

Racafé



Sustainability Report

2024



Traceability and transformation: growing together towards a sustainable future

www.racafe.com

Contents

Introduction	1
Our purpose is to generate value	2
Our management in numbers 2024	3
Most significant projects: Generating impact and sustainable innovation	4
CRECER – growing hand in hand with coffee growers	6
Materializing our commitment to sustainability	7
Commitments to quality and sustainability	11

INTRODUCTION

Traceability and transformation: growing together towards a sustainable future

Year 2024 was a challenging period for the coffee growing industry, both at global and local levels due to the increasingly visible effects of climate change, the evolution of stricter environmental and social regulation and a growing market volatility. These factors have significantly redefined the coffee trading dynamics demanding more resiliency and capacity to adapt throughout the value chain.

In this context, at RACAFE we strongly believe that challenges can become opportunities. This is why we continue to work to strengthen our relationship with clients, partners, coffee providers, and collaborators whose trust and commitment enable our ongoing contribution to the country's development and our consolidation as a key actor in the sector's sustainability.

From a financial perspective, 2024 was marked by high volatility in coffee prices, reaching historic levels in the last trimester, a phenomenon that had not been seen in over 50 years. This situation pushed us to reinforce our financial management and planning strategies in order to guarantee that our company stays healthy and able to keep up its commitments in the midst of an uncertain environment.

Sustainability has been a fundamental cornerstone for RACAFE since its foundation. This is why in 2024 we reaffirm this co-

mmittment by updating our sustainability policy, a key instrument that will allow us to strengthen our management and foresee upcoming changes in the sector. In a context in which climate change, loss of biodiversity and growing inequality are the three main global challenges, it is fundamental that strategies adopted by coffee companies are more resilient, innovative, and aligned with international standards.

In accordance with this commitment, we have strengthened our value chain monitoring systems, aiming to report more precisely and transparently on critical aspects such as deforestation, conservation of biodiversity and the responsible use of natural resources. Also, through our internal sustainability standard, **CRECER**, and other certifications, we continue to promote sustainable practices that allow our producers to advance on their way towards more resilient and competitive coffee growing businesses.

We know that challenges will be increasingly complex but at RACAFE we work daily to better understand these challenges and contribute to building a more prosperous future for all.

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Since our foundation, sustainability has been a fundamental cornerstone in each of RACAFE's decisions. This is why our strategy focuses on key material issues, prioritizing areas where we can generate more impact for our stakeholders, while we strengthen our company's strategy.

