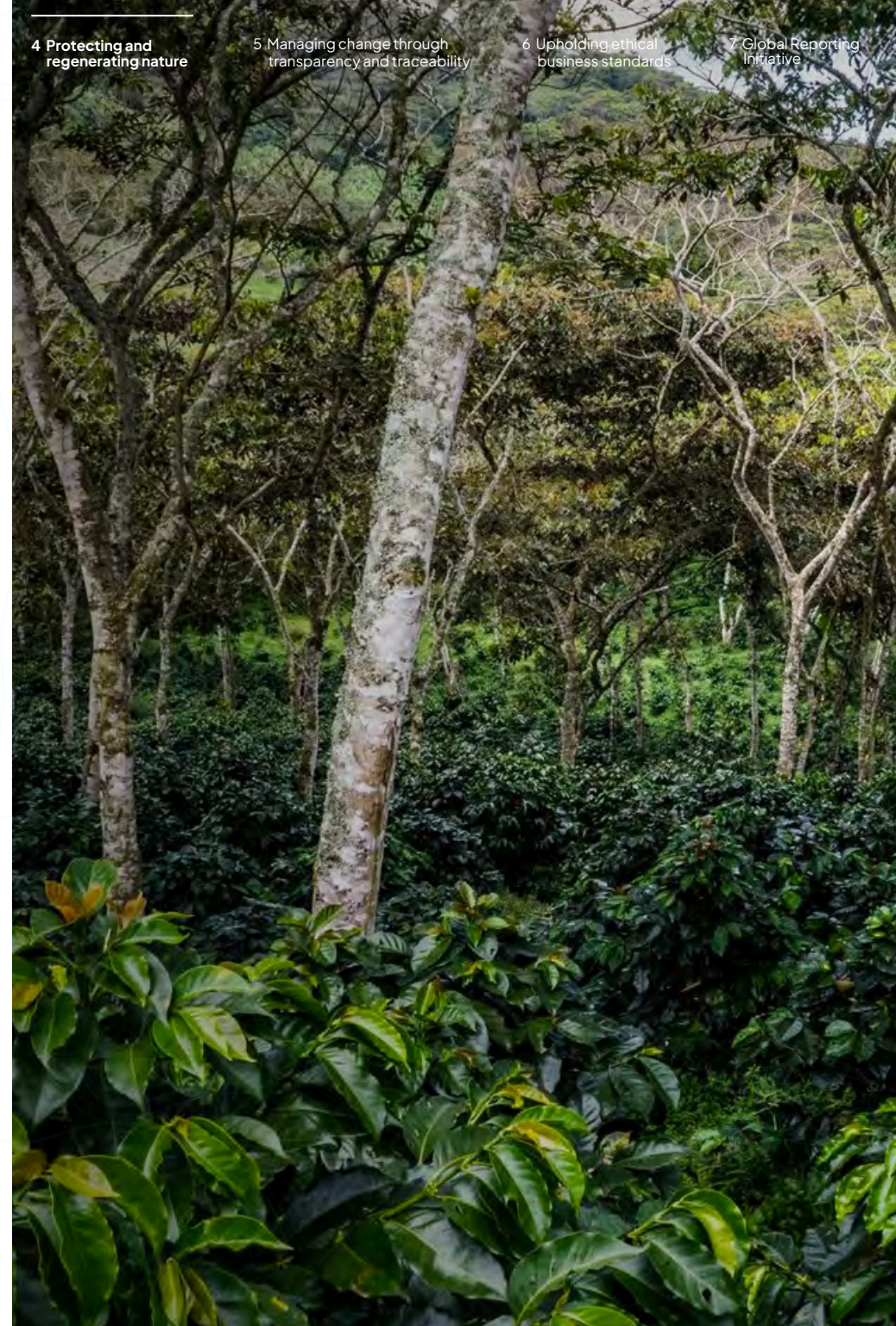
Managing deforestation and land use

We would like to see deforestation eliminated from our supply chains. To support this ambition, we use a combination of remote sensing tools and ground truthing to detect deforestation events within our supply chains. We identify risks and take concerted action with farmers, suppliers, clients and other stakeholders to eliminate future deforestation events, forest degradation, and negative impacts from operations and supply chains.

To this end, in 2023 we had carried out deforestation and biodiversity risk assessments in 100% of our ECOM origin-sourced cocoa supply chains to prioritise activities that mitigate deforestation. We are currently preparing for the implementation of the [EU Deforestation Regulation](#) in 2024 to ensure we are compliant.

We are developing our policies and operating procedures to ensure that we are able to identify deforestation in respect of land that has been degraded or deforested since 2020, with the implementation of a strong monitoring, risk assessment, due diligence and remediation process in all our primary forest supply chains by 2025. Such policies and procedures will comply with and, we expect, will exceed best industry practice.

ECOM works with partners to achieve more sustainable landscape management and we are committed to identifying and preventing deforestation. We aim to have strong monitoring, risk assessment, due diligence and remediation processes in all our supply chains by 2025 and conduct risk assessments using our own remote sensing technology. We also support reforestation projects to restore lost trees and restore forests, as seen throughout this Report.



Protecting natural resources continued

Spotlight

4.15

A new method for assessing deforestation

The continued expansion of land use for agriculture is a major cause of deforestation. According to one estimate, 37% of forest loss in protected areas of Côte d'Ivoire is due to cocoa production. Therefore, assessing the risk of deforestation is an important tool in combating the loss of trees and forests. However, due to the global nature of the models used and the difficulty in differentiating between land management techniques such as pruning and replanting of trees and actual forest tree loss, industry standard datasets are often unsuitable for measuring deforestation on tree crop plantations. Proper land management practices can be misidentified as deforestation, which would leave the farmers unable to export their harvests to the EU under the forthcoming regulations.

To overcome this problem, in 2023 ECOM Research worked to develop a new methodology, tailored to the detection of deforestation in cocoa and coffee areas. ECOM Research partnered with a leading UK University in the field of remote sensing and agriculture to achieve the best results possible with the available imagery. Together, we have developed a new tool to detect genuine deforestation: ECOM Research Deforestation Analysis (ERDA).

ERDA can accurately measure live woody biomass, providing more precise measurements of forest tree loss in an agricultural context compared with publicly available datasets. Combined with desk-based assessments of individual farms using high-resolution satellite imagery, it will enable us to produce more accurate analysis of deforestation in our supply chains. Initial figures for Peru and Côte d'Ivoire show that, between 2001 and 2020, estimates of deforestation levels were, respectively, 22% and 37% lower using ERDA.

We are now working through a programme of building automated deforestation checks across all of our direct supply chain.



4.16

Biodiversity conservation and restoration

Protecting and increasing the diversity of native vegetation and habitats is essential to support critical ecosystem services – such as pollination, pest control and water purification – upon which successful production systems rely. In support of this, we conduct projects to restore and rehabilitate the diversity of life in areas that have been degraded.

ECOM works with farmers, communities, clients and partners to protect nature and restore vital ecosystem biodiversity. Our **Environmental Policy** provides more information about our commitment to ambitious environmental standards. This way, we can promote the sustainable management of environmental resources and boost resilience to climate change. We are also focusing on promoting biodiversity and employing new technology to help us identify biodiversity loss and ways to reverse it.

In 2023, we maintained progress on a number of biodiversity initiatives. In Brazil, our existing SMS Bee Project, in partnership with Nespresso and CarmoCoffees, was extended to include producers in the Cerrado and the south of Minas Gerais. The project itself aims to encourage coffee producers to add beekeeping to their activities, as bees can provide better pollination and increased yields, having a positive impact on both the producers and the environment.

Also in Brazil, we began purchasing environmental tokens from the Bluebell Index, which promotes additional revenue to landowners and rewards them for implementing the best production and preservation practices.

Spotlight



4.17

Measuring the health of ecosystems

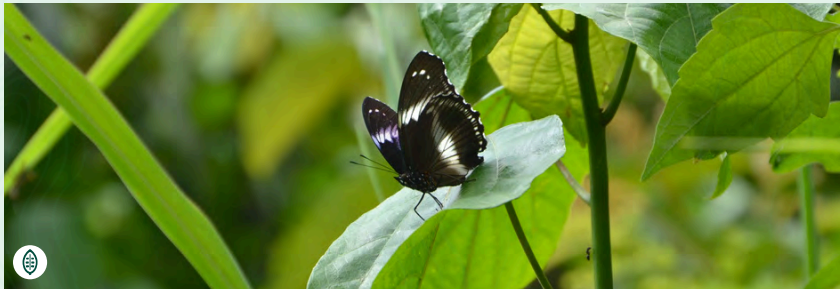
A major challenge in developing biodiversity metrics is a lack of available data. To address this, ECOM has partnered with Nestlé Nespresso as well as data scientists at Cornell University and INCAE Business School to measure the impact of Nespresso's AAA Sustainable Quality™ programme on biodiversity. Data has been collected and used to develop a Biodiversity Progress Index (BPI).

The BPI uses birds as indicators of biodiversity and environmental health. Many bird species respond quickly to changes in their surroundings, which makes them reliable and scalable indicators of an ecosystem's health. The resulting data can be used at coffee-farm level to protect forests, conserve waterways and increase tree diversity, all of which are necessary for the wellbeing of birds and other species.

In a well-balanced ecosystem, the presence of birds and biodiversity is a sign of healthy farms. Since the BPI was established, more than 240 species of birds have been reported living on participating coffee farms in Costa Rica and Colombia, indicating the farms are providing good homes to species and playing their part in achieving more sustainable agriculture.

Biodiversity conservation and restoration continued

Spotlight



4.18

Evaluating biodiversity risks in Ecuador

In Ecuador, ECOM has worked with Nature-based Insights (Nbi) and Reckitt to carry out biodiversity screening of agricultural land. The assessments help us evaluate risk levels attached to the land, providing valuable information to support sustainable cocoa production. The assessments are paired with our own research into carbon and climate risks, as well as our knowledge of farming densities and existing interventions like Rainforest Alliance certification rates.

For each area, Nbi extracted geospatial data from 16 individual data layers, looking at the following:

- Present risk levels from natural disasters
- The importance of local biodiversity
- Carbon stock and historical emissions
- The integrity of ecosystems
- The extent of natural ecosystems and historical loss

The areas are then ranked according to risk level, enabling us to prioritise those best suited for farming and those to be conserved.

For more information about how this relates to our Smarter Cocoa Charter, see our 2023 ECOM Cocoa Report found on our [website](#).



4.19

Keeping bees for better coffee

As pollinators, bees play a crucial role in maintaining biodiversity and food security. Around 75% of crops rely on insect pollination and, while coffee is not heavily dependent on bees, they do enhance coffee production. The presence of bees on coffee farms means more pollination, and more well-formed beans in the coffee berries. Placing beehives in coffee farms can lead to better-quality coffee and higher yields, which also means higher income for growers.

ECOM initiated our SMS Bee Project, in partnership with Nespresso and CarmoCoffees, and included producers in the Cerrado and the south of Minas Gerais in 2023, to encourage coffee farmers to become beekeepers. After training farmers and collecting suitable swarms of bees, the project was implemented with five participating growers in the Cerrado and Minas Gerais in Brazil in 2023. As well as potentially increasing their coffee yields, the farmers can sell the bees' honey for additional income.

In 2023, we had 11 producers participating in the project, producing an average of 2,000 kilos of honey per year.

4.20

Agricultural productivity

ECOM works with farmers to increase the productivity of existing crops without using more land, water or inputs. We do so through adopting transformative inputs and farming techniques, optimising crop varieties to local conditions, and harnessing new technologies and innovations.

ECOM employs more than 1,000 agronomists and technicians, who provide direct support to farmers and communities, including assistance and advice on techniques to improve yields, how to better manage soil, and diversify to develop additional income streams. Our field team continually explores ways in which plants and farming techniques can become more productive and resilient.

Spotlight



4.21

Our 100 million trees commitment

In 2016, ECOM and Starbucks launched what was planned as a three-year programme called One Bag, One Tree. For every bag of coffee sold, a coffee plant was donated to support the renovation of producers' coffee farms in El Salvador, Guatemala and Mexico. The initial aim was to deliver 30 million trees to farmers in Starbucks' sustainability programme, C.A.F.E. Practices.

This initiative was started in response to a widespread outbreak of coffee rust, a fungal disease that reduces the productivity of coffee plants and can have a serious impact on entire farms.

The scheme proved highly popular with farmers and saw an increase in their interest in using more sustainable methods to produce coffee. To date, more than 28.75 million plants have been delivered to coffee producers in Mexico, with around 4.1 million being supplied to 8,200 producers each year on average – the equivalent of renewing more than 1,200 hectares of land each year.

As a result of the initiative's success, we have extended the scheme to cover ageing as well as diseased plants and we now aim to provide no fewer than 100 million replacement trees by 2025.

4.22

Soil management

Good soil management is essential to productivity and a healthy ecosystem. Maintaining and enhancing soil health, including soil structure, ensures fertility and nutrient balance.

Our teams of agronomists and technicians work directly with producers to assist them in better understanding issues around soil management. We provide advice, guidance and training on GAPs and how to best use interventions such as organic fertilisers to improve soil health and productivity.

We also collaborated with expert partners to develop new and potential solutions, such as growing mushrooms that can fertilise soil and degrade chemical herbicides.

Spotlight



4.23

Good for health, good for soil health – the benefits of mushrooms

ECOM has partnered with the Kunming Institute of Botany – Chinese Academy of Sciences for a 12-month project to examine the beneficial impacts of growing edible mushrooms.

Greenhouse trials in 2023 have indicated that growing two particular types of edible fungi can produce a range of benefits, including the following:

- Improved soil fertility
- Degrading agrochemical herbicides
- Reducing the need for compound fertilisers
- Enhancing the land's productivity

Edible mushrooms can also provide a good source of nutrients in the farmers' diets or be sold at market for additional income.

Following the greenhouse trials, one variety of mushroom was chosen for an eight-month field test. Initial results indicate a positive impact on herbicide degradation and improvements in soil health. There are still challenges to overcome, as growing mushrooms is very dependent on rainfall, microclimates and the variety chosen, and results can be long term and not immediately visible to farmers. However, full results of the tests will be published in 2024 and it is hoped that this could pave the way for a new intervention to help coffee farmers' soil management.

4.24

Fertiliser and crop management

We want farmers who work with us to reduce the use (and eliminate the improper use) of chemical fertilisers, pesticides, fungicides, herbicides and other synthetic inputs, using organic or bio fertilisers instead, wherever possible. Actions like this help to avoid adverse effects on human health and contamination of water sources, food crops and the environment.

Our teams of agronomists and technicians provide training to farmers in the proper application of fertilisers for more effective results, and how synthetic products can be replaced with organic or bio varieties.

