

IMPACT REPORT 2023



"Promoting prosperity through coffee"

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SUMMARY



Photo . Henrique Dias Cambraia

FOREWORD

We're excited to present you the 5th edition of the Sancoffee Impact Report.

Sustainability has never been just a word for us. Since its inception in the early 2000s, Sancoffee has been committed to making a positive difference when it comes to social and environmental impact. It's been a long journey with many milestones, but this year marks an incredible achievement by the whole community - Sancoffee has won the SCA Sustainability Award in the For-Profit category. The information you will find in this report inspired our application for the award. The report provides a comprehensive overview of our progress on all of Sancoffee's ESG initiatives over the past year.

2023 was a more favourable year in terms of weather and production, but it also brought turbulence related to political events and the upcoming roll out of the EUDR. Despite this, we continued to follow our vision and made progress in the areas of bio-recovery, carbon measurement, support for smallholders and a women-led project, renovation of social infrastructure and coffee quality improvement.

This report would not have been possible without our members, who continue to give us their full support in the cooperative's key sustainability initiatives; our customers and partners, who have contributed to our projects; and, of course, you. The industry would be a very different place without readers who demand transparency and champion sustainability and impact. Thank you for your attention and perhaps even for spreading the word. Enjoy your reading!

Henrique Dias Cambraia
Sancoffee's President

ABOUT SANCOFFEE

Founded in 2000, Sancoffee is an independent B-corp certified specialty coffee cooperative from Campo das Vertentes region, Minas Gerais, Brazil, with a strong focus on direct relationships and impact.

The cooperative unites 20 farms and provides support to 350 non-member smaller farms from the region. The organization believes that specialty coffee can be an effective way to improve people's lives and to preserve and protect the environment. Therefore, Sancoffee's mission is to cultivate relationships, harvest trust and promote prosperity. The vision is to be a platform for continuous evolution in the specialty coffee chain. The UN Sustainable Development Goals framework guides the cooperative in our journey towards a more sustainable and prosperous community.

Sancoffee runs a Sustainability Fund, maintained by 10% of Sancoffee's annual surplus, clients' donations, and producers support. The Fund sponsors social and environmental projects under the scope of the Impact Committee. The projects include: female empowerment initiative, development program for non-members small producers, educational programs, community support (eg. renovation of childcare facilities), carbon footprint reduction, long-term support of recovery of degraded areas such as Bio Recovery project, and more.



Photo . Igor Santos | Sancoffee's co-worker

ABOUT SANCOFFEE



Photo . Luiza Vilela Barreira | Coop member

Mission

"We cultivate relationships, we harvest trust and we promote prosperity"

Vision

"To be a platform for continuous evolution in the specialty coffee chain"

Positioning

"Sancoffee is an independent B-corp certified specialty coffee cooperative from Brazil with a strong focus on direct relationships and impact"

KEY NUMBERS



20

coop
producers



350

Beyond Borders
producers



17

municipalities



9,456.91

hectares of coffee



65,233

exported bags
23/24 (60KG)

MEMBER FARMS



Fazenda Arco Íris
Airton N. de Deus



Fazenda Boa Vista
Luiza V. Barreira



Fazenda Bom Jardim
Josué P. Figueiredo and
Lucas Figueiredo



Fazenda Bom Jardim
Flávia Furtado and
Miguel C. Furtado



Fazenda Café Citro
Eduardo Fleury



Fazenda Cerrado Grande
Raquel R. Aguiar



**Fazenda Curral
de Minas**
Ramiz J. Ribeiro



Fazenda do Cruzeiro
Ivan J. Ribeiro



Fazenda Faria
Elio Trevisolli



Fazenda Guariroba
Homero Paiva, Elisa Paiva
Lamounier and Gabriel
Lamounier



Fazenda Mumbuca
Marcelo Veneroso



Fazenda Pinhal
João Newton R. Teixeira



Fazenda Samambaia
Henrique D. Cambraia



Fazenda Santa Clara
Paulo Afonso de Resende



Fazenda São Carlos
Miguel Brugnoli Jr.



Fazenda São Paulo
José Carlos Cepera



Fazenda São Sebastião
Sebastião C. Gonçalves



Fazenda Serra Negra
Betina V. R. Teixeira



Fazenda Taquaral
Luis Framarion P. F.