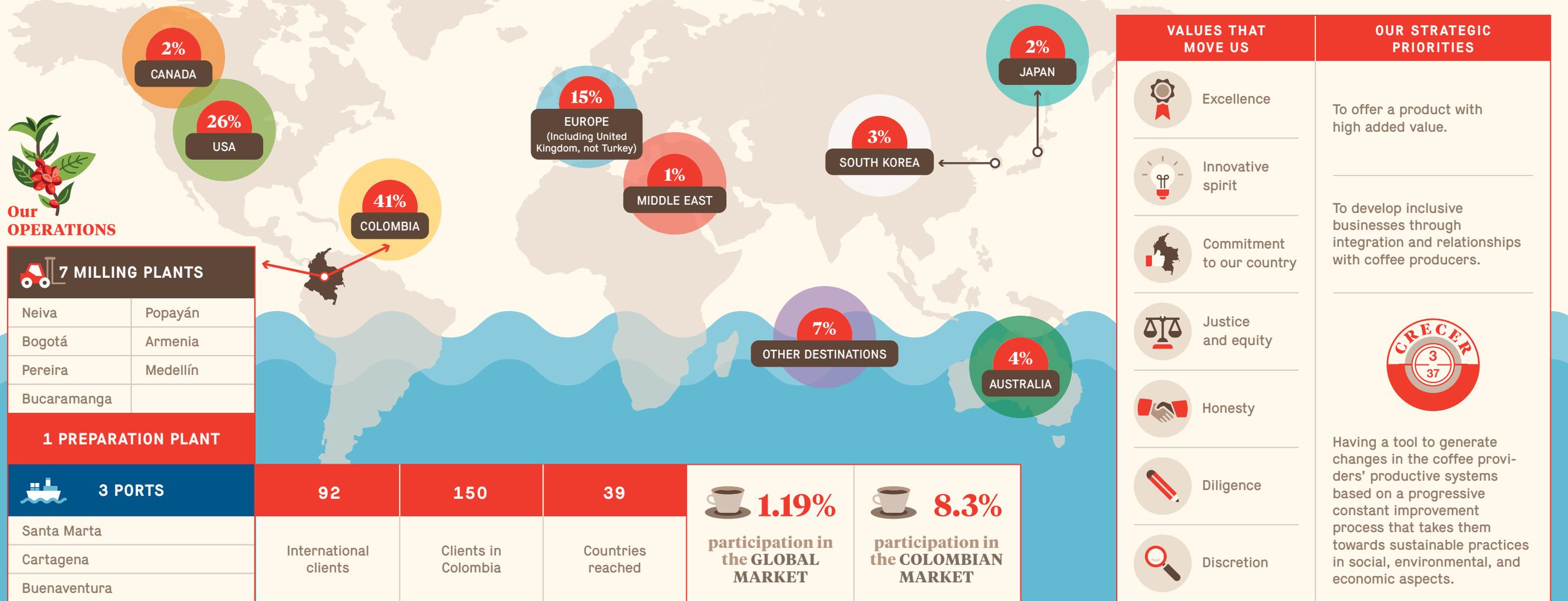
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Our purpose is to generate value

We are one of Colombia's main green coffee traders focused on product purchase, milling, trade, and development. We incorporate sustainability principles in our management, driven by responsible consumption and inclusive productive models that strengthen our operation and that of the entire value chain.

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



Our management in numbers 2024



Leaders in environmental commitment

OPTIMIZE AND PROTECT NATURAL RESOURCES TODAY IN ORDER TO GUARANTEE THEIR FUTURE

WE INCREASED the use of renewable energy by **10%** compared to 2023

WE MILLED 30,493 coffee bags (60 kg) using RENEWABLE (solar) energy

WE REDUCED by **0.2%** the amount of energy (Kwh) consumed per coffee bag (70kg)



Wellbeing, productivity, and innovation

CONTRIBUTE TO THE DEVELOPMENT AND WELLBEING OF COMMUNITIES THAT SURROUND US

WE SOLD 257,352 coffee bags (60 kg) from regional programs and direct relationships, certified and verified

WE INCREASED by **37%** the investments in productivity and community development projects

100% of our collaborators are DIRECTLY ASSOCIATED. In 2024, we had a total of **277 COLABORATORS**



Efficiency and transparency in our operations

BUILDING NETWORKS TO GENERATE VALUE IN THE LONG TERM

WE SOLD 1,148,428 coffee bags (60 kg), 23% more than in 2023

WE TRADED 335,741 bags of coproducts (60 kg), 33.4% more than in 2023

WE INCREASED by **11%** our global participation compared to 2023

NEW SUSTAINABILITY POLICY

We updated our commitment to sustainability establishing a referential framework aligned with: the SDGs (Sustainable Development Goals), the UN's guiding principles of Human Rights and Companies, the Paris Agreement and applicable local regulation, so that we continue to ensure that our actions are ethical and transparent.

4 ACTING PRINCIPLES

1. Responsibility and transparency
2. Sustainable management of operations
3. Management of Indirect impact on stakeholders
4. Communication and innovation



Most significant projects: Generating impact and sustainable innovation

TRACEABILITY, CLIMATE, AND BIODIVERSITY IN ACTION

In line with our Sustainability policy and as members of the Coffee, Forest, and Climate Agreement, we have significantly progressed in the implementation of technological mechanisms to ensure the monitoring and traceability of our value chain.

TECHNOLOGY AS A STRATEGIC PARTNER

- Our specialized software Cafesys: tailor made to store and monitor key information in farms allowing for responsible and efficient management.

