

Racafé



Sustainability Report



www.racafe.com

Contents

Our legacy	1
Outstanding issues	2
Our purpose is to generate value	3
CRECER – contributing to sustainability by growing together	4
Racafé in numbers 2023: Economic, Environmental and Social	5
Our value chain is our activity's core thrust	8
Our coffee makes a difference in the world	9
Making actions tangible: contribution to the SDGs	10
Our goals for 2024	11

We celebrate 70 YEARS contributing to productive and sustainable development

At Racafé, year 2023 was one of keeping up our commitment and proving that sustainability is a fundamental cornerstone of our organization. The economic, environmental, and social challenges facing our country, as well as those specific to our sector, played a crucial role in determining our actions. We focus on generating value in a targeted way for all actors in our value chain.

We work to strengthen the traceability of our value chain.

We have reached important achievements in sustainability by continuing to guarantee our products' traceability. We significantly moved forward and received recognition by the GCP for the implementation of our internal sustainability standard, CRECER.

The recognition by the GCP of CRECER 2.0 as equivalent to the coffee SR code, is a guarantee of 2nd party assurance that reflects our strong commitment with the implementation of concrete actions to improve sustainability throughout our value chain. This validation offers security both to our clients and our producers. By obtaining this recognition, Racafé reaffirms its commitment to back up a sustainable and thriving coffee industry for future generations. We will continue to

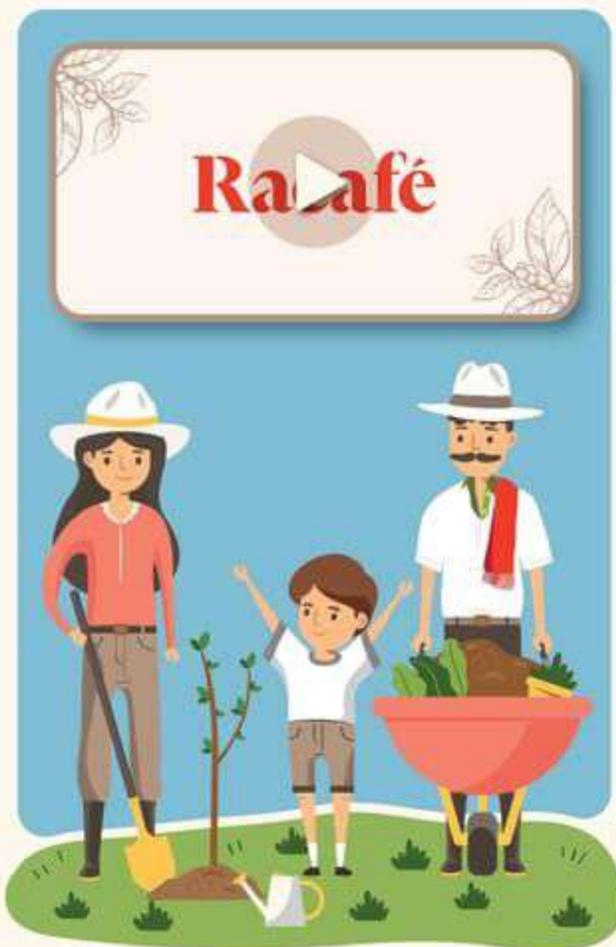
collaborate as members of GCP for sustainability along with other leading organizations.

Additionally, we wish to express our recognition of all our leaders' efforts, especially those working on the fields providing support for farmers, sharing their experience, and giving example of values of collaboration and resiliency.

“

In the journey towards sustainability every word uttered reflects our commitment.

At Racafé, we cultivate a CONSCIOUS and SUSTAINABLE future. Together we create a lasting impact. Sustainability that resonates, actions that last!”



OUTSTANDING ISSUES: a year of significant achievements

JANUARY



We started our year-long 70th anniversary celebration.

In all regions where we operate, in Switzerland and in our main office.



We are part of the companies who joined the 2050 Vision Colombia commitment promoted by CECODES.

MARCH



We presented our 7th sustainable management report for the year 2022.



OCTOBER



We held the 8th Logistics and Ports Operations Symposium with the participation of milling plants' managers and supervisors.