Fazenda Vila Boa
Mônica B. de Souza

OUR TEAM

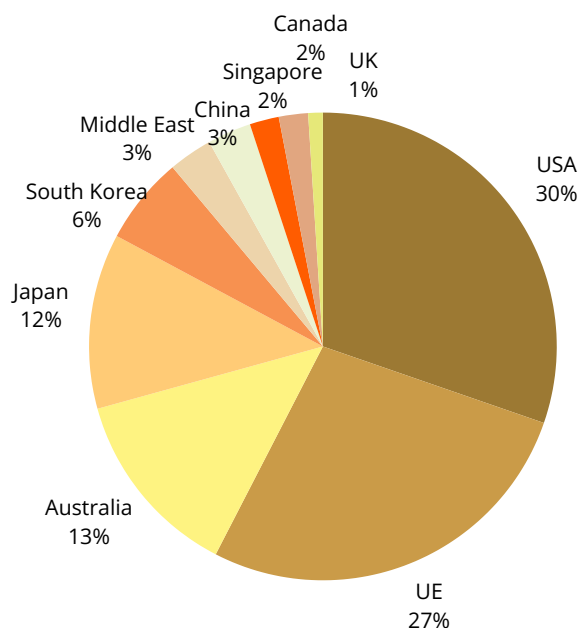


37
workers

OUR COFFEES WORLDWIDE

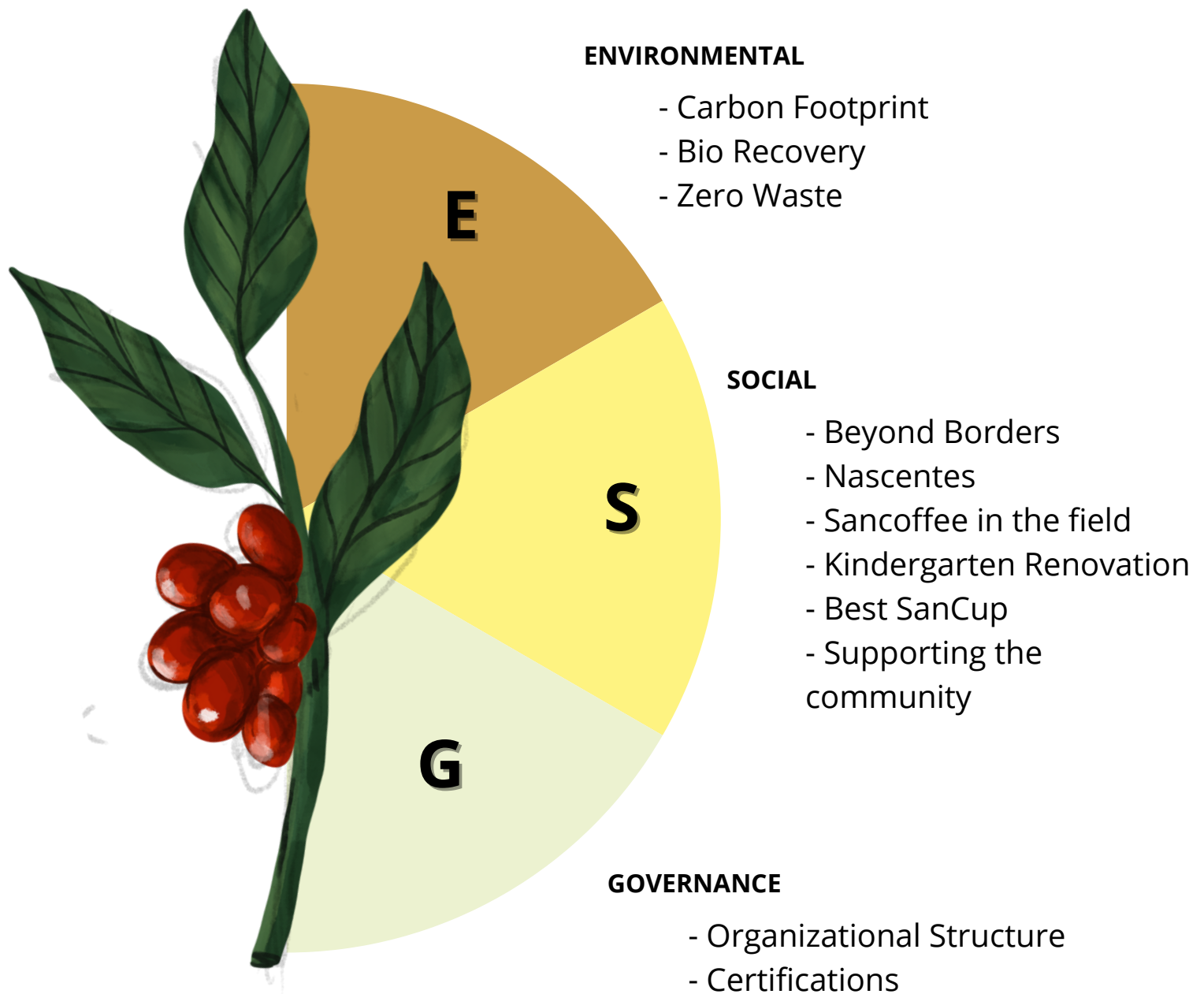


30+ countries



56,232
exported bags
23/24 (60KG)

IMPACT OVERVIEW





ENVIRONMENTAL

CARBON FOOTPRINT

According to the United Nations, the term carbon footprint is a measure of the greenhouse gas (GHG) emissions released into the atmosphere by a particular person, organization, product, or activity, categorized into three scopes under the Intergovernmental Panel on Climate Change framework. Scope 1 covers direct emissions from the company's operations, like vehicle combustion. Scope 2 includes indirect emissions from the company's electricity consumption. Scope 3, though not obligatory, measures indirect emissions across the company's value chain, including business travel, employee commuting, and container transportation.