MONITORING SYSTEM COMPOSITION

- **Information gathering:** detailed registry of the farms' characteristics.
- **Analysis:** integration of external tools, such as satellite images to identify possible deforestation cases and legal compliance according to predefined parameters and aligned with international regulation.
- **Results:** farm classification according to risk level.



PROGRESS



5,282 ACTIVE farms

ACTIVE farms

4,152 Farms UNDER 4Ha

Farms UNDER 4Ha

1,130 Farms OVER or EQUAL to 4Ha

Farms OVER or EQUAL to 4Ha

99.6% of farms Do not present a **DEFORESTATION RISK**

73% Captured geo locations



Protected areas (RUNAP)	1.5%
Ethnic minority territories	0.7%
RAMSAR paramos and ecosystems	0.1%
Agricultural frontier	99%

BUILDING TRUSTING BONDS WITH COFFEE PROVIDERS



Through the project with PAPO, we implemented technological solutions to optimize communications with the producers and data gathering, strengthening decision making and compliance with due diligence in the coffee value chain.

OUTSTANDING ASPECTS

- Quick and differentiated responses.
- Recommendations and productive assessment to offer solutions or connect with local technicians.
- Audiovisual training and implementation follow ups.
- Data gathering and necessary management of documentation.
- Reports of each coffee grower aligned with sustainability and due diligence regulation.



PROGRESS

150 Providers

Providers

Associated and located in Huila department



81%



20%



CURRENTLY BEING TRAINED IN

- Environmental protection.
- Human rights.
- Soil usage rights.
- Third party rights, principle of free consent.
- Fiscal normative, fight against corruption.



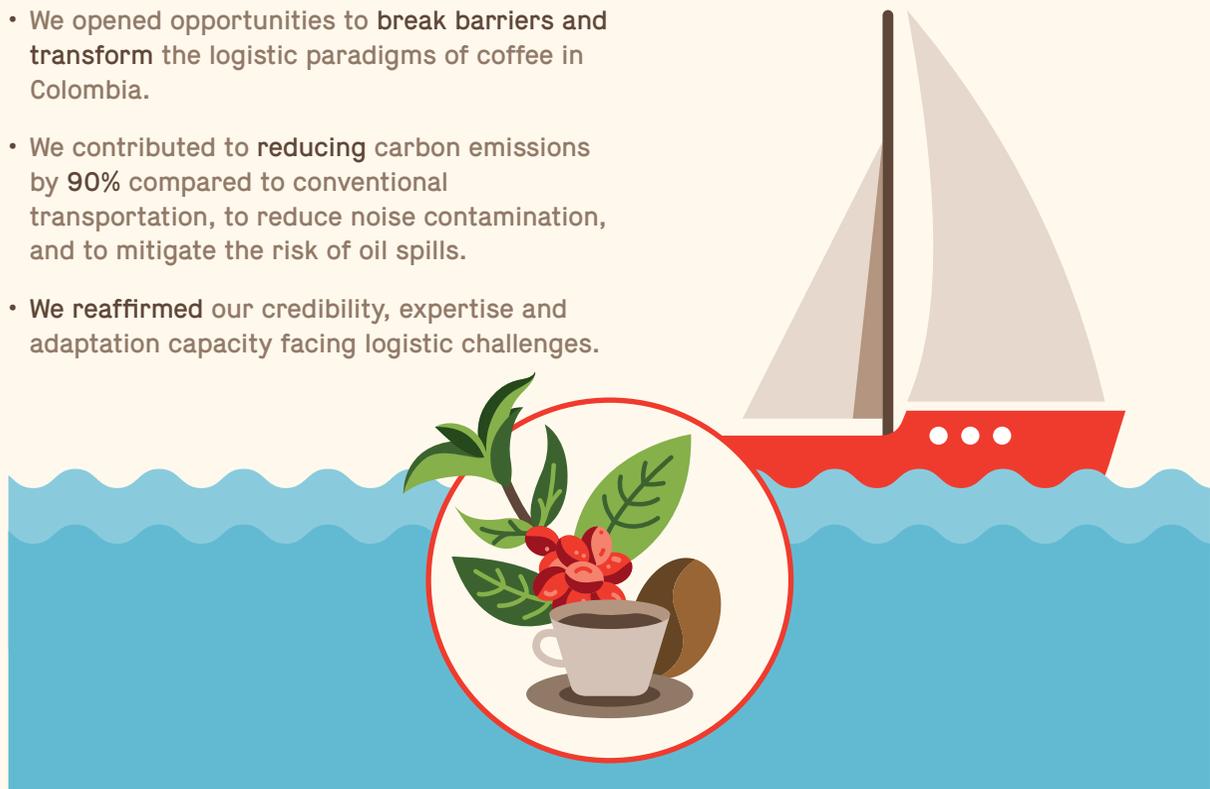
Most significant projects with partners: Generating impact and sustainable innovation