NOVEMBER



We received the GCP recognition for CRECER 2.0 as equivalent to the Coffee SR code, guarantying 2nd party assurance.



We were nominated and shortlisted for the Emprender Paz award for our CRECER sustainability Standard initiative, highlighting our transformative impact on territories.

DECEMBER



We received the HACCP certification.

“ Every page of our **sustainability report** contains the history of **our commitment** to caring for the planet and the communities that inhabit it. Let's continue to write together a sustainable, hopeful future. ”

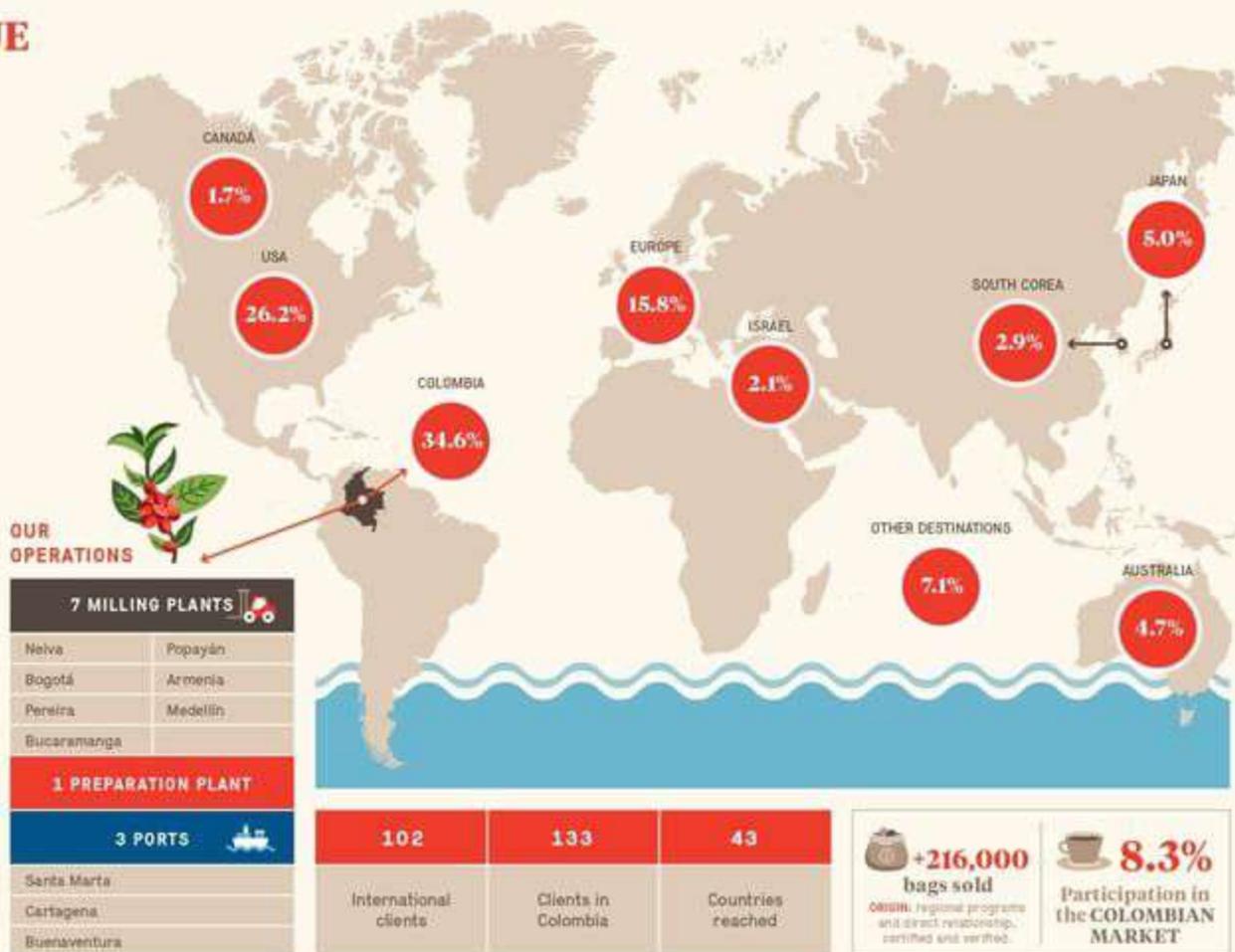
Our purpose is to generate VALUE

From its foundation, Racafé has been an organization committed to productive development considering sustainability standards that are made tangible by everything we do.