At Sancoffee, we've been diligently tracking our carbon footprint since 2020, pinpointing our primary sources of emissions and removals.

In this section, we'll share the findings of two carbon balance assessments conducted on two farms of different sizes, one member farm - Fazenda São Paulo (2,212.76 hectares of total area), and one Beyond Borders member - Fazenda Santo Antônio (22.62 hectares of total area). One study evaluates the farms' overall carbon footprint, while another focuses solely on coffee production. Additionally, we'll highlight the key emissions from Sancoffee's operations and outline our ongoing efforts to mitigate them.

13 CLIMATE ACTION



Carbon footprint at origin

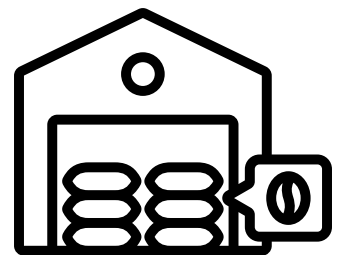
A) Farms
carbon footprint



B) Coffee production
carbon footprint

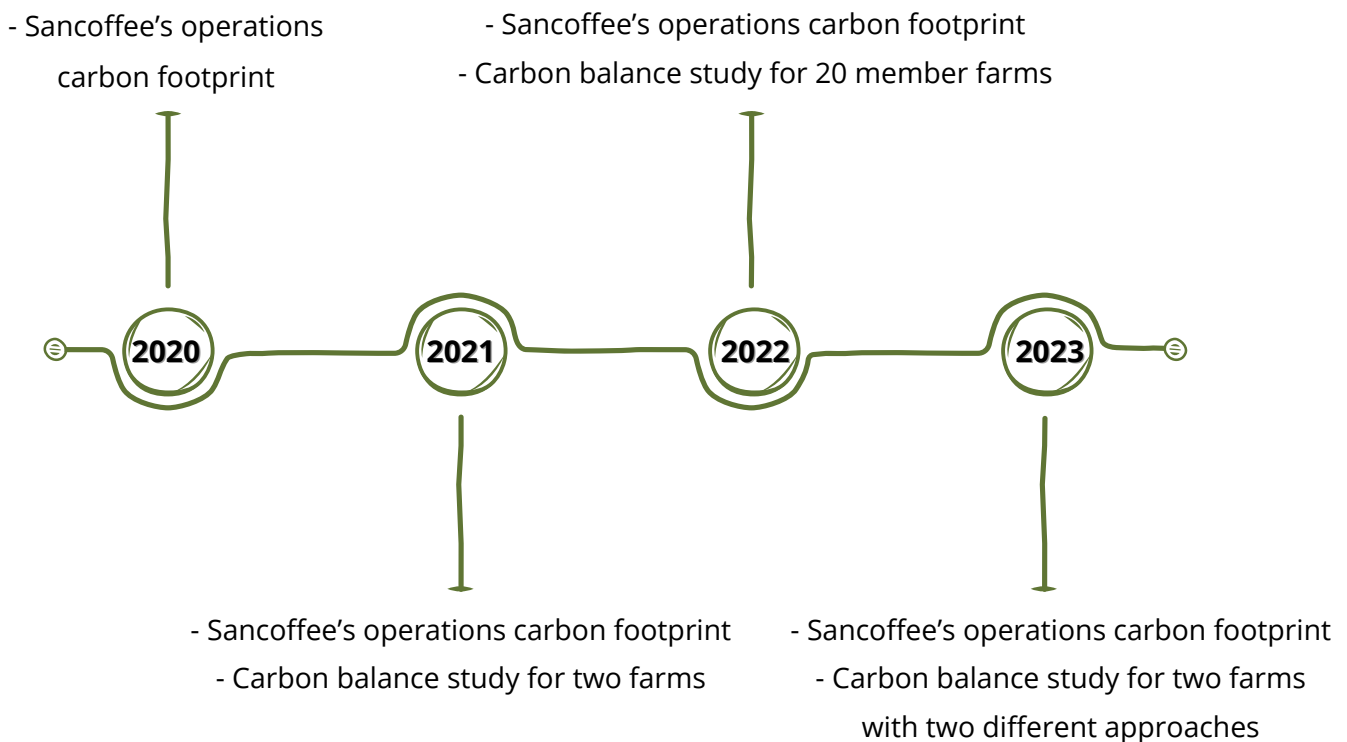


C) Sancoffee's operations
carbon footprint



CARBON FOOTPRINT

TIMELINE



Sancoffee has shown the world that it is possible to have carbon neutral coffee farming in Brazil. The carbon neutral collaboration we have is helping us growing our business. Sancoffee is very transparent in their hard work and has the data to back this. This is very impactful for us and our customers.