INNOVATIVE SOLUTIONS FOR A CLEANER TRANSPORTATION

We joined the Anemos Sailboat maiden voyage from Santa Marta to Le Havre, transporting high quality Colombian coffee. This project reflects our capacity to manage complex operations and our commitment to a more sustainable and innovative coffee industry, representing an achievement for everyone involved, from the plantations to the shipment.

MAIN CONTRIBUTIONS

- We opened opportunities to break barriers and transform the logistic paradigms of coffee in Colombia.
- We contributed to reducing carbon emissions by 90% compared to conventional transportation, to reduce noise contamination, and to mitigate the risk of oil spills.
- We reaffirmed our credibility, expertise and adaptation capacity facing logistic challenges.



BUILDING TRUSTING BONDS WITH COFFEE PROVIDERS

As part of the EMPRENDE PAIS RURAL program, we strengthen the knowledge, skills and good business practices of leaders, directives, and associates of organizations that are part of our value chain.

PROGRESS

5
ASSOCIATIONS
located in Tolima,
Huila, and Bolívar

ACCELERATION processes were developed (Cooprocafes, Orquídea and Tolima Fénix) and CONSOLIDATED (El Desarrollo, Asocafé and ACEDGA).

14.42%
Sales growth

-21.04%
Sold units growth

PARTNERS

Fundación
Bolívar
Davivienda



Learn more here



CRECER – growing hand in hand with coffee growers

A sustainable value chain strengthens the sector’s resiliency in face of climate and market risks, ensuring coffee’s traceability, equity, and competitiveness in the long term.

OUR ACTING PRINCIPLE

We adopt fair and safe trade policies ensuring compliance. We systematically assess ASG Risks, we support clients and providers in adopting sustainable practices, and we continuously integrate and monitor risks and opportunities for effective and responsible management.

CONTRIBUTION TO THE SDGS



2025 COMMITMENTS

- Expand the Crecer 2.0 program until reaching the participation of 2,500 producers.
- Implement a development and continuous improvement phase for the production forecasting project.
- Maintain high standards for certified and verified coffee programs.
- Ensure compliance with EUDR regulations and due diligence procedures.

2024 Balance

+1,545
Million COP
in developing and strengthening
PRODUCERS in 2024

7,248 PRODUCERS
associated to direct trade

5,060 PROVIDERS
associated to special coffee programs

5,282 FIELD VISITS,
20% MORE than in the previous year

2,399 PRODUCERS
trained in different subjects

3 QUALITY
CONTESTS
ATTAINING

188 coffee samples

13,601 kg D.P.C
(dry parchment coffee)



INTERNAL STANDARD PROGRESS

2,188
PRODUCERS
associated to the program

9,489
HECTARES
associated coffee areas



CRECER associates
PRODUCTION
potential

14.49
Million kg of parchment

SUSTAINABLE VALUE CHAIN

4,999
Verified
PROVIDERS

61
Certified
PROVIDERS

5,282
PROVIDERS
assessed in
sustainability issues

9 VERIFICATION
AUDITS:
organic, Fairtrade and Rainforest

PROJECTS WITH PARTNERS FOR PRODUCTIVITY

C.A.F.E. PRACTICES MOST PRODUCTIVE FARMS

11
PRODUCERS benefited from distribution of 12,000 seedlings and resources to purchase fertilizers.

COMPOST PITS WITH SUPPORT FROM DRWAKEFIELD

40
PRODUCERS benefited in the departments of Cundinamarca, Antioquia, and Santander.

OTHER PROJECTS

• Raw material biofabrics in partnership with **ASPROUNION - TAYLOR**.