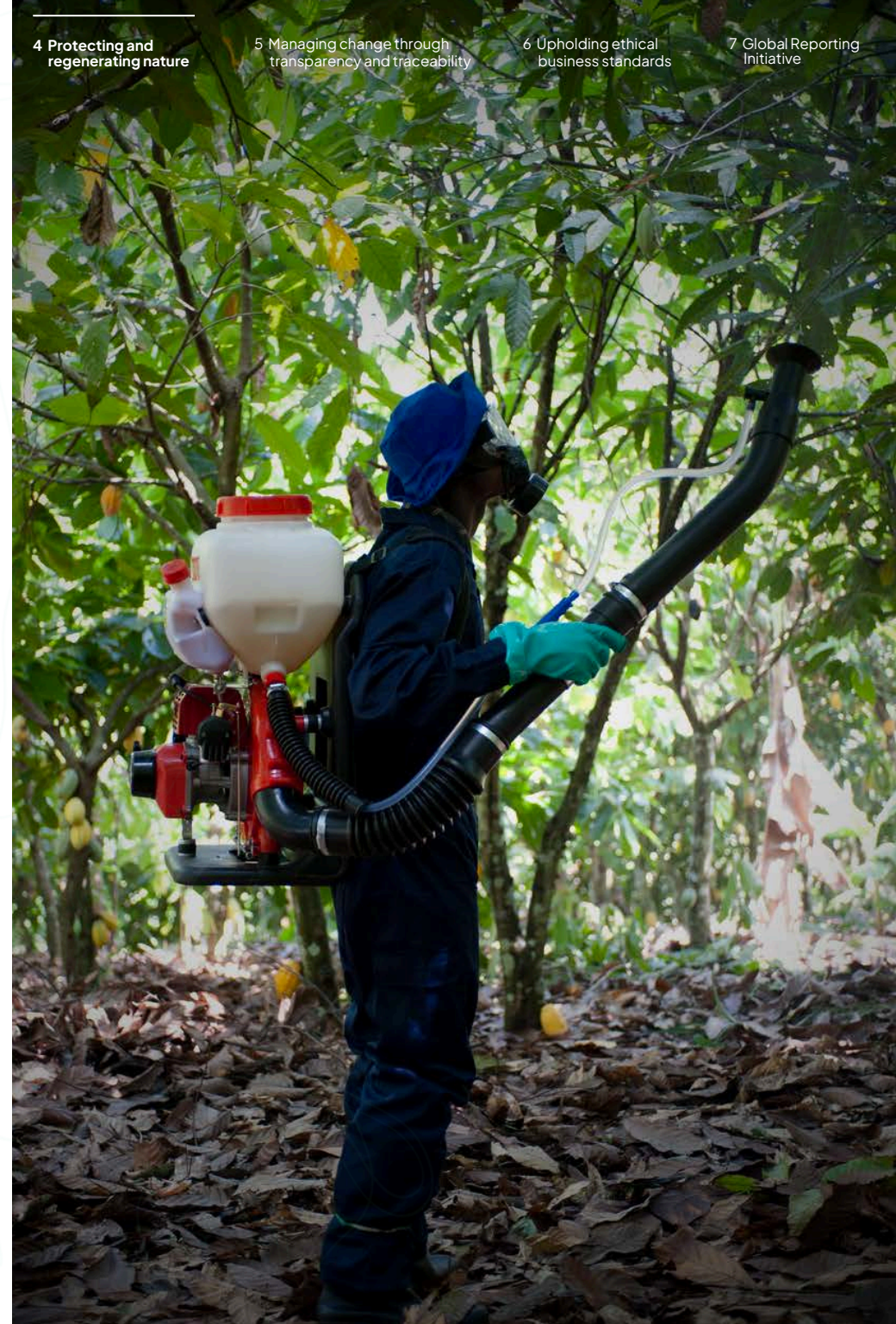
Our agronomists and technicians continued to provide support to farmers throughout 2023 through a variety of programmes.

In Vietnam, a joint project with IDH Farmfit Fund supplied 500 smallholder coffee farmers with high-quality organic fertilisers, which they pay for after their crops have been harvested. This has enabled them to improve their yields and increase their income, while improving soil quality. Read more in the [Improving farmer and worker livelihoods](#) section.

ECOM's strategy for managing chemical and pesticide use is outlined in our [Environmental Policy](#), and includes the following:

- Farmer education
- Monitoring and evaluation
- Integrated pest management
- Measures to protect and enhance beneficial insect life
- Restrictions on which pesticides are permitted and their use
- Prioritisation of non-chemical methods
- Grove renewal
- Advocacy
- Pilot schemes of soil health initiatives

For coffee and cocoa, we operate a targeted Integrated Pest Management programme. The programme is designed to control the entry of pests into storage areas and to limit the use of harmful fumigants and pesticides in the environment by using a range of integrated pest control strategies. For coffee, our SMS Code is applied at farm level to check compliance against sustainable practices, including pesticide use and banned chemicals.



Fertiliser and crop management continued

Spotlight

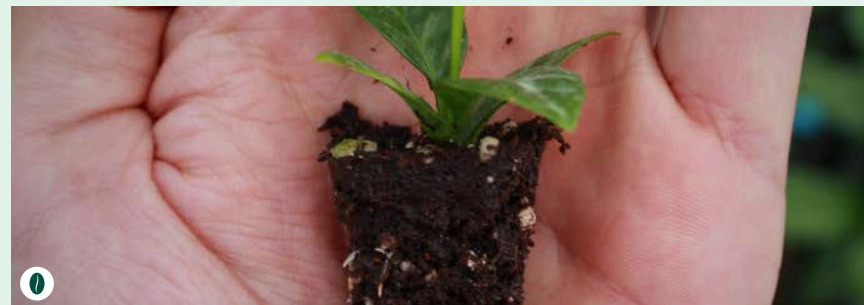


4.25

Weeding out problem plants

Weeds can be a real problem for coffee farmers. Those with deep root systems compete with coffee trees for nutrients, reducing yields. However, weeds with shallow roots can help with water and nutrient retention and by increasing soil microbial diversity, which can help lead to higher yields for farmers. As a result, the widespread use of chemical herbicides like glyphosate should be avoided, with good weed management being used to keep the soft weeds and remove the noxious ones.

In March 2023, 36 coffee farmers in China's Simao District received training in Integrated Weed Management, organised by Pu'er Tianchen Coffee Ltd and Rainforest Alliance. Participants learned the methodology of integrated weed management in coffee plantations, the relationship between weeds and soil fertility, and the impact of chemical herbicides on coffee garden ecology.



4.26

Developing organic solutions for soil management

In Nicaragua, our SMS team has developed two innovative products: a commercial compost produced from coffee pulp, and a fertiliser called Biol, made from mucilage, a by-product of the wet milling process.

The compost is produced at ECOM's wet mill on La Cumplida farm in Matagalpa, where 7,500 tons of pulp are produced each crop. Once composted and spread on the land, it provides a slow release of nutrients to coffee trees, helping produce improved soil structure and more productive plants. It also avoids GHG emissions, as pulp that is left to decompose releases methane.

The team has also been producing Biol, a unique formula of liquid fertiliser, containing macro and micronutrients, as well as beneficial microorganisms, developed in Costa Rica. These microorganisms capture nitrogen and release phosphorus from the ground, and play a vital role in improving soil drainage as well as water retention. Our SMS team is evaluating the use of Biol to reduce farmers' dependence on synthetic fertilisers, which are expensive and increase the carbon footprint.

Currently, 200 tons of compost and 20,000 litres of Biol are produced every crop. Both SMS Biol and SMS compost are currently being registered for commercial use by coffee growers and we are looking to increase the production of compost to process 100% of coffee pulp produced.

4.27

Genetic diversity of seeds and plants

ECOM contributes to the continued availability and accessibility of both traditional and improved crop varieties. We also work to enable future improvements in crop productivity, particularly in the context of climate adaptation and resilience. By investing in crop varieties with a high agronomic performance, we make them more resistant to climate stresses and diseases.

We have established a central nursery in Nigeria to provide new plants for cocoa farmers who do not have the resources to replace old cocoa trees on their farms. In 2023, 100,000 seedlings were planted at the nursery and 15,000 shade tree seedlings were distributed to farmers. In Mexico, a similar nursery has an annual capacity to produce 500,000 cocoa plants and agroforestry trees per year.

Genetic diversity of seeds and plants continued

Spotlight



4.28

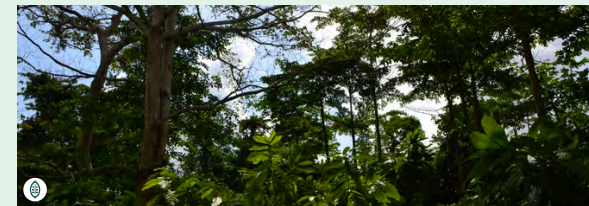
Collaborating for climate-resilient coffee

Climate change is having a huge impact on farmers across the world, with many crops becoming unsuitable for new climatic conditions. We continuously research new varieties of seeds and plants that are more productive, more adaptable to climate change, and more resistant to disease and pests. For example, through our Nicaragua-based laboratory, Agritech, we work in collaboration with French agricultural research centre CIRAD to create new coffee varieties that are better adapted to climate change. In tests, our new varieties have proved to be 30–50% more productive than conventional types.

In addition, the ECOM SMS team manages a three million-capacity nursery that uses pioneering technologies to develop plants of high yield and quality that are adapted to climate change.

Our varieties are available to producers as seeds, seedlings, acclimatised plants and in vitro plantlets. With good management, our varieties can produce average yields of 2–3 tonnes of green coffee per hectare.

Please find more information and our seed catalogue under the SMS section of our [website](#).



4.29

Regenerating cocoa farms

Access to finance is often an issue for cocoa farmers. In Nigeria, for example, many cocoa trees are ageing and unproductive, with some farms filled with trees that are more than 50 years old.

To address this, ECOM has created a central nursery, where cocoa seedlings are planted and grown for distribution to farmers. In the first half of 2023, more than 100,000 hybrid cocoa seedlings were planted at the central nursery site and over 95,500 plants distributed.

A similar nursery in Mexico produced 500,000 cocoa plants and agroforestry trees annually, with young trees taking just 4–5 months to grow.

4.30

Waste management and utilisation

ECOM optimises opportunities for the recovery, reuse and recycling of waste and other by-products of harvesting and processing crops, and packaging of commodities. We seek to embed circular economy principles throughout our value chain, ensuring that, where waste cannot be avoided, it is disposed of in a responsible way.

Our field team seeks innovative ways in which waste from the production of our commodities can be turned into compost and organic fertilisers. This not only avoids waste but also helps replenish soil and reduce emissions from the use of synthetic fertilisers.

Waste management and utilisation continued

Spotlight



4.31

Converting waste into a 'carbon sponge'

ECOM and NetZero have joined forces in an innovative partnership to build a biochar factory in Minas Gerais, Brazil's main coffee region. Biochar is a soil amendment produced from biomass waste and recognised by the Intergovernmental Panel on Climate Change (IPCC) as a high-potential sustainable solution. Spread on agricultural land, biochar acts as a 'carbon sponge', aiding the retention of water and nutrients in the soil and helping mitigate GHG emissions. This pioneering initiative aims to increase coffee productivity while reducing the use of synthetic fertilisers and storing carbon in soils, contributing to the decarbonisation of agricultural chains, and improving coffee quality.

When completed, the factory will have the capacity to produce more than 4,000 tons of biochar each year, enough to cover 1,200 hectares of farmland.

The new factory follows the models of NetZero's existing units in Lajinha (Minas Gerais) and Brejetuba (Espírito Santo). These two sites contribute to the removal of more than 6,000 tons of CO₂e from the atmosphere each year, in addition to significantly reducing emissions related to the use of fertilisers.



4.32

Removing plastic from our nursery production

Through our long-term partnership with Starbucks on its '100 Million Trees Commitment' (read more on [page 46](#)), we have worked on finding a solution to reduce the use of plastics in our seedling nursery. We are replacing the typical polybags used for transporting plants with paper-based BioPegon® pots, manufactured by Agropecuaria Popoyán SA. Made from corn starch, these biodegradable paper bags offer a range of environmentally friendly benefits, including reduced plastic use and lower transportation costs. They are also easy to use, protect the roots of plants during transport, thereby reducing waste, and enable abundant, healthy root development.

Since the testing phase, from 2019 to 2023, the production of plants in these paper pots has significantly increased, from just 1% to 66% in Guatemala. That represents more than 4.7 million trees, and the equivalent number of fewer plastic bags.

The project has also seen the development of another climate-smart solution in the use of reusable trays. Over 34% of the total volume was produced through this technique in Guatemala, enabling us to completely move away from using polybags locally.

4.33

Water stewardship

ECOM aims to maximise water use efficiency, in particular in our coffee supply chains, through locally adapted solutions, promoting the adoption of on-farm and operational-level water management practices. We also aim to establish appropriate water treatment systems that can help prevent contamination of natural ecosystems.

By engaging in meaningful and collective water resource conservation at the watershed level, we aim to benefit both people and nature. We also ensure adherence to local wastewater compliance limits for direct and indirect discharge, upholding clear thresholds and sustainability evidence of alternative discharge methods.

ECOM actively monitors water consumption and seeks opportunities to reduce water usage, where feasible. We collaborate with expert partners to research and test more water-efficient methods and work closely with growers to help them implement water-saving practices on their farms.

Wastewater management

As one of the biggest coffee wet-mill processors in the world, we embrace our responsibility to explore and execute effective wastewater management and water consumption initiatives to reduce its environmental impact. Untreated coffee wastewater in particular has high levels of organic pollutants and may induce eutrophication if released into water bodies without treatment.

Wastewater management is part of certification and local regulations, but ECOM aims for an international standard: to ensure that there is no significant impact on a receiving water body and no risk of groundwater contamination.

Following ECOM's own Environmental and Social (E&S) Guidelines, all wastewater-producing facilities owned by ECOM must undergo consistent treatment and provide an annual discharge analysis to the E&S Global Team. High-risk facilities, such as those discharging directly into rivers or using wastewater for irrigation, adhere to the guidelines set by the Global Wastewater Management Improvement Programme (WWPIP), which is overseen by the E&S Global Team.

WWPIP undergoes yearly revisions and updates, particularly during harvest seasons. Site visits are conducted to verify or assess enhancements related to wastewater management. Facilities enrolled in the WWPIP report weekly performance indicators in line with agreements established with both the E&S Global Team and facility management. Third-party consultants conduct comprehensive reviews and validation of all actions and analyses at WWPIP facilities at the end of harvest seasons.



Water stewardship continued

Spotlight

4.34

Reducing water consumption for coffee harvests

As part of our effort to reduce water usage and become resource positive, we are collaborating with Starbucks, to rethink and discover innovative ways to manage water.

Our Colombia Coffee Resource Positive project, which began in 2021, was completed at the end of 2023. Part of our solution to end wasteful water usage during coffee harvesting was to implement water-efficient wet mills in 121 households in Huila, Valle del Cauca and Santander. This enabled us to reduce water consumption by 77% for the coffee-washing process at farm level.

In traditional wet processing, the wet mill is where coffee is pulped (the skin removed), floated in water to remove defective beans, fermented, washed and dried. Water-efficient wet mills have zero waste water consumption, using mechanical processes that require little water. This method has helped farmers reduce their water consumption, enabling them to operate at a higher sustainability standard in line with ECOM's pledge to optimise natural resource management.

In Honduras, we have a similar project, CERCEM 2.0, also with Starbucks, which operates in the mountains, where the best coffee in the country is cultivated due to the microclimate. The main objectives for 2023 were the construction of two wet and dry mill centres, construction of which is ongoing.



Water stewardship continued

Spotlight



4.35

Assessing the impact of treated coffee wastewater

In 2023, we maintained our partnership with the Civil and Environmental Engineering and Earth Sciences department of Notre Dame University in Indiana, US, world renowned for its applied research.

Two study lines have stemmed from the partnership:

1. Building of groundwater simulations of our wet mills to assess the impact of treated wastewater irrigation, and to apply statistical methodologies to measure the potential impact on river water quality due to direct or indirect wastewater discharge.
2. Investigating new treatment strategies and wastewater modelling for small and artisanal-sized mills. This project assesses the need for environmental protection, ease of implementation in remote locations, treatment efficiency, reliability, energy consumption or recovery, and resource recovery.

For groundwater protection, we have created models to assess the maximum organic loadings to be irrigated considering site-specific soil and groundwater characteristics. We have also produced groundwater flow models based on satellite data for wet mills that engage with the irrigation practice. Groundwater modelling like this can provide excellent insights into the management of our most precious natural resource and a roadmap for developing healthier ecosystems.

The application of these models, coupled with on-site measurements, confirmed that the environmental impact of our irrigation practices and direct wastewater discharge is not significant. This has enabled us to pilot the models in Guatemala and Brazil, and we plan to extend this to other origins, especially those that lack environmental regulation.

Regarding the new treatment strategies, we have been exploring the use of membrane aerated biofilm reactors and fungal membrane aerated biofilm reactors in treating high-strength wastewater, with promising initial results observed in lab-scale experiments. Additionally, a pond mechanistic model has been created to aid in the development of a technical user manual for wet mills utilising this technology, aiming for improved understanding and management practices.