OUR AMBITION

Is to scale the traditional value of an activity such as coffee growing through innovation and good economic, environmental, and social management.

VALUES THAT MOVE US	OUR STRATEGIC PRIORITIES
<ul style="list-style-type: none"> Excellence Innovative spirit 	To offer a product with high added value.
<ul style="list-style-type: none"> Commitment to the country Justice and equity 	Developing inclusive businesses by integrating coffee growers and building relationships with them.
<ul style="list-style-type: none"> Honesty Diligence Discretion 	Having a tool to generate changes in the coffee producers' productive systems based on a progressive process of constant improvement that takes them towards sustainable practices in social, environmental, and economic aspects.



CRECER contributing to sustainability by growing together

WHAT FOR?

To promote sustainable forms of continuous participation throughout the coffee's production chain. To implement an **INTERNAL SUSTAINABILITY STANDARD** that support communities:



FOR WHOM?

Improving the life quality of coffee growing families in terms of:

Efficient use of natural resources



ENVIRONMENTAL

Improving quality of life for coffee-growing families



SOCIAL

Improving quality



ECONOMIC

In 2023 we worked in a targeted way to align and improve our standard, moving on to **CRECER 2.0**. Thanks to this we received the GCP recognition as equivalent to the Coffee SR code, guarantying 2nd party assurance, showing our strong commitment to the implementation of concrete actions meant to improve the sustainability standard of our value chain.



Learn more here



WHAT DOES CRECER 2.0 MEASURE?

Currently constituted by **24 INDICATORS** that cover aspects of environmental, social, and economic interest:

8

ENVIRONMENTAL

- Biodiversity
- Soil management
- Organic waste
- Inorganic waste
- Pesticide management
- Wastewaters
- Ecosystem services
- Climate change

8

SOCIAL

- Dissemination
- Associativity
- Training
- Research and development
- Intergenerational
- Food security
- Work hours
- Conditions and infrastructure

8

ECONOMIC

- Subproduct use
- Diversification
- Crop plan
- Business plan
- Bonification
- Fertilization
- Fermentation
- Drying

● New Indicator

Generated economic value, which is DISTRIBUTED

We are committed to maintaining high transparency and efficiency standards with our operation's costs, aiming to generate value, both within the organization and among our groups of interest.

The growth of our business is supported by Risk Management, Internal Control, and the implementation of International Financial Reporting Standards, IFRS, which guide our financial operations.

ECONOMIC VALUE*		2022		2023	
Generated	100%	\$1,372,944	100%	\$1,065,808	
Distributed	99.1%	\$1,362,679	99%	\$1,060,474	
Retained	1.2%	\$10,265	0.5%	\$5,336	

VALOR ECONÓMICO DISTRIBUIDO*		2022		2023	
 Operational costs: investments in fixed assets, environmental, operation, infrastructure, and sustainability		\$1,882	\$1,005		
 Employee's salaries and benefits		\$20,229	\$22,119		
 Payments to creditors		\$16,019	\$20,168		
 Government taxes		\$31,654	\$10,494		
 Investments in the community		\$2,967	\$2,068		

*Numbers in million COP

2023 RESULTS ECONOMIC ASPECTS

937,338
COFFEE BAGS (60kg) sold.

21.3%
of total sold COFFEE BAGS come from regional programs and direct relationships.

+251,700
bags of CO-PRODUCT traded.

We reached **98 PORTS** around the world.

We bought in **228** Colombian municipalities.

We bought from **130** local or intermediate associations.



RELATED SDGS



Our participation in the **GLOBAL market** of ARABIC COFFEE **1.07%**

Our participation in the **colombian market** **8.3%**

We exported **1,800** CONTAINERS throughout the year

90% freight efficiency

5,612 SUPPLIERS between coffee producers, logistics, and functioning

WE ASSESSED **4,369** suppliers in sustainability aspects, 15% more than in 2022



BASC V6 CERTIFICATION for 7 milling plants, which shows a constant improvement of our Supply Chain Security Management System, which is part of the preparation for OAS revalidation.