• Follow up on the progress of the **ECOWASHER** project in partnership with **Starbucks**.

• Seed kit delivery to **520 PRODUCERS** in Santander.



Protecting the environment

A responsible environmental management in the coffee value chain not only protects the environment, but also strengthens the sector's resiliency, improves the product's quality, and guarantees its viability in the future.

OUR ACTING PRINCIPLE

Integrate our environmental dimension to the business strategies, driving environmental responsibility, biodiversity preservation, prevention of contamination, efficient waste management and climate change mitigation.

CONTRIBUTION TO THE SDGS



12 RESPONSIBLE CONSUMPTION AND PRODUCTION



13 CLIMATE ACTION



15 LIFE ON LAND



17 PARTNERSHIPS FOR THE GOALS

2025 COMMITMENTS

- To maintain the Elite level in the PREAD program for the Bachue branch office and implement the environmental management system in two milling plants.
- Energetic efficiency and renewable energies: continue the energetic efficiency project in partnership with Vertebra and install solar panels in Bucamarmanga's milling plant.
- Environmental impact reduction: take action to reduce the Scope I and II carbon footprint and carry out the recycling program with Fibtex in all milling plants.

2024 Balance

We obtained the PREAD program **ELITE LEVEL**



By 2024 we have contributed to planting

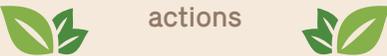


2,578 TREES

in the El Amparo natural Reserve through the purchase of packaging from our partner Fibtex SAS

+2,230 Million COP

invested in Sustainability and Environmental actions



CLIMATE CHANGE AND EFFICIENT USE OF NATURAL RESOURCES IN OUR OPERATIONS

GHG emissions
SCOPE I, II AND III:

1.6 kgCO₂/milled bag

5.8%
Less than in 2023

TOTAL emission footprint distribution percentage

SCOPE I	0.9%
SCOPE II	34%
SCOPE III	65%



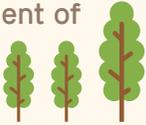
In 2024 we avoided the emission of

24 CO₂ Tons

The equivalent of

194

new mature trees





Solar energy consumed (kWh)

2023

99,945 kWh

2024

110,081 kWh



We continue to strengthen **our recycling program**

2023

3,368 kg

2024

3,335 kg



Water consumption (m³)

2023

4,928 m³

2024

4,524 m³

Our human resources and communities

Through commitment and collaboration with our collaborators and communities we make sustainable practices possible and generate shared value.

OUR ACTING PRINCIPLE

Our actions are based on fair and safe trade policies. We promote respect for Human Rights and reject discrimination. We support clients and providers in sustainable practices, generating value and promoting sustainability in communities where we operate.

CONTRIBUTION TO THE SDGS



2025 COMMITMENTS

- Consolidate and expand the capacity of the Racafé Professionals program.
- Strengthen and grow the future milling plant managers seedbed.
- Train leaders in SAP specific modules to improve management and efficiency.
- Carry out two volunteer programs a year to promote social and community engagement.
- Implement and carry out the wellbeing plan for the quality of life of employees
- Develop quality team skills and certify 4 Q-Robusta graders.

2024 Balance

We have **277** directly associated collaborators

38.6%

61.4%

ANNUAL turnover rate **16%**

We socialized our **DEI policy** through different internal communication channels.