4.36

Improving access to clean drinking water

Fresh water is essential for every community. Through our Akawa Project in Burundi, natural water sources were identified across the country, with the aim of protecting and sanitising them. A country-wide topography study saw 36 water sources visited and assessed, based on their outflow, accessibility and current state. As a result, 20 water sources have been protected across nine hills and two washing stations, providing 1,175 households with clean, fresh water. There are more to come.

Access to water is just one aspect of the Akawa project – read more on [our website](#) and in our case study on [page 27](#).

5 Managing change through transparency and traceability



"Traceability is at the heart of sustainability. Ensuring transparent, traceable sourcing is a key goal for ECOM on our sustainability journey."

Paul McNougher
Chief Transformation Officer

5.1

Managing change through transparency and traceability: Overview

Our focus

Traceability and transparency are integral to a responsibly managed supply chain. However, as we operate globally and with differing supply chains, providing such traceability can be challenging.

ECOM is working with farmers and other supply chain participants to strengthen traceability through the latest digital tools and technologies, such as the blockchain-based BanQu platform.

Our SMS team has already, for many years, been collecting digital information on farmers across a portion of our origin sourced supply chain that aids in informing our risk assessments and risk maps. In our Cocoa department, we have developed a **risk map** that shows our cocoa buying locations.

Our commitments

- **To ensure responsibility in our supply chains**

Our **Supply Chain Due Diligence Policy** is designed to enable us to identify, prevent, mitigate and address potential adverse human rights and environmental impacts both across our operations and within our supply chain.

Through a Digital Supplier Self-Assessment exercise, we engaged with 1,800 coffee, cocoa and cotton suppliers in 2023.

We also achieved 100% traceability to farmer organisation/community for all cocoa beans purchased through ECOM origin-sourced supply chains – see our 2023 ECOM Cocoa Report which can be found on our [website](#).



5.2

Transparency and traceability

We collect and disclose as much relevant information as possible about the origin of primary production. Through our origin operations, we have a robust understanding of local challenges and opportunities. Understanding our suppliers and their context enables us to make informed decisions on which supply chains to work with to support in the transition towards more sustainable performance.

Cooperation with our suppliers continues to be enhanced with digital technologies like BanQu and Sourcemap to improve transparency and carry out due diligence in our supply chains.

Supply chain due diligence

Our [Supply Chain Due Diligence Policy](#) was drafted in accordance with international guidance on human rights and environmental due diligence (such as the Organisation for Economic Co-operation and Development (OECD) Due Diligence Guidance for Responsible Business Conduct). The policy is designed to help us identify, prevent, mitigate and address potential adverse human rights and environmental impacts in our operations and supply chain.

Part of our due diligence efforts is to better understand our suppliers and their sustainability practices. We engage our suppliers through a digital supplier self-assessment on the Sourcemap platform and, in 2023, we rolled this out across 1,800 coffee, cocoa and cotton suppliers. The self-assessment requests information about suppliers' human rights and environmental policies and practices. Special focus is placed on suppliers' readiness for traceability/transparency and on risk factors around forced labour, child labour, deforestation, and health and safety. It also covers certifications, environmental permits, and labour and wage practices, as well as checking suppliers' knowledge of and commitment to ECOM's Supplier Code of Conduct. Following feedback from the results in 2023, a revised version was rolled out early in 2024. We plan to continue improving our due diligence process and listening to our stakeholders as to how it can be improved.

Traceability in cocoa

We reached a major milestone of success at the end of 2023, which was achieving 100% traceability to farmer organisation/community for all cocoa beans purchased through ECOM origin-sourced supply chains. This milestone encompasses approximately 200,000 tonnes of cocoa sourced directly in Cameroon, Colombia, Côte d'Ivoire, Ecuador, Ghana, Mexico, Nicaragua, Nigeria, Peru, Uganda and Vietnam.

Creating an interactive map of cocoa buying locations

ECOM buys from thousands of farmers around the world. At present, we publish a list of suppliers in our direct cocoa origin-sourced supply chain. To aid transparency and traceability, in 2024 we have developed a new interactive cocoa community traceability map for our [website](#). The map offers a dynamic platform to display our buying stations and is a visual demonstration of our commitment to traceability.



Transparency and traceability continued

Spotlight

5.3 Using leading first-mile technology to improve data capture

A key part of traceability is first-mile data – the first mile being the distance between where raw materials are produced and our first point of purchase or product handover. With highly complex global supply chains and processes, obtaining complete, accurate, reliable and consistent first-mile data can be extremely challenging.

To address this challenge, ECOM has selected BanQu as our first-mile technology partner. BanQu is a non-crypto blockchain technology solution that can capture our product journey from farmer to warehouse and/or export, providing an auditable chain of custody with near real-time reporting. BanQu’s in-origin data collection platform will improve transparency and accessibility for our farmers and suppliers in remote locations, linking our ambitious ESG goals at every level of our Group as we strive to make a positive impact on farmers, communities and the environment. With real-time, verifiable data down to the source, ECOM will be able to better track, inform and deliver sustainability and traceability initiatives for ourselves and our stakeholders, drive our business growth, and ensure ongoing sourcing compliance.

BanQu was created for remote farms, and so can work on simple phones with SIM cards in rural, low-connection environments, making it ideally suited for our supply chains and farmers. While the initial focus is on supporting EU deforestation readiness for ourselves and our suppliers, as well as the future EU Digital Product Passport, BanQu’s scope is so much more.

Together with innovations throughout our business, and data interconnectivity, we will be able to unlock a universal approach to first-mile data collection, agronomy and crop data, as well as farmer communication, training and support. The roll-out of BanQu across our origins and commodities will help facilitate consistent and immediately accessible data within our highly complex supply chains and enable us to deliver increased value to our clients and supply chain. Implementation will begin in early 2024, initially in one coffee- and one cocoa-producing country, before being introduced to other territories.



Dignity Through Identity®



ECOM



Transparency and traceability continued

Spotlight



5.4

Climate-smart cotton production

One of ECOM's sustainability objectives is developing traceable and climate friendly cotton production and supply chains. In 2023, our project to achieve this was supported by a US\$30 million grant from the USDA. The Climate-Smart Commodities Grant will help promote the adoption of sustainable and regenerative practices for cotton production by US farmers. These are best practices, based on grower-specific needs, which restore soil and ecosystem health.

Our project provides training along with technical and financial assistance, as well as traceability and data management strategies. This will help farmers gain certification from two important schemes – regenagri® and Better Cotton™ – and the Texas Department of Agriculture's Transitional Organic Cotton initiative. The voluntary programme offers inclusive enrolment opportunities and impact payments to US cotton producers. All cotton produced through this programme is also traceable via the US Cotton Trust Protocol's Verified Bales programme from farm to mill.

A core aspect of the project is the development of long-term strategies and agreements that will progress the market for climate-smart cotton in a way that is economically sustainable for everyone in the value chain, from grower to customer. At its heart, though, are better farming practices that will reduce emissions, replenish the soil and ensure ecosystems that thrive in the long term.

Currently, 36 growers are enrolled on the programme, covering one-third of all the cotton production area in the Texas Southern Plains. The expected crop for year 1 is 14,420 bales. In year 2, we plan to increase the number of farmers enrolled and extend the programme to Arkansas and Georgia. We will also establish Innovation Farms, with support from the University of Arkansas, and work with research partners to evaluate GHG and carbon data from the farms.

This material is based upon work supported by the USDA, under agreement number NR233A750004G043.



5.5

Knowledge sharing through social media

ECOM's Customer Care and Monitoring Centre (CASC) in Mexico provides accurate and timely information to coffee producers, helping them to access vital knowledge. CASC originated in the need to find new communication methods during the COVID-19 pandemic. Established as a remote guidance tool, CASC has become a dynamic way to facilitate knowledge sharing and provide farmers with answers to their queries in real time.

With information available through a range of social media networks, as well as by telephone and face-to-face, farmers can quickly and easily obtain technical assistance, information on sales of seeds and higher-quality plants, market prices and training events, podcasts and more. More than 1,200 growers now use the tool to improve their farming practices.

In 2023, CASC recorded 62,177 social media interactions, demonstrating its effectiveness in connecting with producers. It has also expanded to include a smart chat feature accessible via WhatsApp, which offers specialised information on coffee farming 24/7, 365 days a year. By providing immediate, practical information, CASC can make a real contribution to improving farmers' livelihoods and has quickly established itself as a popular go-to tool.

5.6

EU Deforestation Regulation

Throughout the year, we have been preparing for the new EUDR. This regulation covers all imports into and exports from the EU for the following products: cattle, cocoa, coffee, palm oil, soya, rubber and wood. These products must be deforestation-free, produced in accordance with the relevant legislation of the country of production and be covered by a due diligence statement for all imports/exports starting December 30th, 2024. While the EU is at the forefront with this regulation, numerous other countries are already discussing similar measures for future implementation.

To prove that the product can be traced back to plots of land that were not deforested or degraded after December 2020, import documents must be accompanied by farm IDs and geological data for all plots where the product is produced. This means GPS points for plots smaller than 4 hectares, and polygons for plots larger than 4 hectares. This data is in addition to a due diligence statement that confirms adequately conclusive and verifiable due diligence was carried out on that product and no or negligible risk was identified.

In the context of this regulation, ECOM plays an important role as an origin integrated supply chain actor, importer and exporter, and we will be involved in multiple roles of this regulation as a trader and operator.

Given the large impact this regulation has on two of our primary commodities, we have worked through 2023, and will continue throughout 2024, to prepare our complex origin operations and suppliers for this upcoming regulation. As an origin business, we are well positioned to manage many of the challenges involved, and our aim is to ensure compliance through collaboration with all our farmers and partners. Despite the challenges, the new EU regulation has the potential to create substantial positive impacts, seeking to strengthen traceability and reduce worldwide deforestation to create a positive climate impact. It also provides an opportunity for improved supply chain collaboration and raises awareness among all actors and stakeholders about the negative impact of deforestation. This new regulation resonates with ECOM's dedication to protect nature and, consequently, to mitigate deforestation.

At ECOM, we are taking proactive steps to align with all upcoming ESG type EU regulations to ensure our readiness as well as that of our partners. Our approach is underpinned by a collective dedication to compliance, transparency and sustainability, and can be summarised as follows:

Assessing our supply chains

We have been assessing the readiness of EUDR compliant data from our operations and our supply chain network through cycles of testing. This assessment includes running geolocational deforestation assessments on polygon and GPS data using ERDA to identify any land or tree coverage change, post 2020. The tests are also running alongside our yearly supplier due diligence assessments through our Sourcemap supplier self-assessment. Read more about ERDA on [page 44](#).

Global frameworks and engaged communication

In line with the Deforestation Regulation requirements, we are currently developing a Group-wide risk assessment and mitigation policy and framework for use across our supply chains. These documents will join ECOM's substantial existing policy library, which includes our Supply Chain Due Diligence Policy and external Speak Up Policy, both key for our EUDR journey. From the start, we have actively communicated with our internal and external stakeholders to ensure we are working together. This involves sensitisation and training with our indirect supply chain to ensure awareness of and readiness for the upcoming increased compliance requirements.

Investing in technology

ECOM is rolling out future-proofed solutions that can support our farmers and complex supply chains for EUDR and beyond. This includes our new partnership with BanQu, a blockchain technology that can capture our product journey from farm to export, providing an auditable chain of custody with near real-time reporting. BanQu's in-origin data collection platform will support our farm-level interactions by improving transparency and accessibility for our farmers and suppliers in remote locations, linking compliance and our ambitious ESG goals at every level of our company. Read more on [page 59](#).

The introduction of EUDR will be a major step in the fight against deforestation, but also brings potential risks and hazards for farmers, which ECOM is mindful of. We are working closely with our farmers to help ensure awareness of and readiness for the new regulations as much as possible.

As all details and guidance are not yet published, our approach is likely to continue to develop. This will come about as we receive additional guidance from the EU and as alignment grows within the relevant industries as all actors in these affected supply chains work together to address data challenges and compliance requirements in time for the new crop.

A day in the life

How do you like to start your day?

My day starts at 5am with a fresh cup of coffee on the plantation. I work until 10am, when it gets too hot to work outdoors.

What are the biggest challenges you face day-to-day in your job?

Quite simply, achieving better production and quality. Also, the value of coffee is very low right now. Prices have fallen a lot – it's a complicated issue, but ECOM have helped in this period.

I also face the challenge that some plants on my land are affected by coffee rust, a fungal disease that reduces the productivity of my plants. This requires regular spraying. Climate change is also a challenge. Previously, the seasons were very marked. Now, there is no certainty over when it will rain or be sunny.

Personally, I am also not getting any younger and, although I am still in good health, working in coffee farming is getting harder due to the effort required. None of my family are involved in the farm, it's just me, so I have no-one to take over or help apart from occasional seasonal workers.

How have you tackled those challenges?

ECOM's SMS team has helped me by providing new, stronger and more resilient coffee plants. One variety in particular, a hybrid, is very good. It requires a lot of potassium but is very high performing. Also, the ECOM SMS team has planted trees on my farm to provide shade and mitigate the effects of the sun's heat on the crops and soil.

How important is traceability to you?

Very important. I imagine that few people know the effort it takes to grow coffee; it would be great if people knew where the coffee comes from and how it is produced. The new EUDR regulations will help with this, while also serving to protect the forests and the environment, and tackle climate change.



Gerardo Arias Durán
Coffee producer, Costa Rica

6 Upholding ethical business standards

As a family-owned business for generations, we retain the family values of trust, respect, integrity, honesty and openness. They are the fundamentals on which our business is built.

Felipe Esteve
ECOM Cotton CEO

6.1

Employee recruitment and retention

Attracting and retaining the right talent is essential for employees and the business to flourish. We provide training and progression opportunities and flexible working policies, helping to ensure employee satisfaction remains high. We hire employees whose ethos aligns with ECOM's values and we seek to ensure continuity through reduced employee turnover.

ECOM Management Trainee Programme

The ECOM Group runs a Management Trainee Programme globally which provides training and experience across our locations, commodity areas and business functions. We look for high-potential talent who are seeking to build their careers within our business, with a special focus on our origin operations.

Trainees work on a rotation of placements in different areas of the business that cover the specific commodity over a two-year period. Locations are dependent on commodity and business needs, with a focus on learning and development in all aspects of the supply chain, including risk and finance, to get full exposure of how our business works.

Our scheme is run by our Global HR Team and training is very much on the ground, with a local manager and goal setting throughout the scheme.

Spotlight



6.2

ECOM University

Developing and investing in our talented employees is a strategic priority for ECOM, as demonstrated by our ECOM University, which ran in October 2023 and is an annual occurrence. ECOM University is a training event that brings together emerging talent from our offices across the world and provides deeper insights into our broader business, as well as networking opportunities.

Some 32 participants from 12 countries took part in the programme, which included presentations, case studies, business-critical challenges and a workplace-style assessment. ECOM leaders from different commodities and functions shared their expertise both in person and through video conferencing.

The event also included a visit to ECOM's Dutch Cocoa operation in Amsterdam, providing a tangible connection between the theoretical learning and its practical application. Initiatives like this have a pivotal role to play in shaping the future leaders of our company.

Employee recruitment and retention continued

Spotlight



6.3

Attracting the finest talent

ECOM, naturally, aims to attract and retain dedicated employees. One such person is Cleden Chacon, a Coffee and Cocoa Quality Analyst in Peru. Cleden started his professional career in 2013. He quickly excelled as a quality analyst and became a judge in coffee cupping competitions, going on to gain further experience as a plant manager in processes such as roasting and grinding.

Cleden then set up his own social responsibility enterprise and in 2020 won the Kunan award, Peru's most prestigious social entrepreneurship prize. Needless to say, his dedication and passion for working with coffee made him an ideal person to be part of the ECOM family, and we were delighted when he joined our team in 2023. He has already travelled to Colombia to collaborate with one of our top-tier clients, and we look forward to his future contribution to our work.