2024 COMMITMENTS

- AEO revalidation before the DIAN and the antinarcotics policy.
- BASC V6 recertification for the main office and milling plants.
- Achieve higher efficiency on developing of the APP for clients to see their shipments in real time.
- Maintain HACCP certification for our 7 milling plants.
- Train our **quality** team in new challenges facing the Colombian coffee-growing industry.

Environmental protection

We are committed to moving forward in our operation and promoting our sustainability commitments among all our groups of interest. This entails optimizing natural resources, an effective waste management, climate change mitigation, and the active defense of biodiversity, all this in line with human rights protection.

2024 COMMITMENTS

- To participate in the PREAD environmental excellence program with our Bachué branch office in order to reach an **Elite level**.
- To give continuity to the energetic efficiency project along with our partner VERTEBRA.
- To work on reducing of our **scope I** carbon footprint.

2023 RESULTS ENVIRONMENTAL ASPECTS

We achieved Environmental Excellence Level at the PREAD program.



WE MILLED **27,685** bags using **RENEWABLE (SOLAR) ENERGY**.

We generated **5% MORE SOLAR ENERGY**.

We continue to work under the Coffee, Forests and Climate agreement.



We initiated the pilot project of monitoring **CERO DEFORESTACIÓN** in the supply chain along with our partner ECOSOCIAL.



CLIMATE CHANGE AND EFFICIENT USE OF NATURAL RESOURCES IN OUR OPERATIONS

GHG emissions

SCOPE I AND II:

0.44 kgCO₂/milled bag



TOTAL EMISSION FOOTPRINT distribution percentage

SCOPE I	0.9%
SCOPE II	25.6%
SCOPE III	73.5%

We avoided the emission of **68.29 CO₂ TONS**

The equivalent of **530** new mature trees



SOLAR energy produced (kWh)



2022
146,311

2023
153,728

We achieved a substantial INCREASE in recycled WASTE



2022
754 kg

2023
3,368 kg

Water consumption **4,928 m³**

+1,458 Million COP INVESTED in sustainability and environmental ACTIONS



Our workforce and communities

With our actions we are committed to offering wellbeing, development, and a fair treatment to all our collaborators. Likewise, we promote among our groups of interest sustainable development schemes that contribute to improving their economic and social conditions and help them provide better care of their natural environment as a main source of life.

2024 COMMITMENTS

- Define and execute a **leadership** program for milling plant managers
- Establish clear objectives to assess performance of first and second level positions.
- Develop and disseminate a **gender equality** policy and provide actions for its fulfillment.
- Guarantee milling plant management succession by preparing three seedbed members.
- Assess psychosocial risk in all offices.
- Implement a **road security** strategic plan.
- Carry out internal audits of the **Safety and Health in the Workplace** management system in all offices.
- Train and certify emergency response personnel in all offices.



2023 RESULTS SOCIAL ASPECTS

We have **263** directly associated collaborators.  26.8%  42.3%

With **CoreWoman** we began a process to work on **GENDER EQUALITY**.

We carried out **3 VOLUNTEER** programs in our areas of operation, which included the donation of computing equipment and sports gear, as well as locative reparations in local schools.

+\$2,081 Million COP invested in the community.

(Donations, producer development and strengthening, investments on funding for the community, Bolívar Guaviare Fundación PSA, Fortalecer primas)



RELATED SDGS



RESPONSIBLE HUMAN RESOURCE MANAGEMENT

New hiring **RATE** **21%**  39%  61%

We reduced the **TURNOVER** rate by **13%**  compared to the previous year

Workforce skill development:

BETTER LEADERS program for 8 milling plant managers

15 analysts trained in **EMOTIONAL INTELLIGENCE**

Development of technical and soft skills with machine operators

More than **\$2,600** MILLION COP in **BENEFITS** to employees

1,854 training hours for employees 

SAFETY AND HEALTH WILL ALWAYS BE FIRST

12 injuries caused by **WORKPLACE ACCIDENTS**

Deaths	0
Accidents with major consequences	0

In order to face challenges, we measured **SAFETY CULTURE** in **100%** of working sites 