Lindy Brogaard
Head of Coffee, Clever Coffee



Scan to check out the calculated carbon footprint of one lot from Brazil to Denmark

CARBON FOOTPRINT

- FARMS -

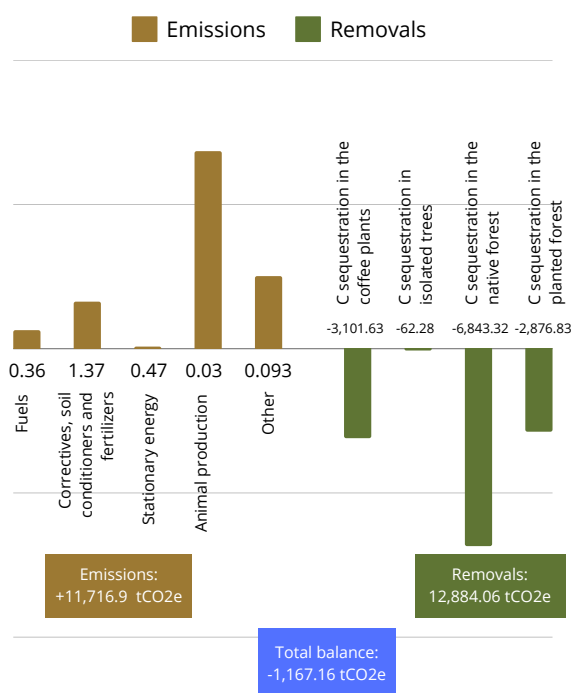
MEASURING FARM FOOTPRINT (A)

For the third consecutive year, we conducted a carbon balance study in collaboration with GRON, spanning two full biennia across our farms. This ongoing effort involved assessing the carbon footprint of a coop farm, Fazenda São Paulo (2,212.76 hectares of total area), and a Beyond Borders farm, Fazenda Santo Antônio (22.62 hectares of total area).

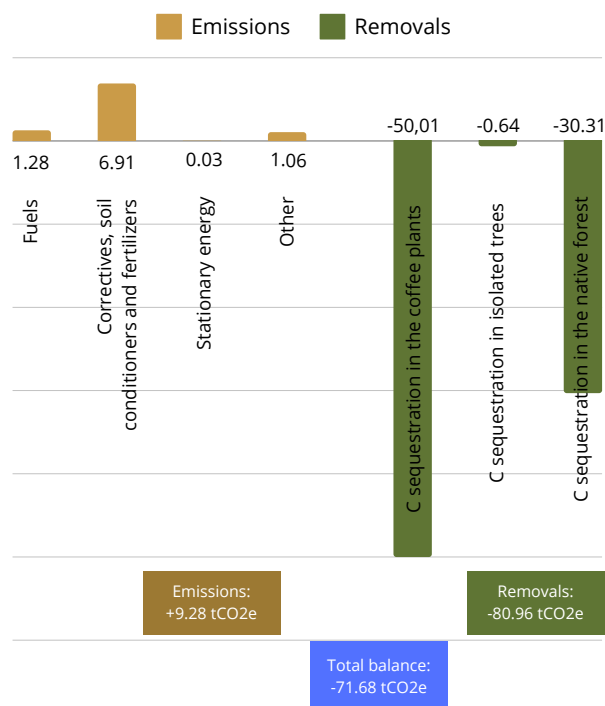
In this initial model, our study comprehensively considered the sources of greenhouse gas (GHG) emissions from various agricultural activities, including coffee production, livestock and other operations. We also carefully considered all options for GHG removal, including native forests and coffee plantations.

Consistently, the findings demonstrated that both farms are not only offsetting their emissions but also sequestering more GHGs than they emit, making them carbon negative farms.

Fazenda São Paulo



Fazenda Santo Antônio



CARBON FOOTPRINT

- FARMS -

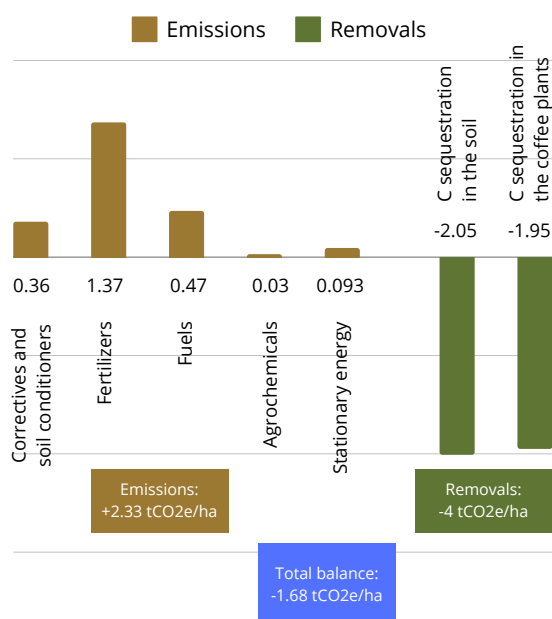
MEASURING COFFEE PRODUCTION FOOTPRINT (B)

In our second study, conducted in collaboration with IMAFLORA, we focused exclusively on the coffee production processes of the previously mentioned farms, Fazenda São Paulo and Fazenda Santo Antônio.