6.4

Celebrating an outstanding contribution

Maria Fernanda Merchan is particularly skilled at testing, supervising quality standards, development and tasting of cocoa liquor for special contracts and certifications, and overseeing operations that impact quality. She has also demonstrated her affinity with ECOM's sustainability aims, leading initiatives to replace the use of plastics with glass containers and aluminium spoons, as well as collaborating with organic producers.

Since joining our team in Ecuador in 2020, Maria has notched up an impressive set of achievements, including the following:

- Jury tasting of cocoa liquor by ANECACAO (the National Association of Cocoa Exporters)
- Jury tasting at the international Chocolate Awards 2022
- Development of new cocoa liquor profiles through the use of different types of fermentation and liquor realisation

With her passion for her job, Maria is looking to advance her career with ECOM, and we will be supporting her to help her realise her goals.

6.5

Governance and ethics

For ECOM, continual improvement applies not just to what we do, but to the ways in which we operate. We aim always to work in a way that builds trust with all our stakeholders, developing and implementing policies that demonstrate our commitment to ethical management, and integrity and honesty through all our actions.

We maintain the highest levels of ethical standards in the conduct of both our operations and those of our suppliers. We ensure that robust corporate governance systems are in place to promote better economic, social and environmental outcomes. ECOM also closely follows legislative changes around the world and across our operating environments.

ESG governance

ECOM's Board of Directors has the overall responsibility of ensuring that our ESG-related policies and strategies align with the long-term strategy and business model of the Group. A cross-functional ESG Committee has the formal authority to oversee a coordinated integration of human rights policies, procedures and actions across the business. The ESG Committee includes senior members of ECOM's Executive Committee, as well as representatives from Legal and Compliance.

The ESG Committee meets at least on a quarterly basis and its primary purpose is to advise the Executive Committee and the Board to ensure that ECOM's sustainability and ESG priorities are reflected in ECOM's culture by alignment with the corporate strategy, purpose, values and codes of conduct. Its scope includes (among other things): climate risks and opportunities; ECOM's climate transition plan and commitments, and progress to Net Zero; GHG emissions; pollution and wastewater treatment; waste management and reduction; biodiversity and nature; deforestation and land use change; energy efficiency; resources efficiency (including water); human rights; labour practices and human capital management; supply chain management; health and safety; stakeholder and community engagement; diversity, equity and inclusion (in conjunction with Group HR); business ethics, anti-bribery and corruption; sanctions; anti-money laundering; and data protection.

Our policies and procedures

We guide sustainability at ECOM Group and across our supply chains through the following:

- [ECOM Code of Conduct](#)
- [Equality, Diversity and Inclusion Policy](#)
- [Speak Up Policy](#)
- [Modern Slavery Statement](#)
- [Environmental Policy](#)
- [Social Policy](#)
- [Supplier Code of Conduct](#)

ECOM Code of Conduct and other policies

ECOM is committed to conducting its business in an ethical, legal, environmentally and socially responsible manner. We have a mindset of continuous improvement and regularly assess our policies to ensure we align with best practice in ethical business conduct.

We continuously appraise whether we are conducting business in accordance with the ECOM Code of Conduct. Employees, agents and representatives of ECOM are expected to act in accordance with this mandatory Code, and we will not tolerate any representative or agent circumventing it.

The ECOM Code of Conduct is available in six languages (Dutch, English, French, German, Portuguese and Spanish) and is communicated to all employees in the ECOM Group via email. We expect all our employees, contractors, subcontractors, suppliers, agents and other third-party representatives to maintain high standards of integrity.

ECOM has established clear policies for Anti-Bribery & Corruption (ABC), Anti-Money Laundering (AML), market conduct, market abuse, economic sanctions, reporting grievances (Speak Up Policy) and other risk areas. These have been communicated from the top down. Specifically, regarding ABC, ECOM's policies and procedures meet the standards set by the UK Bribery Act and the US Foreign Corrupt Practices Act, amongst others. ECOM has a zero-tolerance approach to any breaches of such policies.

ECOM applies an overarching human rights due diligence framework modelled after the OECD Due Diligence Guidance for Responsible Business Conduct. Read more on [pages 57 and 58](#).

Governance and ethics continued

Anti-bribery and corruption

We operate globally and are therefore subject to a multitude of applicable anti-bribery and corruption laws. To provide guidance in relation to the ethical business activities of the Group, we have in place ABC policies (both internal and external) which apply to all employees, agents and other authorised representatives of the Group, as well as the Gifts, Entertainment, Hospitality and Donations policy, which is binding on all employees.

All relevant policies are subject to review by external counsel and updated for the current legislative environment. Our internal ABC policy is available in six languages (English, Spanish, Portuguese, French, German and Dutch) on the Group's Intranet. This year, we made improvements to the recording and retention of gifts and entertainment notifications.

We recognise the importance of ensuring that our employees understand the internal ABC policy and comply with it. In 2023, we refreshed our full ABC training module and included extra sections on our Speak Up platform. We also translated the training into French and Portuguese as well as English and Spanish, and increased the audience from around 850 senior and mid-level employees to go out to 2,500 employees. The training was assigned via our learning management system, which allows us to keep an accurate record of employees who completed the training.

The training also included new materials on the third-party representative approval process and commission payments.

We carry out risk assessments across ECOM to ensure anti-bribery and corruption compliance, and more recently added AML risk assessment questions to the risk reviews.

ECOM also includes upstream undertakings for our suppliers in terms of acceptance of and compliance with our third-party ABC policy. We also developed training for significant suppliers with accompanying attestations.

Onboarding and sanctions

Counterparties are screened daily against external, third-party vendor systems, which monitor for such information as sanctions violations, adverse judgments, enforcement actions and SOE/PEP exposure, among other things.

The screening tool contains comprehensive and up-to-date sanctions data from all relevant sanctions authorities worldwide, consolidated in one place, and includes other watch list databases, such as politically exposed person lists, state-owned entities, enforcements, and adverse media.

When a counterparty is flagged, the alert is assessed and escalated to the relevant business unit to determine if the business relationship should continue, depending on the type of flag. Where a counterparty is flagged as a state-owned entity/politically exposed person, cross-checks are carried out to assess for any associated agency relationship.

ECOM takes sanctions obligations very seriously. In counterparty onboarding, sanctions checks are carried out based on risk assessments as well as by using the third-party daily screening process. Additionally, sanctions training and updates are regularly deployed to relevant employees across the Group.

Speak Up

We expect all our employees, contractors, subcontractors, suppliers, agents and other third-party representatives to maintain high integrity standards. Our Speak Up Policies (for internal as well as for public use) reinforce our commitment to ethical behaviour and encourage a culture where wrongdoing is safely reported at an early stage. These policies comply with the EU's 2019 Whistleblower Directive.

Both policies were revised in 2023 to include reference to ECOM's new Speak Up reporting platform. This third-party platform is available to all our employees, suppliers, clients and any other interested third parties to report any ethical concerns they may have, and is accessible in over 70 languages on a 24/7 basis across the world. Reports can be made via a website, app or phone, and can be made in complete anonymity, with minimal barriers to submission. Additionally, stakeholders may raise concerns through the more traditional route of email.

The platform was launched internally to ECOM employees through the 2023 ABC training and will be further promoted to ECOM employees through training anticipated by ECOM's Human Resources team.

UN Global Compact

In 2023, ECOM submitted its first Communication on Progress to the UNGC, detailing our continuous efforts to integrate the 10 universally accepted principles in the areas of human rights, labour, environment and anti-corruption into our business strategy, culture and daily operations, and contribute to the UN goals.

Modern slavery

During 2023, we updated our Modern Slavery Statement for our continuous improvements during the year. We reviewed it against applicable global modern slavery laws, including the UN Guiding Principles on Business and Human Rights, as well as developments in human rights due diligence measures. ECOM's Statement for 2023, our eighth such statement, will be published imminently.

Governance and ethics continued

The Swiss Code of Obligations

This section addresses specific due diligence and reporting obligations in the area of child labour in compliance with our obligations under Article 964j-l of the Swiss Code of Obligations.

Our Due Diligence Policy (see **pages 57 and 58**) when taken together with our Supplier Code of Conduct (see **page 66**) and our deployment of CLMRS (see **page 28**) collectively constitute our policies on child labour.

ECOM conducts risk-based human rights due diligence on the company's own operations and those in its supply chain, as described in more detail on **page 28**. We employ a risk-based approach to check for reasonable suspicion of child labour risk in relation to the sourcing of our commodities, both in our operations and throughout our supply chain, as part of our due diligence process.

In our origin-sourced supply chain, our risk assessments are used to prioritise where we will locally intervene, whether it be to conduct community-level risk assessments, implement monitoring and remediation, and/or other preventative measures focused on child and wellbeing. In our partner-sourced supply chain, our risk assessment is used to expand on our due diligence protocols through supplier sourcing risk and/or to support our partners in the creation of policies, protocols or grievance mechanisms to ensure the risk is appropriately mitigated.

Risks typically include contextual factors that contribute to worker vulnerability, as well as specific hiring and employment practices at worksites. Looking at risks across geographic origins allows us to prioritise regions that may have heightened vulnerability.

ECOM assesses child labour risk based on risk maps and indicators published by several trusted third-party organisations stated to align with international frameworks such as ILO conventions, the UN Guiding Principles on Business and Human Rights, and the OECD Guidelines for Multinational Enterprises.

ECOM recognises that indicators can only ever be used to guide and are not a substitute for organisation-specific risk assessments. Ultimately, we are working to expand our risk assessments to incorporate the prevalence and incidences directly from our supply chain, to tailor interventions accordingly. We recognise the importance of continuing to work with external partners who have the expertise and resources to help in the endeavour of mitigating child labour within our supply chain and the communities around it.

Child labour has not been identified as a significant risk in our own operations – due in part to our policies of not employing young workers under the age of 18. Where we do engage young persons, for example trainees and interns, we ensure that they are above the relevant local legal working age.

We ensure that our Due Diligence Policy and Supplier Code of Conduct are incorporated into our contracts and agreements with suppliers.

The results of our child labour risk assessments inform our due diligence approach and preventive and mitigation actions. ECOM follows up on any specific indications of child labour and we ensure

we take appropriate measures to avert or mitigate its negative effects. Such measures include: on-site audits; use of official and respected third-party published data and societal indicators; engagement with third-party experts and our business partners; awareness raising and training; and using industry recognised standards and relevant certification systems. Additionally, we carry out an evaluation of and report on the effectiveness of any mitigation and remediation measures taken.

ECOM is extremely focused on the traceability of our supply chains. Our current level of supply chain traceability depends on the sourcing arrangement and complexity of the product sourced. We are constantly working to improve our supply chain traceability systems to ensure its integrity, especially in those origins where we have established reasonable grounds to suspect child labour. Pages 57 and 59 set out more detail on some of the methodologies and systems used to capture supplier details and allow for traceability.

Concerns about child labour in our supply chain can be reported via our Speak Up grievance mechanism, an additional process and channel to identify and remediate matters of concern (for more detail, see **Workers' rights on page 72**).

Anti-competitive behaviour

ECOM conducts its business in compliance with all applicable laws, rules and regulations, including antitrust laws.

Non-discrimination and equal opportunity

We recognise the problem of discrimination and are committed to playing our part. We do not tolerate discrimination on the grounds of age, disability, gender, gender reassignment, marriage or civil partnership, pregnancy or maternity, race (which includes colour, nationality and ethnic or national origins), religion or belief, sex or sexual orientation.

As detailed in our Equality, Diversity and Inclusion Policy (**page 66**), we strive to build a culture that values meritocracy, openness, fairness and transparency. ECOM Group is working continually to promote equal treatment and embrace diversity in employment. Our Speak Up Policies provide details for the reporting of discrimination, among others.

ECOM values people as individuals with diverse opinions, cultures, lifestyles and circumstances. We seek to support all individuals in reaching their full potential in the workplace, regardless of their gender.

We recognise the breadth of experiences and perspectives that gender diversity brings to the workplace through creativity, innovation, problem-solving, decision making, employee morale and retention.

Further details of our efforts are set out on **page 73**.

Freedom of association and collective bargaining

Page 72 details ECOM's approach to freedom of association and collective bargaining.

Health and safety

Page 74 details ECOM's approach to health and safety of its employees and other stakeholders.

6.6 Transparent communications

ECOM seeks to avoid greenwashing and all forms of misleading communication in order to foster trust, authenticity and accountability in our sustainability efforts. We aim to build genuine credibility in our sustainability efforts and promote authentic communication throughout the business. We support this by building data quality management systems to ensure accurate data collection and reporting.

6.7 Client value alignment

Client value alignment means ensuring that ECOM's clients share our moral standards and ethics. By working with clients, we seek to expand our positive impact and achieve sustainability goals.

ECOM operates a Supplier Code of Conduct, to which we expect all our suppliers to adhere. This is supported by a supplier due diligence process that sets out key principles such as ethical compliance, human rights, traceability, health and safety, environmental protection and more.

Sign-up to our Supplier Code of Conduct is mandatory, with periodic audits and checks to monitor compliance. We work closely with our suppliers to identify any non-compliance and put solutions in place. We aim to be sensitive to these factors and help our clients understand the reasons for change.

Spotlight



6.8

ECOM's SMS Code for more sustainable farming

ECOM's coffee team has developed the SMS Code, a sustainability tool for our value chain. The Code assists clients such as roasters and producers to deliver high-quality products that meet our social and environmental sustainability criteria. Instead of a traditional certification scheme, the Code enables a tailored, continuous sustainability improvement and a benchmarking programme. It includes production and quality concerns not usually included in certification programmes, with a focus on continued improvement in farmers' production and high-value technical feedback for farmers.

The Code has six key steps:

1. Suitable farmers are identified by our in-country SMS teams
2. Participating farmers are evaluated on their farm management
3. Action plans for improvement are developed
4. Training needs for farmers are identified
5. Our SMS team implements training sessions
6. External audits can be carried out at the client's request

Participating farmers must have appropriate systems in place in four key areas for sustainable coffee production: Economic transparency; Productivity and quality; Environmental responsibility; and Social and labour responsibility. The Code has three levels of verification, depending on how many criteria the farmer meets, and all farms are audited at least annually. We have 110 ECOM staff trained for SMS Code implementation, playing an important role in ensuring that farms are managed in more sustainable ways.

Approximately 8,700 farmers are registered with the SMS Code, covering over 68,000 hectares of farmland and over 2 million 60kg bags of coffee.

6.9

Impact monitoring and management

By measuring the positive and negative impacts of ECOM's activities on farming communities and ecosystems, we can develop ways to mitigate the negative and maximise the positive in alignment with our corporate identity and strategy.

ECOM has a range of sustainability-related projects, actions and goals across portions of our supply chain, all of which are carefully assessed, monitored and measured. We set and monitor metrics for all activities where we have a potential impact.