DEI (Diversity, equity and inclusion)

With support from CECODES we updated our **HUMAN RIGHTS POLICY**



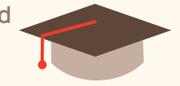
RESPONSIBLE AND INCLUSIVE HUMAN RESOURCE MANAGEMENT

More than \$2,900 Million cop in **BENEFITS** to employees. **15% MORE** than in the previous year

504 PEOPLE BENEFITED



We successfully carried out the **MANAGEMENT SKILLS DEVELOPMENT AND LEADERSHIP PROGRAM** for milling plant managers



Committed to increasing **WOMEN** representation in **ORGANS OF GOVERNMENT**



Composition	2023	2024
Women	13%	22%
Men	88%	78%

We promote **equality of opportunity FOR ALL**

New hiring	2023	2024
People under 30 (18 to 30 years old)	75%	54%
People between 31 and 50 years old	64%	45%
People over 50	0%	2%

SAFETY AND HEALTH WILL ALWAYS COME FIRST

21 injuries caused by **WORKPLACE ACCIDENTS**

Deaths	0
Accidents with major consequences	0

SKILL DEVELOPMENT TO GUARANTEE QUALITY

22 tasters, trade and supervisors trained in sensory analysis

18 Q-GRADERS CERTIFIED

4 TASTERS BEING TRAINED

4 Q-READERS RECERTIFIED

Generated economic value, which is distributed

In our management, we prioritize transparency and efficiency in handling operational costs, aiming to generate sustainable value for the organization and our various stakeholders.

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*		2023		2024	
Generated	100%	\$1,065,809	100%	\$1,345,374	
Distributed	99%	\$1,060,474	99%	\$1,334,760	
Retained	0.5%	\$5,336	0.8%	\$10,613	

DISTRIBUTED ECONOMIC VALUE*		2023	2024
Operational costs: Investments in fixed assets, environmental, operation, infrastructure, and sustainability		\$1,005,611	\$1,268,153
Employee's salaries and benefits		\$22,119	\$26,434
Payments to creditors		\$20,168	\$20,255
Government taxes		\$10,494	\$17,167
Investments in the community		\$2,081	\$2,752

*Numbers in million COP

2024 Balance

20% growth in **green coffee TRADE**

We reached more than **87 PORTS** around the world

We have **4,739 PROVIDERS** between coffee producers, functioning and logistics

Ethics LINE

9 CASES RECEIVED AND MANAGED

CONTRIBUTION TO THE SDGS

2 ZERO HUNGER

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

13 CLIMATE ACTION

15 LIFE ON LAND

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

17 PARTNERSHIPS FOR THE GOALS

We exported 2,455 CONTAINERS in 2024

91% FREIGHT efficiency

We bought in

Colombian municipalities: **228**

Local or intermediate associations: **130**

Premiums PAID for differentiated coffee in 2024:

14.835 Million COP

BASC V6 RECERTIFICATION for the 7 milling plants and the main office

We ensure QUALITY

2,191 SAMPLES SENT

4,478 SENSORY ANALYSIS

86% SAMPLE APPROVAL

- Revalidation as Authorized Economic Operator (AEO) before the DIAN and the anti narcotics police.
- Continue to strengthen the indicator and business associate segmentation system focused on SAGRILAF.
- Obtain the HACCP certification for the coproduct homogenization plant in Arsenales.
- Maintain HACCP certification for our 7 milling plants.
- Continue to optimize logistic processes in order to reduce operation times and attain higher vehicle efficiency.