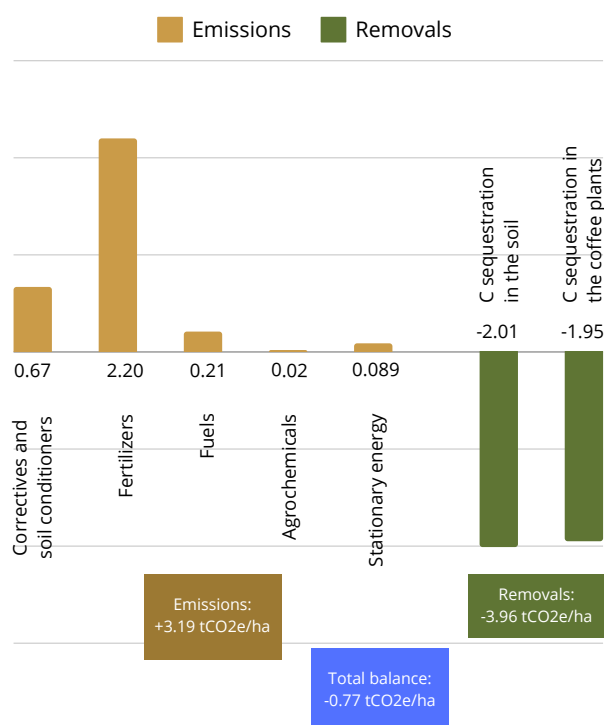
Emission sources included fertilizers and agrochemicals, fuel combustion, energy for post-harvest processing, among others. Conversely, removal sources took into account coffee plants and soil.

The results illustrated that even when solely analyzing coffee production, both farms are sequestering more greenhouse gas emissions than they release, rendering their coffees carbon negative.

Fazenda São Paulo



Fazenda Santo Antônio



CARBON FOOTPRINT

- FARMS -



From our analyses, it became evident that both assessments revealed farms and coffees with a carbon-negative footprint.

It's noteworthy that the adoption of regenerative practices in the field serves as a significant ally in achieving this negative carbon footprint. These practices prioritize the health of plants and soil, leading to increased greenhouse gas removal. Additionally, incorporating compost and organic fertilizers while reducing reliance on synthetic fertilizers further improves the balance.

The integration of sustainable practices on farms not only facilitates the reduction and removal of greenhouse gas emissions but also fosters a resilient ecosystem against the impacts of weather volatility.

NEXT IN 2024

- 1) Experimental crop utilizing regenerative/organic agricultural methods;
- 2) Organize workshops and seminars for producers focused on implementing sustainable practices aimed at mitigating GEE;
- 3) Conduct a carbon balance assessment using the two models outlined in this report for Fazenda São Paulo and Fazenda Santo Antônio to conclude the coffee biennium.

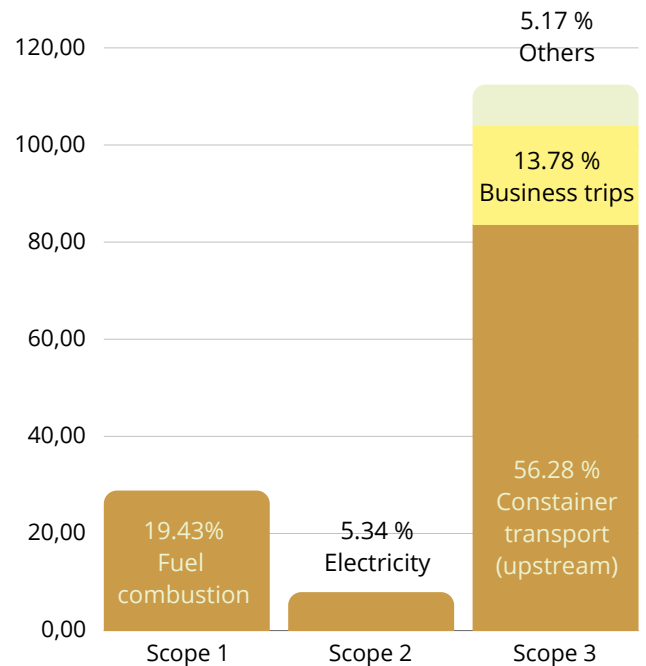
CARBON FOOTPRINT

- SANCOFFEE'S OPERATION (C) -

For the fourth consecutive year, Sancoffee conducted its carbon inventory, partnering with B-Corp company Carbonext to assess emissions for the year 2022. The primary emission sources were identified and recorded, which will allow subsequent reduction tactics. Sancoffee's total emissions amounted to 149 tons of CO₂e (GHG Protocol).

In 2023, with a commitment to eliminate scope 2 emissions and transition to clean energy, the cooperative installed a photovoltaic plant featuring 447 panels. This installation generates 18,257 kWh of electricity per month.

MAIN EMISSIONS



Overall emissions: **149 tons of CO₂e**

13 CLIMATE ACTION



15 LIFE ON LAND



OFFSETING

To offset its emissions, Sancoffee acquired 149 credits from The Envira Amazonia Project - A Tropical Forest Conservation Project in Acre, Brazil. The credits are validated and verified by Verra Carbon Standard.