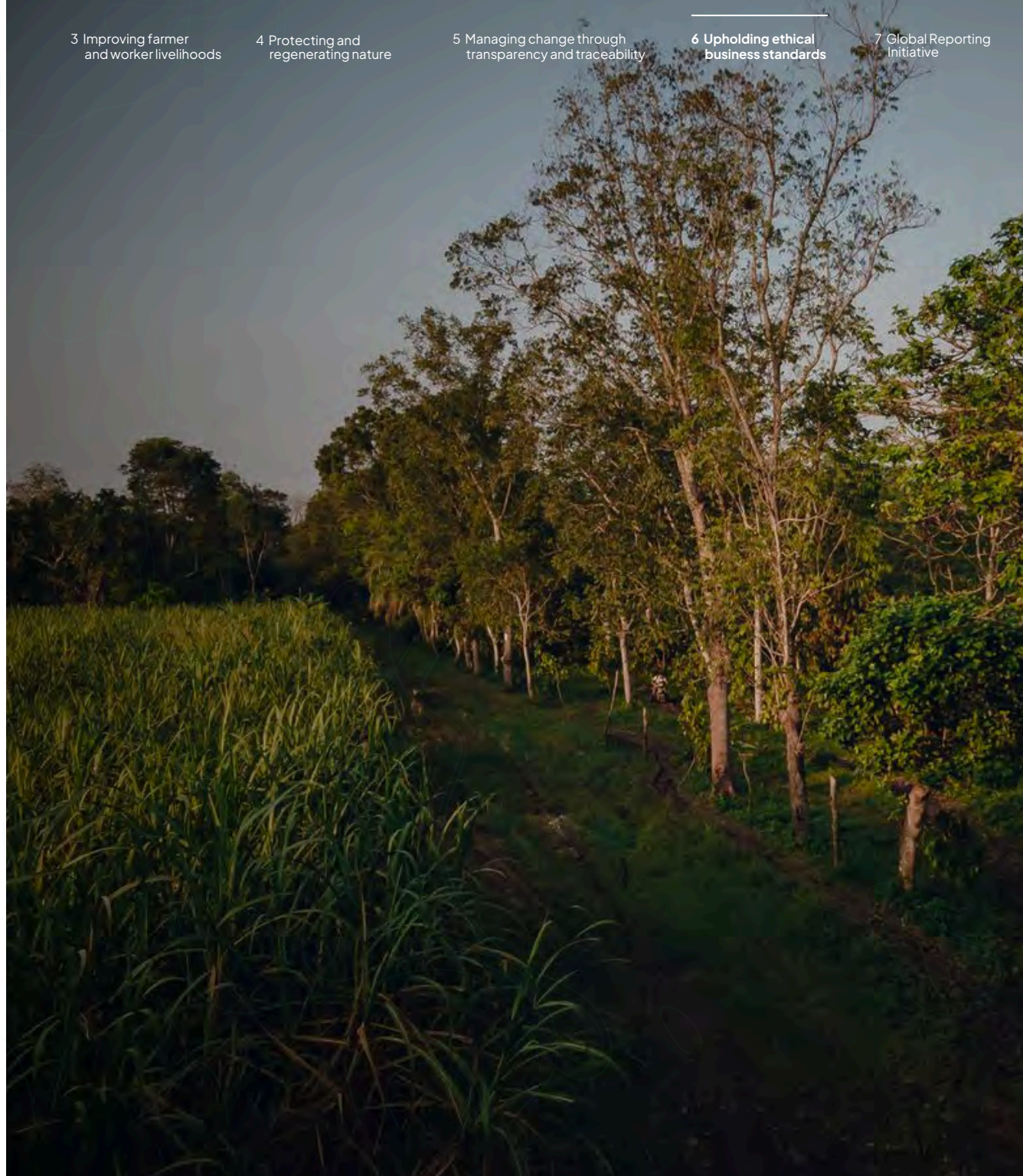
6.10

Land tenure rights

ECOM promotes secure land tenure rights to empower farming communities. We work with local groups and the responsible government agency to reach agreements on all issues.

As part of our commitment to upholding high standards of social performance, we have a Social Policy that governs how we manage issues around land tenure. This includes collaborating with the responsible government agencies, offering fair compensation and assistance, and helping people with resettlement if necessary.

Promoting land rights is an important part of our role in supporting farmers' communities. Our Empowering Women in Cocoa Communities in Ghana programme aims to strengthen women's land rights. By September 2023, our training on land rights and literacy had reached 961 male and 1,139 female growers, 91.7% of our target.



6.11 Living wage and fair employment

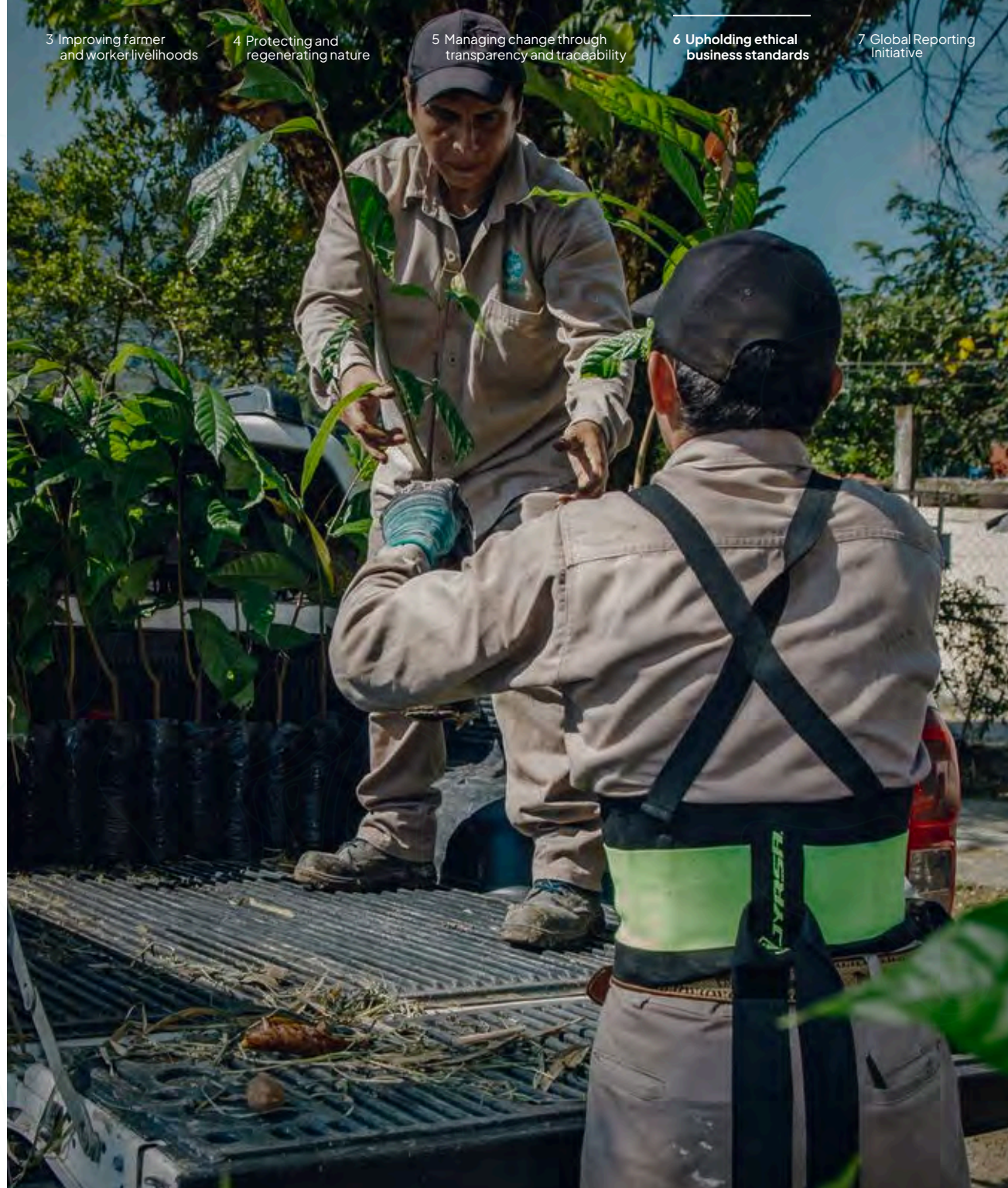
We aim to ensure all workers and farmers receive a living wage/income that allows them to achieve a decent standard of living and secure essential services for themselves and their families. Treating all workers and farmers fairly and with respect is a core ECOM value, along with offering the protections, freedoms and rights expected in a prosperous and just society.

In our Cocoa division, we have established a living income baseline to address the identified gap in all origin-sourced supply chains. Our key highlights for 2023:

- Living income gap assessment completed in 11 cocoa origins
- Consulting key stakeholders to understand the challenges and opportunities to improving farmers' incomes
- Collecting and sharing insights

Our aim is to move away from a blanket approach, which experience shows would have limited impact in practice, towards personalised interventions based on farmer segmentations such as the size of the living income gap, farm size or household demographics. Instead of one-size-fits-all solutions, we want to develop tailored strategies delivered to groups of farmers with similar needs.

We are now working on developing country-specific roadmaps for further action, starting with a pilot in Ecuador. Developing roadmaps will enable us to effectively design interventions and take action to close the living income gap. Read more about this in our 2023 ECOM Cocoa Sustainability Report found on our [website](#).



6.12

Workers' rights

Grievance mechanisms

ECOM strives to have the right grievance mechanisms and policies in place so that stakeholders are able to collect and manage internal and external grievances. We take steps to ensure stakeholders are aware of grievance processes and we have a clear global remediation process in place for cases of discrimination.

In 2023, we improved our Speak Up Policy by moving to a platform that allows for truly anonymous reporting. Speak Up enables any stakeholder to raise concerns about suspected wrongdoing, inappropriate behaviour or dangers related to our activities. Concerns can be raised by telephone, email, website or app, are confidential and, if required, anonymous.

Freedom of association and collective bargaining

ECOM supports the establishment of groups to represent the interests of farmers and workers in our supply chain (including direct employees and suppliers' employees). We also recognise their rights to organise and/or collectively bargain - 100% of our workers have the right to collective bargaining and we invest in an open dialogue with such representatives/organisations.





6.13
Diversity, equity and inclusion

ECOM embraces all forms of diversity in our workplaces. We aim to maintain an inclusive culture at every level of the organisation, achieve gender parity and encourage our suppliers to create inclusive work environments that avoid any form of discrimination.

We strive to build a culture across our business that values meritocracy, openness, fairness and transparency. We work continually to promote equal treatment and embrace diversity in employment. We operate an **Equality, Diversity and Inclusion Policy** that guides our actions and reinforces our values and responsibilities.

6.14

Health, safety and wellbeing

We prioritise the safety of everyone who works with and for ECOM. We work continuously to minimise risks to the safety of employees, workers and farmers, including exposure to hazardous agrochemicals, crushing, noise, heavy loads, extreme temperatures and road incidents, the use of unsafe equipment, and limited access to personal protective equipment (PPE). We also invest in training and monitoring to ensure our required standards of safety on farms are met.

Of prime importance to the Group is the creation of secure and supportive working environments across all offices and facilities owned or operated by ECOM. In the case of outsourcing companies providing temporary staff (external contractors), an external contractors and subcontractors management system is implemented.

ECOM's Occupational Health Services management system adheres to recognised risk management practices. Each operation performs occupational health and safety risk assessments to identify hazards, evaluate risks, determine preventive measures, and control or mitigate these risks to the extent possible. All operations must comply with local regulations as a minimum but are encouraged to follow international standards and best practices, such as the IFC guidelines, ISO and OSHA.

In 2023, we continued to train employees in good health and safety practices to help ensure a safe workplace for everyone. In Uganda, we had to manage an outbreak of Ebola. We immediately put restrictions in place in our warehouse in the country, including mandatory handwashing before entry and social distancing.

Product safety and quality

We aim to ensure high-quality food products, and to prevent health and safety risks arising from production, consumption, handling, preparation and storage across the value chain.



6.15

Managing grantor funding

Correctly and transparently managing grantor funding is important to ensure financial stability, sustainable growth, strong grantor relationships, and mitigation of reputational risk.

Grantor funding arrangements vary from country to country. ECOM works with a range of funding agencies, including USAID, GIZ, DEG and RVO, as well as NGOs and private partners. Funding approaches can come from either ECOM or the donor, and projects can have multiple partners.

ECOM received an important US\$30 million grant from the USDA in 2023 to support our project to develop climate-smart cotton production in the US. Donor funding has a powerful impact on our ability to move towards climate-smart practices and lower emissions, as well as focusing on inclusivity and disadvantaged growers.

In Ethiopia, an ongoing joint-funding project with GIZ is helping us promote and strengthen the Ethiopian coffee supply chain. The project is helping smallholder producers gain improved market access and develop better sustainability practices. One particular achievement in this regard was the introduction of the SMS Code to local growers and respective training. These activities were further flanked by project components addressing gender equity and child labour. For 2024, our main project targets are baseline assessments on supply chain carbon footprint and farmers' living income. The partnership approach is crucial for this project as, due to government regulations in the country, the project would not be possible without the support of a government agency such as GIZ.

In Cameroon, we launched a project to protect 10,000 hectares of community forests and restore degraded areas while regenerating cocoa growers' farms. The project, a partnership with IDH, and in collaboration with the ICI Secretariat in Switzerland, Equal Origins and the Center for International Forestry Research and World Agroforestry (CIFOR-ICRAF), also aims to assess risks of child labour and enhance conditions for women.



6.16

Market competition and pricing

ECOM conducts its business in compliance with all applicable laws, rules and regulations, including antitrust laws and applicable sanction regimes, and is not engaged in bribery, corruption, money laundering or other fraudulent practices.

We avoid market control and dominance that could lead to reduced competition, higher prices, barriers to entry, political influence, and a lack of transparency from operating under multiple trading names.

Global Reporting Initiative



Global Reporting Initiative: Content index

This report and the following information have been prepared in reference to the GRI standards.

General Disclosures

Standard	GRI sector standard ref. no	Disclosure	2023 location and notes
GRI 2 General Disclosures 2021		2-1 Organizational details	a. This report covers ECOM Agroindustrial Corp. Limited and its group (ECOM). b. ECOM Agroindustrial Corp. Limited is a private limited company. c. Location of headquarters: Avenue Etienne Guillemin 16, 1009 Pully, Switzerland.
		2-2 Entities included in the organization's sustainability reporting	This report covers the Group's global activities across our three principal commodities of coffee, cocoa and cotton, including origin sourcing countries, secondary sourcing regions, our factories and offices.
		2-3 Reporting period, frequency and contact point	1 January to 31 December 2023, in line with the calendar and fiscal year. Contact point for questions regarding the report: sustainability@ecomtrading.com
		2-4 Restatements of information	None
		2-5 External assurance	None
		2-6 Activities, value chain and other business relationships	ECOM Group Sustainability Report 2023 > Introduction > Our value chain, page 8
		2-7 Employees	ECOM Group Sustainability Report 2023 > Global Reporting Initiative > GRI Data, page 97
		2-8 Workers who are not employees	ECOM Group Sustainability Report 2023 > Global Reporting Initiative > GRI Data, page 97
		2-9 Governance structure and composition	ECOM Group Sustainability Report 2023 > Global Reporting Initiative > GRI Data, page 91 The Conseil d'Administration (ECOM's Board) has oversight of ECOM Agroindustrial Corp. Ltd and its subsidiaries, and is responsible for ensuring the establishment of a clear Group governance framework to ensure effective steering and supervision of the Group and which takes into account the material risks to which the Group and its subsidiaries are exposed. The Conseil has delegated day-to-day operational oversight to the Executive Committee while remaining ultimately responsible for all actions. The CEO, CFO and CTO report to the Board on a frequent basis, formally no less than monthly and informally through sharing of papers and committee minutes, as such meetings occur.

Corporate Practices Committee and Audit Committee (the terms of reference of which include responsibility for ESG).