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	<p>5.1 END ALL FORMS OF DISCRIMINATION.</p> <p>5.2 ENSURE WOMEN'S FULL AND EFFECTIVE PARTICIPATION.</p>	<ul style="list-style-type: none"> We partnered with COREWOMAN to train 55 producer women from the municipality of Jambaló in gender equality, strengthening their knowledge and skills to promote equality and an active participation in the communities. 	<p>5 GENDER EQUALITY</p>
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PLANET EARTH	<p>12.1 IMPLEMENT THE 10 YEAR SUSTAINABLE PRODUCTION AND CONSUMPTION FRAMEWORK.</p> <p>12.2 SUSTAINABLE MANAGEMENT AND USE OF NATURAL RESOURCES.</p>	<ul style="list-style-type: none"> 61 people took part in a field trip to learn about sound plague management, coffee quality and agroforestry systems. We developed two field schools to strengthen producers' knowledge in new agricultural technologies and coffee quality. 	<p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p>
	<p>13.1 STRENGTHEN RESILIENCE AND ADAPTIVE CAPACITY TO CLIMATE-RELATED DISASTERS.</p> <p>13.2 INTEGRATE CLIMATE CHANGE MEASURES INTO NATIONAL POLICIES, STRATEGIES, AND PLANNING.</p>	<ul style="list-style-type: none"> We partnered with SOLIDARIDAD to deliver 70 seed kits and 200 native trees promoting reforestation and sustainable agriculture. 	<p>13 CLIMATE ACTION</p>
	<p>15.2 PROMOTE SUSTAINABLE MANAGEMENT OF ALL TYPES OF FORESTS.</p> <p>15.3 COMBAT DESERTIFICATION, RESTORE DEGRADED LAND AND SOIL.</p>	<ul style="list-style-type: none"> We partnered with the local town hall to build four community plant nurseries in schools from Manzanares, Caldas, promoting the sustainable use of ecosystems. 	<p>15 LIFE ON LAND</p>
PEACE	<p>16.5 REDUCE CORRUPTION AND BRIBERY.</p>	<ul style="list-style-type: none"> We assessed 100% of our operations to identify and mitigate risk of corruption Additionally, through PAPO project and field visits, we strengthen producers' knowledge and skills. 	<p>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</p>
ASSOCIATIONS	<p>17.11 INCREASE EXPORTS OF DEVELOPING COUNTRIES.</p> <p>17.16 ENHANCE THE GLOBAL PARTNERSHIP FOR SUSTAINABLE DEVELOPMENT.</p> <p>17.17 PROMOTE EFFECTIVE PARTNERSHIPS.</p>	<ul style="list-style-type: none"> We took active part in dialogue spaces such as those organized by the Embassy of China in Colombia, the Colombian Chinese Chamber of Investment and Commerce, and the AECC, as well as in visibility platforms such as COFEFEST Colombia, promoting partnerships and cooperation. 	<p>17 PARTNERSHIPS FOR THE GOALS</p>

COMMITMENTS TO QUALITY AND SUSTAINABILITY

Certified products and 2025 Goals

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.

TRADED PRODUCTS		
		
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	Estate coffees	Product of Colombia
Fairtrade	Special cup score	Excelso
Organic (Colombia, EOS-EC, JAS, NOP-USDA)		Supremo
CERTIFICATIONS WITH PRODUCT STANDARDS AND SUPPLY CHAIN VERIFICATIONS		SOCIAL RESPONSIBILITY AND GOOD BUSINESS PRACTICES
     		  

FOCUS	OBJECTIVE	2024 GOAL	2024 REAL	2025 GOAL
ECONOMIC	Storage cost per bag	 Optimal costs	 47%	 Optimal costs
	Freight efficiency	90%	91%	
	Obtain the Authorized Economic Operator (OAS) -BASC certification	 Certified	Certified	 Certified
	Maintain transport cost per bag	 4%	 9%	
	Contribute to the continuity of the business	5 supervisors ready for promotion	2 supervisors ready for promotion	4 supervisors ready for promotion
ENVIRONMENTAL	Maintain kW consumption per bag	 3kW/ bag	Consumption maintained	 3kW/ bag
	Reduce carbon footprint (scope I, II and III)	 3%	5.8%	 2%
SOCIAL	Develop new coffee programs	10%	7%	10%
SUSTAINABLE VALUE CHAIN	Implement CRECER (our internal sustainability standard)	Implement the 2.0 version in 400 farms	CRECER 2.0 was implemented in 495 farms	Implement the 2.0 version in 400 farms
GOVERNANCE	Sustainability strategy	Update and disseminate sustainability policy	Sustainability policy was updated and disseminated	Due diligence of generated policies
		 Decrease	 Increase	 Maintain

Racafé



2024
Sustainability Report



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