SKILL DEVELOPMENT TO GUARANTEE QUALITY

22

quality analysts, traders and supervisors trained in sensory analysis

15 Q-GRADERS CERTIFIED

7 BEING TRAINED TO BE Q-GRADERS

Our VALUE CHAIN is our activity's core thrust



PROJECTS WITH PARTNERS

Fundación Bolívar Davivienda

STRENGTHENING soft skills of managers in **4 ASSOCIATIONS** impacting 423 coffee growing families, in 95 villages across 7 Colombian municipalities.

7%
SALES
GROWTH

21%
CLIENT
GROWTH



STARBUCKS

We continue to FACILITATE environmental initiatives to reduce water consumption and decrease carbon footprint at the source.



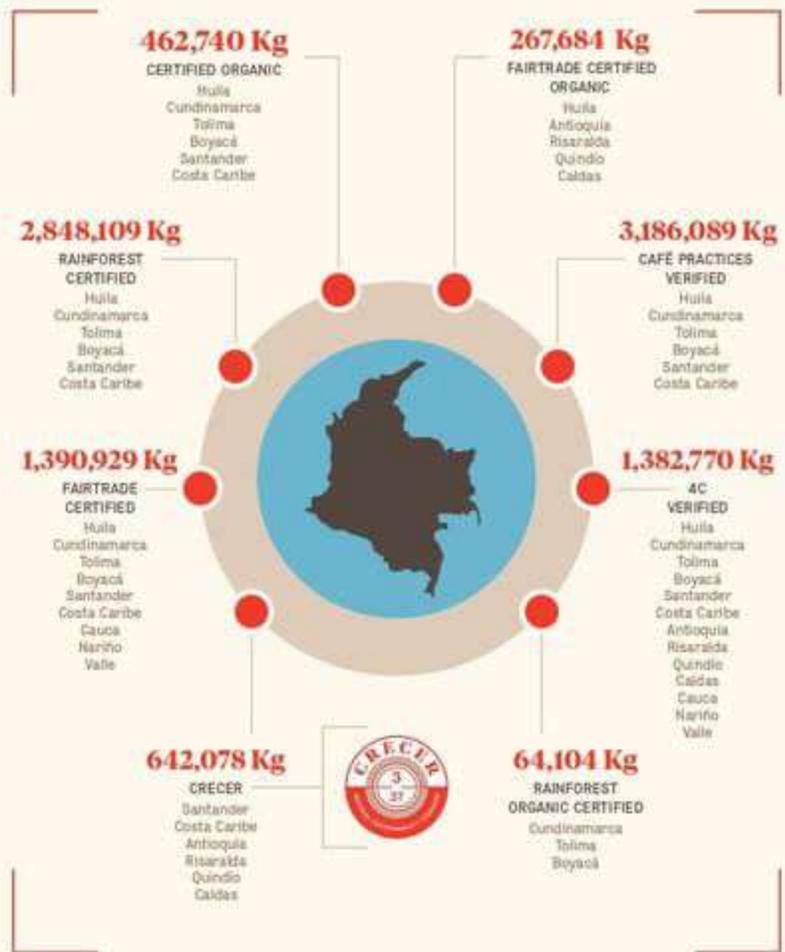
2024 COMMITMENTS

- Implement **CRECER** in its 2.0 version.
- Map out lots according to European regulation.
- Maintain Voluntary Sustainability Standards.
- Improve accuracy in national, departmental, and municipal production forecasts.

Our coffee makes a DIFFERENCE in the world

We focus our efforts on guaranteeing that the coffee we produce complies with the highest quality standards demanded by our clients. In order to support this pursuit of excellence we have different certifications that validate and sustain the quality of our product.