General Disclosures

Standard	GRI sector standard ref. no	Disclosure	2023 location and notes
		2-11 Chair of the highest governance body	The Chair of the Board is a non-executive member.
		2-12 Role of the highest governance body in overseeing the management of impacts	The Conseil is responsible for the overall direction, supervision and control of the Group and its management, as well as for compliance with applicable laws, rules and regulations.
		2-13 Delegation of responsibility for managing impacts	The Conseil has oversight of ECOM Agroindustrial Corp. Ltd and its subsidiaries, and is responsible for ensuring the establishment of a clear Group governance framework to ensure effective steering and supervision of the Group and which takes into account the material risks to which the Group and its subsidiaries are exposed. The Conseil has delegated day-to-day operational oversight to the Executive Committee while remaining ultimately responsible for all actions. The CEO, CFO and CTO report to the Board on a frequent basis, formally no less than monthly and informally through sharing of papers and committee minutes, as such meetings occur.
		2-14 Role of the highest governance body in sustainability reporting	ECOM's ESG Committee reports directly to the Executive Committee and Audit Committee of the Conseil and manages annual monitoring and reporting across commodities for regulatory and third-party stakeholder purposes, researches and proposes ESG policies and handles Group-level stakeholder reporting.
		2-15 Conflicts of interest	The Conseil has approved a Conflicts of Interest policy and delegated to Group HR the collection of information about potential conflicts of Interests from its executive and top managers each year. Any potential conflicts are clarified and reported to a risk committee, which evaluates all instances and makes recommendations as needed. If appropriate, conflicts may be escalated to the Conseil for consideration.
		2-16 Communication of critical concerns	ECOM's two sets of Speak Up Policies (one for internal use and one for public use) include reference to ECOM's new Speak Up reporting platform, which was launched in early December 2023. This third-party platform is available to all ECOM's employees, suppliers, customers and any other interested third parties to report any suspected wrongdoing and/or ethical concerns they may have, and is accessible in over 70 languages on a 24/7 basis across the world. Reports can be made via a website, app or phone, and can be made in complete anonymity with minimal barriers to submission. Additionally, stakeholders may raise concerns through the more traditional route of email. Both Speak Up Policies are available in six languages (English, French, Portuguese, Spanish, German and Dutch).
		2-17 Collective knowledge of the highest governance body	Subject matter experts report developments pertinent to the Group to the Conseil.
		2-18 Evaluation of the performance of the highest governance body	ECOM has a formal Annual Performance Appraisal and Goal Setting process for all executives and heads of countries and departments. The process involves both self-evaluation and supervisor evaluation, discussion of results and scoring. Results and behaviours are evaluated during the year.
		2-19 Remuneration policies	Group Management Personnel bonuses are discretionary, with an emphasis as applicable on profitability of operations within the direct responsibility of the individual. Discretionary bonuses are determined by factors such as the achievement of individual performance objectives, overall commodity results, overall profit centre(s) results or overall Group Results. They are proposed by the Group Executive Committee members, and reviewed through the Corporate Practices & Compensation Committee with approval from the Conseil.

General Disclosures

Standard	GRI sector standard ref. no	Disclosure	2023 location and notes
		2-20 Process to determine remuneration	ECOM's compensation system takes into account both regional market and industry factors in order to encourage and reward excellent performance throughout the Company. The key objectives are to ensure that: overall compensation parameters are market competitive; compensation is performance based; and drivers for compensation are aligned to business objectives and plans. Management Personnel discretionary bonuses are proposed by the Group Executive Committee members, with review through the Corporate Practices & Compensation Committee and with approval from the Conseil.
		2-22 Statement on sustainable development strategy	ECOM Group Sustainability Report 2023 > Introduction > A note from our CEO, page 5
		2-23 Policy commitments	<p>ECOM Group Sustainability Report 2023 > Upholding ethical business standards > ECOM Code of Conduct and other policies, page 66</p> <p>A new Remittance practices policy was drafted in 2023, which formalises ECOM's procedures when ECOM receives a payment from any third party which is not its contractual counterparty, or receives a request to receive a payment from any such third party. Under the policy, ECOM only accepts such payments if and to the extent ECOM has pre-authorized the change in paying entity.</p> <p>As a participant of the UN Global Compact (UNGC), ECOM is committed to making the UNGC and its principles part of the strategy, culture and day-to-day operations of our company, and to engage in collaborative projects which advance the broader development goals of the United Nations, particularly the Sustainable Development Goals. We support the Ten Principles of the UNGC on human rights, labour, environment and anti-corruption, and will annually disclose our company's continuous efforts to integrate the Ten Principles into our business strategy, culture and daily operations through the UNGC Communication on Progress. ECOM submitted its first Communication on Progress to the UNGC in 2023.</p>
		2-24 Embedding policy commitments	<p>ECOM implements its commitments with and through business relationships through our Supplier Code of Conduct Policy. We expect our suppliers to share our commitment to doing business in a responsible, sustainable and ethical manner, and set out below our Supplier Code of Conduct (the 'Code') to which we expect our suppliers to act in accordance: https://www.ecomtrading.com/media/1tlnpouc/supplier_code_of_conduct_2022_1.pdf</p> <p>We integrate our commitments into organisational strategies, operational policies and operational procedures by identifying in which departments of the Group these are relevant, therefore prioritising different commitments to appropriate sectors. Commitments that are relevant throughout Group level are implemented through employees in managerial positions who oversee business operations. Our commitments are further integrated into policies, where relevant, making them an integral part of business conduct.</p>
		2-25 Processes to remediate negative impacts	ECOM Group Sustainability Report 2023 > Upholding ethical business standards > ECOM Code of Conduct and other policies, page 66
		2-26 Mechanisms for seeking advice and raising concerns	ECOM Group Sustainability Report 2023 > Upholding ethical business standards > Workers' rights, page 72

General Disclosures

Standard	GRI sector standard ref. no	Disclosure	2023 location and notes
		2-29 Approach to stakeholder engagement	<p>ECOM Group Sustainability Report 2023 > Sustainability at ECOM > Materiality update, > Materiality update, page 12</p> <p>We prioritise meaningful engagement by employing various channels such as surveys, consultations and regular dialogues. To enhance this engagement and ensure we gather insights, address concerns, and incorporate feedback into our decision making, ECOM has implemented a Speak Up Policy. This policy aims to establish mechanisms for resolving and investigating concerns related to any of our business activities, including employment, ethics and compliance practices: https://www.ecomtrading.com/media/4jzhbb5x/ecom-speak-up-policy-external-december-2023-1.pdf</p> <p>Our commitment to transparency is reflected in our comprehensive engagement approach, which encompasses a diverse range of stakeholder categories including but not limited to suppliers, customers, employees, local communities and investors.</p>
		2-30 Collective bargaining agreements	ECOM Group Sustainability Report 2023 > Upholding ethical business standards > freedom of association and Collective Bargaining page 72

Material Topics

GRI 3 Material Topics 2021		3-1 Process to determine material topics	ECOM Group Sustainability Report 2023 > Sustainability at ECOM > Materiality update, page 12
		3-2 List of material topics	ECOM Group Sustainability Report 2023 > Sustainability at ECOM > Material topics across our value chain, page 14

Economic inclusion

Topic 13.22 Economic inclusion	13.22.1	3-3 Management of material topics	<p>ECOM Group Sustainability Report 2023 > Improving farmer and worker livelihoods > Access to finance, page 20</p> <p>ECOM Group Sustainability Report 2023 > Improving farmer and worker livelihoods > Price volatility, page 22</p>
	13.22.3	203-1 Infrastructure investments and services supported	<p>ECOM Group Sustainability Report 2023 > Improving farmer and worker livelihoods > Access to finance, page 20</p> <p>ECOM Group Sustainability Report 2023 > Improving farmer and worker livelihoods > Price volatility, page 22</p>
	13.22.4	203-2 Significant indirect economic impacts	<p>ECOM Group Sustainability Report 2023 > Improving farmer and worker livelihoods > Access to finance, page 20</p> <p>ECOM Group Sustainability Report 2023 > Improving farmer and worker livelihoods > Price volatility, page 22</p>

Anti-competitive behavior

Topic 13.25 Anti-competitive behavior	13.25.1	3-3 Management of material topics	ECOM conducts its business in compliance with all applicable laws, rules and regulations, including antitrust laws.
	13.25.2	206-1 Legal actions for anti-competitive behavior, antitrust, and monopoly practices	None

Energy

Standard	GRI sector standard ref. no	Disclosure	2023 location and notes
GRI 3 Material Topics 2021		3-3 Management of material topics	ECOM Group Sustainability Report 2023 > Protecting and regenerating nature > Energy management, page 42
GRI 302 Energy 2016		302-1 Energy consumption within the organization	ECOM Group Sustainability Report 2023 > Appendix > Data tables, page 91
		302-2 Energy consumption outside of the organization	ECOM Group Sustainability Report 2023 > Appendix > Data tables, page 91
		302-3 Energy intensity	ECOM Group Sustainability Report 2023 > Appendix > Data tables, page 93
		302-4 Reduction of energy consumption	ECOM Group Sustainability Report 2023 > Appendix > Data tables, page 94
		302-5 Reductions in energy requirements of products and services	ECOM Group Sustainability Report 2023 > Appendix > Data tables, page 94

Supplier environmental assessment

GRI 3 Material Topics 2021	3-3 Management of material topics	<p>ECOM Group Sustainability Report 2023 > Managing change through transparency and traceability > Supply chain due diligence, page 58</p> <p>ECOM Group Sustainability Report 2023 > Improving farmer and worker livelihoods > Human rights, page 24</p> <p>ECOM Group Sustainability Report 2023 > Upholding ethical business standards > The Swiss Code of Obligations, page 68</p> <p>ECOM Group Sustainability Report 2023 > Upholding ethical business standards > Client value alignment, page 69</p> <p>Indirect supply chain (medium and large suppliers across coffee, cocoa and cotton): In 2023, we are rolled out the pilot phase of our supplier due diligence questionnaire (Group Sustainability Report box 5.5) across coffee, cocoa and cotton indirects/partner suppliers. The focus of the supplier outreach is for medium/large suppliers. After the pilot, we worked with stakeholders to improve the questionnaire to make it more relevant and targeted for the suppliers. We made it more conditional/tailored for the type of supplier. We also focused the topics more. The questionnaire requests information about the supplier's human rights and environment policies and practices, and readiness for traceability/transparency, and includes more targeted questions about risk factors around forced labour, child labour, deforestation and health and safety. It also covers certifications, environmental permits, and labour and wage practices. For suppliers who have sub-suppliers, it asks whether they have their own supplier code of conduct and how it is enforced. The questionnaire also confirms the supplier's knowledge and commitment to ECOM's Supplier Code of Conduct. At the start of 2024, we rolled out the new version (data collection ongoing). We also engaged the relationship managers across ECOM, and trained them and traders in what the questionnaire entails, what is due diligence, and why we are working on it.</p>
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Emissions

Standard	GRI sector standard ref. no	Disclosure	2023 location and notes
Topic 13.1 Emissions	13.1.1	3-3 Management of material topics	ECOM Group Sustainability Report 2023 > Protecting and regenerating nature > Understanding our emissions, page 39
	13.1.2	305-1 Direct (Scope 1) GHG emissions	ECOM Group Sustainability Report 2023 > Appendix > Data tables, page 93
	13.1.2	305-2 Energy indirect (Scope 2) GHG emissions	ECOM Group Sustainability Report 2023 > Appendix > Data tables, page 94
	13.1.4	305-3 Other indirect (Scope 3) GHG emissions	ECOM Group Sustainability Report 2023 > Appendix > Data tables, page 95
	13.1.5	305-4 GHG emissions intensity	ECOM Group Sustainability Report 2023 > Appendix > Data tables, page 96
	13.1.6	305-5 Reduction of GHG emissions	We have not yet calculated reductions from our baseline; we do not yet have the corporate carbon footprint 2023.
	13.1.7	305-6 Emissions of ozone- depleting substances (ODS)	ECOM Group Sustainability Report 2023 > Appendix > Data tables, page 94
	13.1.8	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	ECOM Group Sustainability Report 2023 > Appendix > Data tables, page 94

Climate adaptation and resilience

Topic 13.2 Climate adaptation and resilience	13.2.1	3-3 Management of material topics	ECOM Group Sustainability Report 2023 > Protecting and regenerating nature > Climate change, page 34
			ECOM Group Sustainability Report 2023 > Protecting and regenerating nature > Developing resilient farming, page 35

Biodiversity

Topic 13.3 Biodiversity	13.3.1	3-3 Management of material topics	ECOM Group Sustainability Report 2023 > Protecting and regenerating nature > Biodiversity conservation and restoration, page 45
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Natural ecosystem conversion

Topic 13.4 Natural ecosystem conversion	13.4.1	3-3 Management of material topics	ECOM Group Sustainability Report 2023 > Managing change through transparency and traceability > EU Deforestation Regulation, page 62
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Soil health

Standard	GRI sector standard ref. no	Disclosure	2023 location and notes
Topic 13.5 Soil health	13.5.1	3-3 Management of material topics	<p>ECOM Group Sustainability Report 2023 > Protecting and regenerating nature > Soil management, page 48</p> <p>See ECOM's Environmental Policy for more information: https://www.ecomtrading.com/media/i0phomok/environmental_policy_2022.pdf</p> <p>ECOM includes the following activities in our strategy to address chemical management or pesticide use: Education of farmers, monitoring, evaluation, and learning, integrated pest management, measures to protect and enhance beneficial insects, safety and exposure, restrictions on pesticides permitted, preference for non-chemical methods, grove renewal, advocacy and pilots.</p>

Pesticides use

Topic 13.6 Pesticides use	13.6.1	3-3 Management of material topics	ECOM Group Sustainability Report 2023 > Protecting and regenerating nature > Fertiliser and crop management, page 49
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Water and effluents

Topic 13.7 Water and effluents	13.7.1	3-3 Management of material topics	ECOM Group Sustainability Report 2023 > Protecting and regenerating nature > Water stewardship, page 53
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	13.7.2	303-1 Interactions with water as a shared resource	<p>ECOM's industrial and processing operations involve water-intensive processes like wet coffee mills, cocoa processing plants, a coffee freeze-dried facility, and a decaffeinated coffee plant. Water for these facilities comes from surface water bodies, private wells, or public utilities. Water permits are required as per the local legislation; following ECOM's E&S Guidelines, all wastewater-producing facilities owned by ECOM must undergo consistent treatment and provide an annual discharge analysis to the E&S Global Team.</p>
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This ensures compliance with local regulations and confirms the effectiveness of the treatment process. High-risk facilities, such as those discharging directly into rivers or using wastewater for irrigation, adhere to the guidelines set by the Global WWPIP, overseen by the E&S Global Team.

The WWPIP, managed by the E&S Global Team, undergoes yearly revisions and updates, particularly during harvest seasons. Site visits are conducted to verify or assess enhancements related to wastewater management. Country-level teams collaborate with the E&S Global Team by providing essential resources and assigning internal responsibilities to meet compliance requirements. Facilities enrolled in the WWPIP report weekly performance indicators as per agreements established with both the E&S Global Team and facility management. On-site measurements are conducted based on annual reports and tailored performance benchmarks. Third-party consultants conduct comprehensive reviews and validation of all actions and analyses at WWPIP facilities at the end of harvest seasons.

If a new processing facility is acquired or constructed at ECOM, the local team must inform the E&S Global Team of all details concerning water consumption, wastewater treatment, and local regulatory requirements for wastewater management. Based on this information, a risk assessment is conducted, and a follow-up plan is established to mitigate these risks. For facilities discharging wastewater directly into a river, an annual water quality study of the river and statistical significance tests of key quality parameters are conducted to assess any significant impacts from the wastewater discharge. The methodology for the water quality study and statistical significance tests is used to determine the impacts of direct discharge. For facilities discharging wastewater into grass irrigation fields, a risk assessment is conducted following ECOM's Irrigation Risk Assessment for Coffee Mills with Irrigation Fields as Wastewater Treatment - Integrated Procedure. Depending on the identified risks, follow-up actions may include constructing and monitoring groundwater wells, conducting groundwater flow surveys and studies, and assessing contaminant transit distribution from irrigation fields.

Management of water resources within the supply chain is primarily handled by sustainability teams working directly in the field and largely governed by certification programmes. Substantial advancements have been achieved, shown by initiatives like the Akawa Project, which is dedicated to identifying and preserving natural water reservoirs throughout Burundi. Through an extensive topographical survey of the region, 36 water sources were assessed based on criteria such as flow, accessibility and current state. Consequently, 20 of these water sources have been secured, spanning across 9 hills and 2 washing stations, thus providing 1,175 households with reliable access to clean, potable water, with additional projects currently in progress.

The process for establishing water-related goals and targets within the organisation's management approach typically involves a comprehensive approach. Initially, sustainability teams, in collaboration with relevant stakeholders, conduct comprehensive assessments of water resources in the areas of operation. These assessments consider factors such as water availability, quality and usage patterns, as well as the local context, including public policy and the level of water stress in each area. Regular monitoring and evaluation mechanisms are put in place to track progress towards these goals and targets, allowing for adjustments to be made as needed in response to changing conditions or emerging challenges.