Project Register:

<https://registry.https://registry.terra.org/myModule/rpt/myrpt.asp?r=206&h=215574>

BIO RECOVERY

At the core of the project lies a robust strategy focused on protecting the Permanent Preservation Areas (APPs) within the farms. According to Brazilian Federal Law, APPs encompass areas dedicated to preserving water resources, landscapes, geological stability, and biodiversity. They facilitate the gene flow of fauna and flora, protect soil integrity, and ensure human well-being.

The project, therefore, aims to rehabilitate and to conserve these vital areas.

In 2023, following the completion of recovery plans for degraded areas within coop farms, ten farms successfully implemented restoration measures. This section provides an overview of the achieved results and outlines the forthcoming steps.

13 CLIMATE ACTION



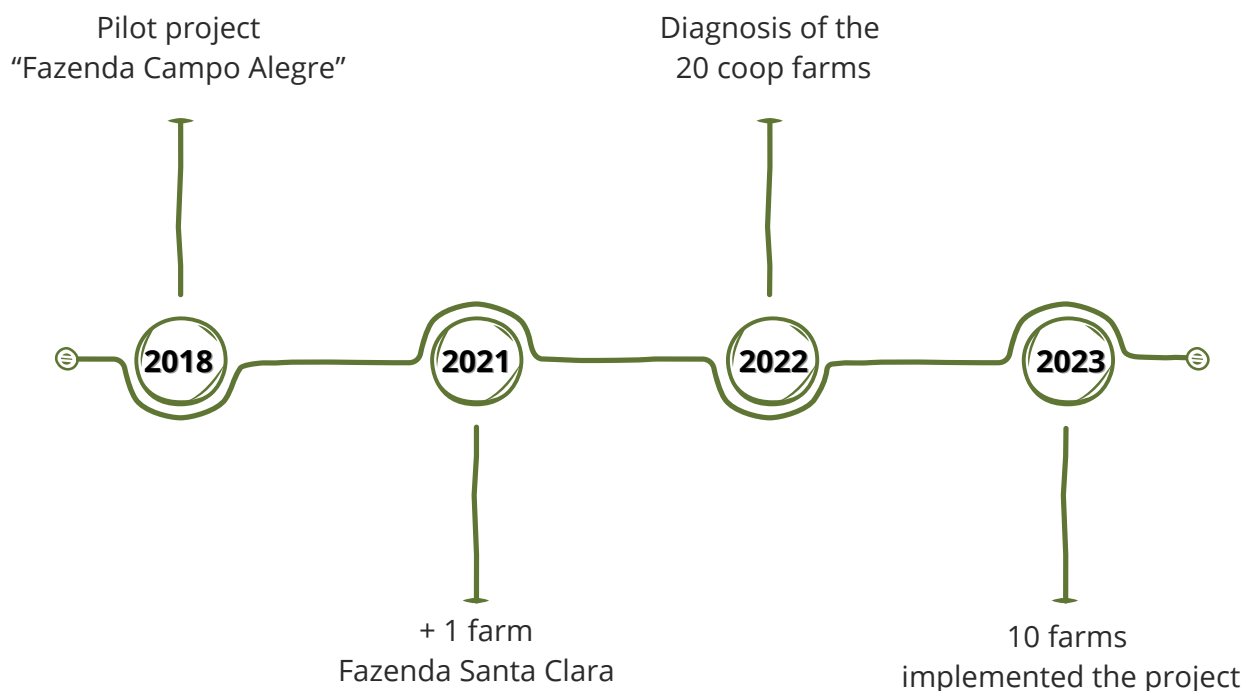
14 LIFE BELOW WATER



15 LIFE ON LAND



Timeline



BIO RECOVERY

AREAS TO BE RECOVERED

To identify degraded areas on the farms, Taís Lima, the forestry consultant and project's technical manager, conducted a comprehensive diagnostic of each farm, meticulously mapping all springs, dams, and erosions. The recovery plans are comprised of tailored measures for each degraded APP. Here are the key findings:

99.48

hectares of
degraded APP

124

degraded
springs

100

degraded
dams

17

active
gullies

=

100 soccer stadiums

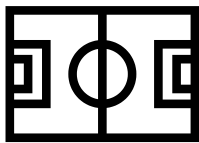


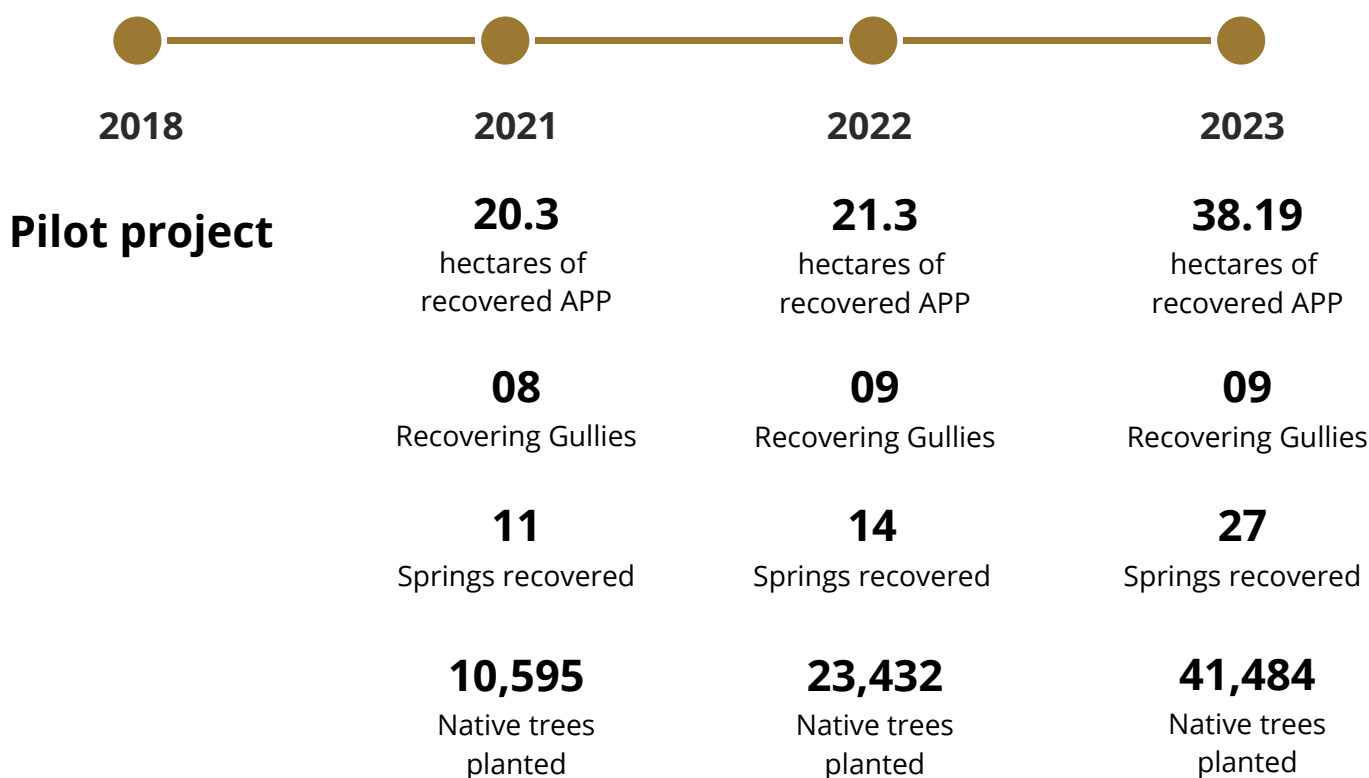
Photo. Degraded area at coop farm



BIO RECOVERY

KEY NUMBERS

Areas recovered so far



Since the origins of Perky Blenders, we have been highly selective about the producers we work with, and we only work with suppliers making a conscious effort to restore and maintain the environment. With Sancoffee, we know that we are getting excellent quality, and helping to create a better world for future generations.

**PERKY
BLENDERS**

Adam Cozens
MD & Co-founder, Perky Blenders

NEXT IN 2024

- 1) Seek partners to help us fund the implementation phase;
- 2) Implement the project on 100% of the member farms;
- 3) Plant 20,000 more native trees.

BIO RECOVERY

2023 NATIVE TREES PLANTING



Photo . Planting trees at Fazenda Cerrado Grande



Photo . Planting trees at Fazenda Café Citro



Photo . Planting trees at Fazenda São Paulo

BIO RECOVERY

BEFORE AND AFTER



ZERO WASTE

In the second year of our "zero waste" program, remarkable progress has been made in reducing waste generated within our operations, while also ensuring the responsible disposal of materials such as electronic waste and batteries.

Through informative sessions and thorough training, we have actively engaged the entire Sancoffee team and their families in our initiative. We've provided guidance to all truck drivers and visitors on the importance of proper disposal methods and equipped them with the skills to execute these methods effectively.



Photo . Recycling bins installed at Sancoffee's facilities

KEY NUMBERS

38	2	0.9	0.15	12.72
People trained	workshops	tons of recycled waste	tons of recycled electronic waste	tons of residual dust from warehouse operations incorporated into farm compost

NEXT IN 2024

- 1) Keep measuring and reducing the waste generated at Sancoffee's operations;
- 2) Promote awareness about the theme among Sancoffee's coop farms.