PRODUCTS TRADED IN 2023		
		
CERTIFIED AND VERIFIED COFFEES	COFFEES FROM REGIONAL AND DIRECT RELATIONSHIP PROGRAMS	CONVENTIONAL COFFEES
4C	Regional coffees (per province and municipality)	Pasilla
C.A.F.E. Practices	Coffees from producers' association or group	Consumo
Rainforest Alliance Certified	Farm coffees	Product of Colombia
Fairtrade	Special cup score	Excelso
Organic (Colombia, EGS-EC, JAS, NOP-USDA)		Supremo
CERTIFICATIONS WITH PRODUCT STANDARDS AND SUPPLY CHAIN VERIFICATIONS		SOCIAL RESPONSIBILITY AND GOOD BUSINESS PRACTICES
     		  



Making actions tangible:

CONTRIBUTION TO THE SUSTAINABLE DEVELOPMENT GOALS (SDGS)

Through the application of SDG Compass, we align and focus our contribution to this Global Agenda and prioritize our actions to address climate change, the loss of nature and growing inequality.



PEOPLE

2.3 DOUBLE THE AGRICULTURAL PRODUCTIVITY AND THE INCOMES OF SMALL-SCALE FOOD PRODUCERS.

We partnered with CoreWoman to train 50 women producers in socioemotional skills.

2

ZERO HUNGER



PLANET EARTH

12.1 IMPLEMENT THE 10 YEAR SUSTAINABLE PRODUCTION AND CONSUMPTION FRAMEWORK.

12.2 SUSTAINABLE MANAGEMENT AND USE OF NATURAL RESOURCES.

Executing projects such as: Compost pits (12), drying units (26), home gardens (10), completion of two quality contests, delivery of coffee seedlings and of fertilizers to renew coffee plantations.



13.1 STRENGTHEN RESILIENCE AND ADAPTIVE CAPACITY TO CLIMATE-RELATED DISASTERS.

13.2 INTEGRATE CLIMATE CHANGE MEASURES INTO NATIONAL POLICIES, STRATEGIES, AND PLANNING.

We have enabled the installation of 68 ecologic benefit equipment with Ecowasher technology promoting low water consumption (average consumption of 0.4 liters of water per kg of parchment).



15.2 PROMOTE SUSTAINABLE MANAGEMENT OF ALL TYPES OF FORESTS.

15.3 COMBAT DESERTIFICATION, RESTORE DEGRADED LAND AND SOIL.

We have a permanent monitoring system through CRECER. In 2023 we got to comprehensively map out 497 lots which allowed us to get a more detailed knowledge of total area distribution and crop disposition.



PEACE

16.5 REDUCE CORRUPTION AND BRIBERY.

100% of our suppliers were assessed through SASRILAFT in order to identify corruption related risks.



ASSOCIATIONS

17.11 INCREASE EXPORTS OF DEVELOPING COUNTRIES.

17.16 ENHANCE THE GLOBAL PARTNERSHIP FOR SUSTAINABLE DEVELOPMENT.

17.17 PROMOTE EFFECTIVE PARTNERSHIPS.

Active participation as a commercial partner in the sustainability project with Colombia Sostenible, CAFISUR and the ACEDGA associative group providing resources in equipment, raw materials, and technical assistance.



Our goals for 2024 to guarantee a sustainable value chain



FOCUS	OBJECTIVE	2023 GOAL	2023 REAL	2024 GOAL
ECONOMIC	Storage cost per bag	==	↓ 13%	==
	Freight efficiency	93%	95%	==
	Obtain the Authorized Economic Operator (AEO) - BASC certification	Maintain AEO Certification	AEO certification	Maintain AEO Certification
	Maintain transport cost per bag	↑ 32%	↑ 47%	↑ 4%
	Contributes to the continuity of the business	5 supervisors ready for promotion	100%	5 supervisors ready for promotion
ENVIRONMENTAL	Maintain kW consumption per bag	Maintain same consumption	↑ 15%	Decrease to 3kW per bag
	Reduce carbon footprint	↓ 3%	↓ 23%	↓ 3%
SOCIAL	Reduce extra hours in milling plants	↓ 55%	↓ 50%	↓ 55%
	Develop new coffee programs	10%	8%	10%
ASG	Implement CRECER (our internal sustainability standard)	500 farms	497	Implement version 2.0 in 400 farms
TRANSVERSAL	SUSTAINABILITY strategy	2024 GOAL Update and disseminate sustainability policy		