Water and effluents

Standard	GRI sector standard ref. no	Disclosure	2023 location and notes
	13.7.3	303-2 Management of water discharge-related impacts	<p>All effluent discharges must comply with local regulation and align with the World Bank Group's Environmental, Health, and Safety Guidelines for Food and Beverage Processing, or demonstrate minimal environmental impact at the receiving body where wastewater is discharged.</p> <p>ECOM's partnership with developmental financial institutions requires the application of the World Bank Group's Environmental, Health, and Safety Guidelines for Food and Beverage Processing standard where local legislation does not apply. Internally developed water quality guidelines have been established to manage impacts:</p> <ul style="list-style-type: none"> For facilities discharging wastewater directly into rivers, an annual water quality study of the river and statistical significance testing of key quality parameters will be conducted to assess the impact of wastewater discharge on the watercourse. For facilities discharging wastewater into grass irrigation fields, a risk assessment will be conducted in accordance with ECOM's Irrigation Risk Assessment for Coffee Mills with Irrigation Fields as Wastewater Treatment – Integrated Procedure. All water and wastewater monitoring activities should adhere to ECOM's Monitoring Guide for River Water, Groundwater, and Process and Wastewater. <p>The World Bank Group's Environmental, Health, and Safety Guidelines for Food and Beverage Processing. Certain countries have coffee-specific discharge regulations.</p> <p>When assessing the impact of the discharge, the profile of the receiving waterbody is considered.</p>
	13.7.4	303-3 Water withdrawal	ECOM Group Sustainability Report 2023 > Appendix > Data tables, page 96
	13.7.5	303-4 Water discharge	ECOM Group Sustainability Report 2023 > Appendix > Data tables, page 96
	13.7.6	303-5 Water consumption	ECOM Group Sustainability Report 2023 > Appendix > Data tables, page 97

Security practices

GRI 3 Material Topics 2021	3-3 Management of material topics	<p>Before engaging a security personnel contractor, ECOM accepts its duty to identify all aspects of the work expected of them. In particular, ECOM: (i) considers the environmental, health and safety implications of the proposed job; and (ii) assesses the level of risk associated with the required work, both internally and externally.</p> <p>ECOM makes reasonable inquiries to ensure:</p> <ul style="list-style-type: none"> Personnel providing security are not implicated in past abuses, criminal offences or human rights abuses Those providing security are aware of ECOM expectations and codes of conduct, including Zero Tolerance policy on the use of drugs and alcohol in the workplace Proof of completion of training on the safe use and management of firearms and security threats/risks can be reasonably verified <p>Local ECOM entities assess the need for security officers to be armed. Force is only to be used for preventive and defensive purposes in proportion to the nature and extent of the threat. ECOM considers and, where appropriate, investigates all allegations of unlawful or abusive acts of security personnel, takes actions to prevent recurrence and reports unlawful and abusive acts to public authorities.</p>
GRI 410 Security Practices	410-1 Security personnel trained in human rights policies or procedures	86% of ECOM operations provide training for security personnel. Training requirements also apply to third-party organisations providing security personnel.

Economic inclusion

Standard	GRI sector standard ref. no	Disclosure	2023 location and notes
GRI 3 Material Topics 2021	13.7.3	3-3 Management of material topics	ECOM Group Sustainability Report 2023 > Improving farmer and worker livelihoods > Overview, page 17 Indirect supply chain: We are rolling out the supplier due diligence (Group Sustainability Report box 5.5) questionnaire across coffee, cocoa and cotton indirects/partner suppliers. The focus of the supplier outreach is for medium/large suppliers. This questionnaire requests information about the supplier's human rights and environment policies, and readiness for traceability/transparency, and includes more targeted questions about risk factors around forced labour, child labour, deforestation and health and safety. The first roll-out was done in 2023, and we captured a small section of our suppliers. Based on their responses, we have improved the questionnaire, making it more focused and relevant for different types of suppliers. At the start of 2024, we rolled out the new version.

Local communities

Topic 13.12 Local communities	13.12.1	3-3 Management of material topics	ECOM Group Sustainability Report 2023 > Improving farmer and worker livelihoods > Resilient communities, page 23
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Land and resource rights

Topic 13.13 Land and resource rights	13.13.1	3-3 Management of material topics	ECOM Group Sustainability Report 2023 > Upholding ethical business standards > Land tenure rights, page 70
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Rights of indigenous peoples

Topic 13.14 Rights of indigenous peoples	13.14.1	3-3 Management of material topics	ECOM Group Sustainability Report 2023 > Upholding ethical business standards > Land tenure rights, page 70
	13.14.3	Additional sector disclosures	Locations of operations where indigenous peoples are present or affected by activities of the organisation: Mexico, United States, Costa Rica, Nicaragua, Guatemala, Peru, Colombia, Brazil, China, Papua New Guinea, Nigeria, Uganda, Kenya, Tanzania, Rwanda, Cameroon, Ethiopia, India, Indonesia and Vietnam.

Diversity and equal opportunity

Topic 13.15 Non-discrimination and equal opportunity	13.15.1	3-3 Management of material topics	ECOM Group Sustainability Report 2023 > Upholding ethical business standards > Diversity, equity and inclusion, page 73 ECOM Group Sustainability Report 2023 > Improving farmer and worker livelihoods > Gender equity and social inclusion, page 25 Equality, Diversity and Inclusion Policy: https://www.ecomtrading.com/media/5dtdc1jpo/equality_diversity_and_inclusion_policy.pdf
	13.15.2	405-1 Diversity of governance bodies and employees	ECOM Group Sustainability Report 2023 > Appendix > Data tables, page 99

Forced or compulsory labor

Topic 13.16 Forced or compulsory labor	13.16.1	3-3 Management of material topics	ECOM Group Sustainability Report 2023 > Improving farmer and worker livelihoods > Child and forced labour, page 28 Modern slavery statement: https://ecomtrading.com/media/mbakpiez/modern-slavery-statement2022.pdf
	13.16.2	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	ECOM Group Sustainability Report 2023 > Improving farmer and worker livelihoods > Child and forced labour, page 28 ECOM Group Sustainability Report 2023 > Upholding ethical business standards > The Swiss Code of Obligations, page 68

Child labor

Standard	GRI sector standard ref. no	Disclosure	2023 location and notes
Topic 13.17 Child labor	13.17.1	3-3 Management of material topics	ECOM Group Sustainability Report 2023 > Improving farmer and worker livelihoods > Child and forced labour, page 28
	13.17.2	408-1 Operations and suppliers at significant risk for incidents of child labor	ECOM Group Sustainability Report 2023 > Improving farmer and worker livelihoods > Child and forced labour, page 28 ECOM Group Sustainability Report 2023 > Upholding ethical business standards > The Swiss Code of Obligations, page 68

Freedom of association and collective bargaining

Topic 13.18 Freedom of association and collective bargaining	13.18.1	3-3 Management of material topics	ECOM Group Sustainability Report 2023 > Upholding ethical business standards > Freedom of association and collective bargaining, page 72
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Occupational health and safety

Topic 13.19 Occupational health and safety	13.19.1	3-3 Management of material topics	ECOM Group Sustainability Report 2023 > Upholding ethical business standards > Health, safety and wellbeing, page 74 ECOM Group Sustainability Report 2023 > Upholding ethical business standards > Our policies and procedures, page 66 Social Policy: https://www.ecomtrading.com/media/kfthoj4h/social_policy_2022.pdf Supplier Code of Conduct: https://www.ecomtrading.com/media/1tlnpouc/supplier_code_of_conduct_2022_1.pdf
	13.19.2	403-1 Occupational health and safety management system	ECOM Group Sustainability Report 2023 > Upholding ethical business standards > Health, safety and wellbeing, page 74
	13.19.3	403-2 Hazard identification, risk assessment, and incident investigation	Risk assessments are conducted in all local sites by the local company. The scope covers environmental and social risks of operations and is managed at the ECOM Group level. Quality is ensured by the periodic evaluation of compliance with country regulatory health, safety guidelines and requirements, and international best practices. Processes are carried out by the site's or local company's trained OHS specialist. Each processing/storage facility assesses its specific OHS risks on a periodic basis (the period depends on the country's regulation, upgrades in processing line, and particular events) to implement as part of a Health and Safety Programme and identify the proper prevention measures. Employees are encouraged to use the existing communication channels to express concerns and issues: accident reporting, near-misses reporting, incidents reporting, and direct communications with supervisors. ECOM Group's Social Policy sets out the requirements under which the company must provide safe working conditions to workers. Any breaches of this or consideration from workers to remove themselves from unsafe work situations can be done and expressed under the local grievance mechanism in each country or the Group Speak Up Policy, which has channels to guarantee anonymity and overall protection against reprisal. All accidents and incidents that occur within ECOM's operations or during employees' work hours must be reported. Each event is investigated to determine its root cause and the appropriate preventive/corrective measures. The accident/incident reporting policy requirements apply to all accidents and incidences involving ECOM employees, on-site vendors and contractors, which result in (or might have resulted in) personal injury or illness.

Occupational health and safety

Standard	GRI sector standard ref. no	Disclosure	2023 location and notes
	13.19.4	403-3 Occupational health services	<p>The safety and wellbeing of our employees is a top priority for the ECOM Group. Each operation encompasses various functions aimed at safeguarding the health and wellbeing of workers that include:</p> <ol style="list-style-type: none"> 1. Hazard Identification: OHS conduct comprehensive assessments to identify potential workplace hazards that may pose a risk to employees' health and safety. 2. Minimisation: Once hazards are identified, OHS collaborate with relevant departments and stakeholders to develop effective control measures (for example, modifying work processes, providing PPE). 3. Health Surveillance: OHS facilitate regular health surveillance programmes for employees whose job involves high-risk activities. 4. Training and Education: To raise awareness among employees about workplace hazards, safe work practices, and proper use of protective equipment. ECOM ensures that OHS are staffed with qualified professionals, adhere to country regulations and international best practices, and have a continuous improvement culture.
	13.19.5	403-4 Worker participation, consultation, and communication on occupational health and safety	<p>Where applicable under country regulations, ECOM establishes formal channels for consultation and dialogue between management and workers regarding OHS, such as regular meetings, forums or joint committees where workers can voice concerns, provide input, and contribute to the decision-making processes related to OHS policies, procedures and initiatives.</p> <p>Representatives are selected by the workers. Committees have both employee and management representation, and are given decision-making authority within their designated scope. They play a significant role in making recommendations to management regarding OHS matters and are responsible for promoting and maintaining a safe and healthy work environment. Duties typically include: reviewing and assessing workplace hazards, incident reports and near-miss incidents; participating in the development, implementation and evaluation of OHS policies, procedures and programmes; conducting regular inspections and audits to identify potential hazards and ensure compliance with regulations; analysing injury and illness trends; reviewing and providing feedback on risk assessments, emergency response plans and training programmes; frequency of committee meetings is based on the operation's needs and the complexity of the work environment. Typically, they meet on a regular basis, though this may increase during critical periods, such as during the implementation of new initiatives or in response to emerging risks.</p>
	13.19.6	403-5 Worker training on occupational health and safety	<p>The following training is provided:</p> <ol style="list-style-type: none"> 1. Generic Training: Provides workers with basic knowledge and skills on OHS. This typically covers topics such as: Introduction to OHS laws, regulations and policies; Basic principles of hazard identification, risk assessment and risk control; Safe work practices, including proper use of PPE; Emergency procedures and evacuation protocols; Reporting procedures for incidents, near misses, and hazards 2. Specific Hazard Training: Focuses on risks and hazards that are unique to certain job roles and tasks, for example: Chemical safety; Machinery and equipment safety; Working in confined spaces; Manual handling and ergonomics; Working at heights 3. Hazardous Situations Training: Prepares workers to respond effectively in emergency situations or high-risk scenarios, for example, training on: Fire safety and evacuation First aid and CPR; Emergency response (for example, responding to emergencies, such as chemical spills, natural disasters or workplace violence incidents)
	13.19.7	403-6 Promotion of worker health	<p>The Group facilitates worker' access to non-occupational medical and healthcare services through a multifaceted approach. This includes organising regular general health check-ups, ensuring comprehensive health insurance coverage for employees to access necessary medications and medical care, and conducting health promotion campaigns aimed at promoting healthy lifestyle choices. These initiatives collectively empower employees to prioritise their health and wellbeing, enabling them to address potential health concerns proactively and access essential healthcare services when needed.</p>

Occupational health and safety

Standard	GRI sector standard ref. no	Disclosure	2023 location and notes
	13.19.8	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	The organisation adopts a proactive approach to prevent or mitigate significant negative occupational health and safety impacts that are directly linked to its operations. Each ECOM entity conducts comprehensive risk assessments to identify potential hazards and risks associated with its operations. This involves analysing work processes, equipment, chemicals and other factors that may pose occupational health and safety risks. By identifying these hazards, the organisation can prioritise preventive measures and control strategies.
	13.19.9	403-8 Workers covered by an occupational health and safety management system	ECOM has implemented an occupational health and safety management system based on legal requirements for 100% employees and workers who are not employees but whose work and/or workplace is controlled by the organisation, who are covered by such a system; 100% of all employees and workers who are not employees but whose work and/or workplace is controlled by the organisation, who are covered by such a system that has been internally audited. There are no workers who are excluded from this disclosure. The company performs annual Environmental and Social Monitoring to collect the information directly from each operation.
	13.19.10	403-9 Work-related injuries	ECOM Group Sustainability Report 2023 > Appendix > Data tables, page 97

Living income and living wage

Topic 13.21.1 Living income and living wage	13.21.1	3-3 Management of material topics	ECOM Group Sustainability Report 2023 > Upholding ethical business standards > Living wage and fair employment, page 71
	13.21.2	Additional sector disclosures	4,162 employees covered by collective bargaining agreements during 2023.

Supply chain traceability

Topic 13.23.1 Supply chain traceability	13.23.1	3-3 Management of material topics	ECOM Group Sustainability Report 2023 > Managing change through transparency and traceability > Overview, page 57
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Public policy

Topic 13.24 Public policy	13.24.1	3-3 Management of material topics	ECOM recognises that change needs to be an industry-wide process and engages with all stakeholders. While ECOM does not directly lobby, our change efforts take place through our collaboration with NGOs and industry-wide engagements, including sitting on the steering committee for CFI and the board of WCF. We work with the industry to try and create positive change to address the protection of natural resources. We are also in ECA and ECF, and serve on committees relevant to government legislation like the new EU Due Diligence Legislation.
	13.24.2	415-1 Political contributions	None

Conflict in origins

Standard	GRI sector standard ref. no	Disclosure	2023 location and notes
Conflict in countries	13.21.1	3-3 Management of material topics	ECOM Group Sustainability Report 2023 > Improving farmer and worker livelihoods > Conflict in origins, page 31

Transparent communications

Transparent communications	13.23.1	3-3 Management of material topics	ECOM Group Sustainability Report 2023 > Upholding ethical business standards > Transparent communications, page 69
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Client value alignment

Customer value alignment	13.24.1	3-3 Management of material topics	ECOM Group Sustainability Report 2023 > Upholding ethical business standards > Client value alignment, page 69
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GRI

data tables



General disclosures

Governance structure and composition

Conseil	%
Non-executive members	100
Independent	58
Types of work they perform	Governance
Underrepresented social groups	0
Shareholder representatives	42
Corporate Practices Committee	
Non-executive members	100
Independent	67
Types of work they perform	
Underrepresented social groups	0
Shareholder representatives	33
Audit Committee	
Non-executive members	100
Independent	67
Types of work they perform	
Underrepresented social groups	0
Shareholder representatives	33

Energy

Energy consumption within the organisation

Total fuel consumption within ECOM from non-renewable sources, in joules or multiples, and including fuel types used

Fuel type	2023 (GJ)	kWh
Diesel	212,266.019	58,962,763
Wood	196,075.36	54,465,379
Residual fuel	35,695.047	9,919,291
Oil	0.00	
Petrol	19,416.303	5,393,417
LPG	16,480.134	4,577,815
Natural gas	481,889.34	133,858,149
Other	0.00	
Total	961,822	267,172,834

Total fuel consumption within the organisation from renewable sources, in joules or multiples, and including fuel types used

Coffee husk	163,372.49	45,381,248
Solar electricity	14,264.13	3,962,258
African palm kernel	432,731.52	120,203,200
Other bioresidues	178,370.40	49,547,334
Total	788,739	219,094,041

Energy

In joules, watt-hours or multiples, the total

Energy consumption	2023 (GJ)	kWh
Electricity	324,864.890	90,240,247
Heating	1,625,635.82	451,565,506
Mobile sources	124,924.93	34,701,369
Cooling		
Steam		
Total	2,075,869.607	576,507,122

In joules, watt-hours or multiples, the total

Electricity		
Heating		
Mobile sources		
Cooling		
Steam		
Total	0	0

ECOM does not currently collect data on an annual basis for electricity, heating, cooling or steam sold.

Total energy consumption within ECOM, in joules or multiples

Total energy consumption	2,075,869.607	576,507,122
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Standards, methodologies, assumptions, and/or calculation tools used

Description of standards, methodologies, assumptions, calculation tools	
	Data collected through annual Environmental & Social monitoring survey 2023 for processing/warehousing facilities. The fuels used and electricity are collected in the following units: electricity used (kWh/year), wood or wood residuals (metric ton/year), husk (metric ton/year), natural gas (m ³ /year), diesel (L/year), LPG (kg/year), petrol/gasoline (L/year). Assumption and calculation: Total kWh from fuels obtained by multiplying heat content of the fuel by quantity.

Source of conversion factors used

Description of source of conversion factors used	
	IPCC, DEFRA 2022, EPA 2023

Energy

Energy intensity

Energy intensity ratio for ECOM	Energy intensity ratio	371	kWh/MT product output	Total product output for 2023 was MT.
Organisation-specific metric (the denominator) chosen to calculate the ratio	Metric	MT product output		
Types of energy included in the intensity ratio; whether fuel, electricity, heating, cooling, steam, or all	Types of energy	Local electricity, diesel, coffee husk, solar electricity, wood, residual fuel oil no. 6, petrol/gasoline, liquefied petroleum gas (LPG), natural gas, and African palm kernel+other bioresidues		
Whether the ratio uses energy consumption within ECOM, outside of ECOM, or both	Within, outside, or both	Energy consumption within the organisation		

Emissions

Direct (Scope 1) GHG emissions

Gross direct (Scope 1) GHG emissions in metric tons of CO ₂ equivalent	Data point	2022 (tCO₂e)		For the Sustainability Report 2023, we will publish our 2022 corporate footprint.
	Gross direct GHG emissions	55,191.39		
Gases included in the calculation; whether CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , or all	Gases included	All GHGs		
Biogenic CO ₂ emissions in metric tons of CO ₂ equivalent	Data point	2022 (tCO₂e)		
	Biogenic CO ₂ emissions	We did not report on biogenic CO ₂ emissions		

Emissions

Base year for the calculation, if applicable, including:

Base year	2022
Rationale for choosing it	We recalculated corporate emissions for 2022 and used it as the new base year
Emissions in the base year	55,191.39
Context for any significant changes in emissions that triggered recalculations of base year emissions	By incorporating further dLUC calculations and causal sLUC method for our Scope 3.1, we reduced our footprint by more than 5%, which triggered a re-baseline

Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source

Source
We used DEFRA, which uses mainly IPCC AR5

Consolidation approach for emissions; whether equity share, financial control, or operational control

Description of consolidation approach
Operational control

Description of standards, methodologies, assumptions, calculation tools

GHG protocol corporate reporting standard, ERDA for dLUC emissions concerning deforestation based on GFW

Energy indirect (Scope 2) GHG emissions

Gross location-based energy indirect (Scope 2) GHG emissions in metric tons of CO2 equivalent

Base year	2022 (MT CO2e)
Gross location-based energy indirect emissions	38,526.5

If applicable, gross market-based energy indirect (Scope 2) GHG emissions in metric tons of CO2 equivalent.

Gross market-based energy indirect emissions	4,2708.5
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Gases included in the calculation; whether CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NF₃, or all

Gases included	All GHGs
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Base year for the calculation, if applicable, including:

Gases included	We recalculated corporate emissions for 2022 and used it as the new base year	
Emissions in the base year	42,708.5	MT CO2e
Context for any significant changes in emissions that triggered recalculations of base year emissions	By incorporating further dLUC calculations and causal sLUC method for our Scope 3.1, we reduced our footprint by more than 5%, which triggered a re-baseline	

Emissions

Source of the emission factors and the GWP rates used, or a reference to the GWP source	Source	Ecoinvent (3.9.1 which uses IPCC AR6)
Consolidation approach for emissions; whether equity share, financial control, or operational control	Description of consolidation approach	Operational control
Standards, methodologies, assumptions, and/or calculation tools used	Description of standards, methodologies, assumptions, calculation tools	GHG protocol corporate reporting standard, ERDA for dLUC emissions concerning deforestation based on GFW

Energy indirect (Scope 3) GHG emissions

Gross other indirect (Scope 3) GHG emissions in metric tons of CO2 equivalent	Base year	2022
	Gross other indirect emissions	20.1 million
Gases included in the calculation; whether CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , or all	Gases included	All gases
Biogenic CO2 emissions in metric tons of CO2 equivalent	Biogenic CO2 emissions	18.6 million
Other indirect (Scope 3) GHG emissions categories and activities included in the calculation	Emissions categories and activities	Scope 3.1, 3.2, 3.3, 3.4, 3.5, 3.6, 3.7, 3.9, 3.10, 3.12, 3.15
Base year for the calculation, if applicable, including:	Rationale for choosing it	We recalculated corporate emissions for 2022 and used it as the new base year
	Emissions in the base year	20.1 million
	Context for any significant changes in emissions that triggered recalculations of base year emissions	By incorporating further dLUC calculations and causal sLUC method for our Scope 3.1, we reduced our footprint by more than 5%, which triggered a re-baseline

Emissions

Source of the emission factors and the GWP rates used, or a reference to the GWP source

Source

WFLDB 3.7.1, Ecoinvent, USIO 2021, DEFRA 2022, sustainability reports from investments

Standards, methodologies, assumptions, and/or calculation tools used

Description of standards, methodologies, assumptions, calculation tools

GHG protocol corporate reporting standard, ERDA for dLUC emissions concerning deforestation based on GFW

GHG emissions intensity

GHG emissions intensity ratio for ECOM

Emissions intensity ratio

14.5 MT CO₂e/MT output product

Total output for 2022 was 1,395,663 MT.

Organisation-specific metric (the denominator) chosen to calculate the ratio

Metric

MT output product

Types of GHG emissions included in the intensity ratio; whether direct (Scope 1), energy indirect (Scope 2), and/or other indirect (Scope 3)

Types of energy

Scopes 1, 2 and 3

Gases included in the calculation; whether CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NF₃, or all

Gases included

All gases included

Water and effluents

Water withdrawal

Total water withdrawal from all areas in megaliters, and a breakdown of this total by the following sources:

Data point	Megalitres
Surface water	180,418.514
Groundwater	962,087.8
Seawater	0.00
Produced water	0.00
Third-party water	851,538.458
Total	1,994.04477

Water discharge

Total water discharge to all areas in megalitres, and a breakdown of this total by the following types of destination, if applicable:

Data point	Megalitres
Surface water	95.845
Groundwater	512.012
Seawater	0.00
Third-party water	0.00
Total	643.633

Water and effluents

Total water withdrawal from all areas in megalitres, and a breakdown of this total by the following sources:

Volume of this total sent for us to other organisations, if applicable 0

Water consumption

Total water consumption from all areas in megalitres

Total water consumption 451.773

Occupational H&S

Work-related injuries

For all employees:

Data point	Number
Number of fatalities as a result of a work-related injury	0
Rate of fatalities as a result of a work-related injury	0
Number of high-consequence work-related injuries (excluding fatalities)	20
Rate of high-consequence work-related injuries (excluding fatalities)	1
Number of recordable work-related injuries	148
Rate of recordable work-related injuries	8
Main types of work-related injury	General wounds (16%), Same level falls (15%), Falls from heights (11%) and Excessive physical exertion (10%)
Number of hours worked	18,752,000

includes serious accidents

For all workers who are not employees but whose work and/or workplace is controlled by the organisation

Number of fatalities as a result of a work-related injury	0
Rate of fatalities as a result of a work-related injury	0
Number of high-consequence work-related injuries (excluding fatalities)	0

Occupational H&S

Rate of high-consequence work-related injuries (excluding fatalities)	0
Number of recordable work-related injuries	26
Rate of recordable work-related injuries	Rate not available
Main types of work-related injury	Same level falls
Number of hours worked	Not available

The work-related hazards that pose a risk of high-consequence injury, including:

How these hazards have been determined

1. Regular safety inspections to identify potential hazards
2. Analysing accident reports
3. Reviewing industry standards and regulations
4. Involving employees to help uncover hazards that may otherwise go unnoticed

Which of these hazards have caused or contributed to high-consequence injuries during the reporting period?

Work on heights

Actions taken or underway to eliminate these hazards and minimise risks using the hierarchy of controls

Installing lifelines, providing training and assuring all employees performing the task have a working permit to do so

Any actions taken or underway to eliminate other work-related hazards and minimise risks using the hierarchy of controls

Description of actions taken or underway

The OHS risk assessment includes the identification of actions following the hierarchy of controls:

Elimination/Replacement: replacing malfunctioning machinery

Engineering controls: installing machine guards or barriers to prevent access to hazardous areas

Administrative controls: conducting regular safety training programmes and refresher courses

Use of PPE: providing workers with appropriate PPE

Occupational H&S

Whether the rates have been calculated based on 200,000 or 1,000,000 hours worked

What were the rates calculated based on?

1,000,000

Whether and, if so, why any workers have been excluded from this disclosure, including the types of worker excluded

Description of whether and, if so, why any workers have been excluded from this disclosure, including the types of worker excluded

N/A

Any contextual information necessary to understand how the data has been compiled, such as any standards, methodologies, and assumptions used

Contextual information

The company performs annual Environmental and Social Monitoring to collect information directly from each operation. Local operations register serious accidents through a Global Human Resources reporting system; the rest of the accidents are reported locally registering the information on an accident report book.

Glossary of terms

Term	Definition
Agroforestry	<p>A plan and criteria specific to the farmers' needs, interests and abilities developed in a participatory process and agreed upon with farmers based on an assessment of the ability for the plan to deliver the three benefits (productivity, economic and environmental). A landscape assessment is acceptable and can be used instead of farm-specific assessments if it is adapted to farmers' needs, interests and abilities when implemented. The plan considers and incorporates the following:</p> <ul style="list-style-type: none"> a. A farmer's production goals, profit targets, interests, ambitions and abilities regarding adoption of agroforestry. b. A farm's soil, climate, size, current planting density and other crop density, current yields and net profit. c. The tree species, planting density/design, timeframe, labour requirements and financial investment needed to deliver the three benefits most effectively. d. Details on how each farmer will receive the technical support, coaching, inputs and finance that they need to be successful. e. Information from a market assessment that identifies the market demand and accessibility for a farmer to sell the agroforestry products identified in the plan.
Carbon reduction roadmap	<p>The purposeful reduction of a carbon footprint through the scientific analysis of a supply chain, mapped out through a comprehensive, long-term plan.</p>
Causal sLUC	<p>The causal sLUC refers to a methodology to estimate greenhouse gas (GHG) emissions reflecting the direct responsibility of a commodity in relation to land use change, when farm-level traceability data is not available. A causal sLUC indicates that, although land use change values generated may not be supply chain specific (not a dLUC), they still provide a more accurate value as opposed to sLUC values that rely on high-level crop statistical data. The causal sLUC can therefore show the direct responsibility of, for example, cocoa through advanced satellite imagery and commodity-specific maps. In the absence of farm-level traceability data, it is best practice to use a causal sLUC based on a cocoa map of the country/supply shed a company procures volume from.</p>
Certified	<p>Cocoa, coffee, or cotton that has been certified by Rainforest Alliance, Fairtrade or Organic or any other third-party certification.</p>
Child protection and the prioritisation of education training	<p>Informal or non-formal education based on a curriculum and delivered to farmers using best practice methods for adult learning. It is focused on increasing knowledge, understanding and skills. It can be delivered one-on-one or in groups and can be continual or a one-off. The training curriculum includes all four core topics as per industry standards:</p> <ol style="list-style-type: none"> 1. What is child labour? 2. What types of work are children allowed/not allowed to do? 3. What activities are hazardous? 4. What are the associated risks?

Glossary of terms

Term	Definition
Climate-smart agriculture (CSA) training	Aims to mitigate carbon emissions from cocoa agriculture and help farmers to adapt to the negative impact of climate change on cocoa production and to adapt agricultural practices, if necessary. CSA is not one action; it is rather an approach consisting of several possible actions. CSA is also not a 'one-size-fits-all' approach that is the same for every cocoa farmer; it depends on the specific impact of climate change (the identified climate threat) in a certain area and the capacity of the farmer to respond to this and apply suitable CSA practices.
Counterparty	A legal entity or group on the opposing end of a financial transaction or contract, often to which financial risk exists.
ECOM Group	Our global operations, which cover the Cocoa division, as well as all our other commodities and operations (e.g. coffee, cotton etc.).
Economic resilience	The ability of an economic or socio-economic system to withstand sudden changes or disasters.
Environmental, social and governance (ESG)	Refers to company practices around, impacts on and efforts to manage environmental, social and governance performance in such a way as to minimise negative impacts and amplify positive outcomes, both materially and from a reputational perspective.
Farm	The total amount of productive cocoa land the farmer manages and harvests from. In many cases, there is a collection of multiple plots for one farmer.
Farmer	One person in a single residence on a farm where the primary occupation of the household is the operation of a farm.
Implement	Can be done directly by the organisation itself or its suppliers, or indirectly by building capacity among local communities or by supporting local public actors.
Improving/Good agricultural practices (GAP)	Agricultural methods that include pruning, pest and disease management, weed management, shade management and harvest management, among others. These practices are promoted to farmers to improve sustainable crop production, and the basic environmental and operational conditions necessary to produce safe, clean and healthy agricultural commodities.

Glossary of terms

Term	Definition
Income diversification programmes	Programmes that increase the proportion of income derived from non-cocoa /coffee farm sources.
Net Zero	Achieving a balance between the amount of emissions produced and those removed from the atmosphere in order to reduce global warming.
Origin-sourced supply chain	All products purchased through an ECOM-managed operation in a sourcing country. Beans do not have to be sustainable or under a programme.
Partner-sourced supply chain	All cocoa or coffee beans purchased through a third-party/non-ECOM managed origin operation. These can be certified or conventional.
Responsible practices and trade	To actively and consciously ensure that methods and operations within a supply chain do not cause significant negative effects on people, communities or the environment.
Sustainable	A farm that operates under the interventions or investments made to support cocoa sustainability related to economic sustainability (farmer livelihoods, income, productivity, alternative income generation or living income measures), social sustainability (working towards the elimination of child labour and forced labour, community development, and women and youth empowerment) or environmental sustainability (working towards the elimination of deforestation, reforestation, climate-smart practices or agroforestry). It must be third-party verified and include components of traceability. It does not include Organic but does include Rainforest Alliance or Fairtrade certification.
Traceability to farmer or community/farmer organisation	<p>Product traceability in the cocoa and coffee sector is the “ability to follow the physical movement and/or mass conformity of cocoa through specified stage(s) of production, processing and distribution” (International Organization for Standardization (ISO), African Regional Standards (ARS).</p> <p>Traceability to farmer: In a traceable supply chain to farmer level, polygons or GPS points are the standard for all farms, with unique farmer IDs tracked to first purchase point.</p> <p>Traceability to community/farmer organisation: In a traceable supply chain to community/organisation level, GPS points are the standard for the first transaction point in the cocoa/coffee supply chain, where cocoa/coffee transfers from the farmer’s control to the control of a subsequent supply chain actor.</p>



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