SOCIAL

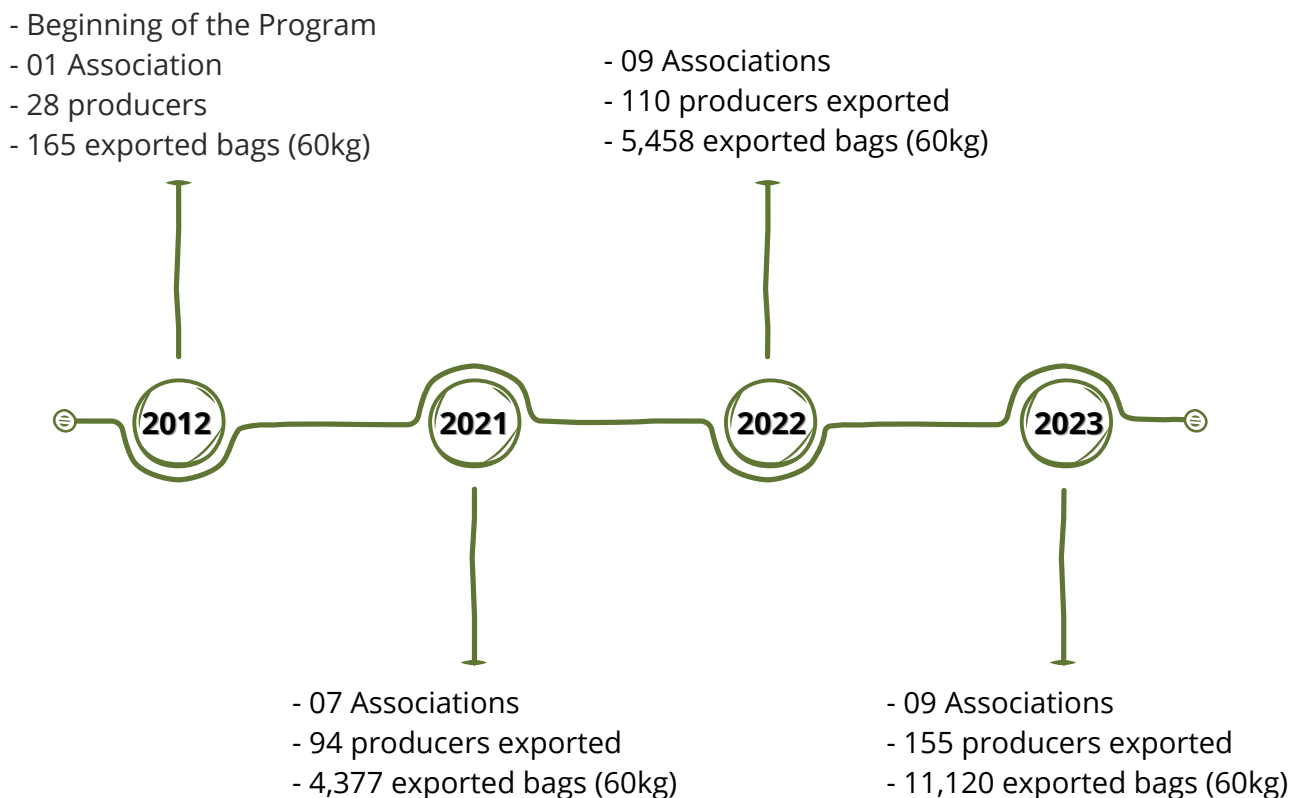
BEYOND BORDERS

The Beyond Borders program enables small-scale producers in the Campo das Vertentes region to export their coffee under the same structure and conditions as Sancoffee members. This initiative aims to enhance the value of their coffee, to bring recognition for their work, and foster the prosperity of their families and communities.

Thanks to the program, we have witnessed a growing dedication among the producers to cultivate quality and sustainable coffees. They are consistently participating in the program, which is evident in the annual growth rates.



TIMELINE



BEYOND BORDERS

KEY NUMBERS

09 associations	350 producers	11,120 exported bags (60kg)
USD 115,911.00 premium paid to the associations	USD 441,577.96 premium paid to producers: 25% net above local market prices	



Photo . José Arildo, his wife Rosa and his daughter Rafaella | Beyond Borders members

- NEXT IN 2024**
- 1) Add 3 new associations to the program;
 - 2) Ensure 10% more producers participation in the export program;
 - 3) Export 12,500 bags (60kg).

Thrive Farmers business model is to bring the farmers to market as partners. By partnering with the Beyond Borders Program, we have the opportunity to connect small producers with the US market and pay a high, sustainable price.



THRIVE FARMERS

Edgar Cabrera Cozza
Chief Origin Officer, Thrive Farmers



NASCENTES



Photo: Elisangela Martins Fonseca | Ndscentes member

Empowering women coffee producers goes beyond individual support. It extends its positive impact to their families and communities. With this in mind, the Nascentes program was launched in 2021 with the aim of promoting equal opportunities for women producers in the Campo das Vertentes region, facilitating their coffee exports and enriching their expertise.

As the program enters its third year, it is fascinating to witness the remarkable level of engagement among the producers. They are actively participating in all the outlined activities, making connections, sharing their stories and, most importantly, offering each other support to ensure the collective success of the Nascentes program.



Scan to visit
the program's page



NASCENTES
Sancoffee

NASCENTES

KEY NUMBERS

90

women
producers in
the program

740

exported bags
(60kg) crop
23/24

3

events

NEXT IN 2024

- Export 1,000 bags;
- 10% increase in exports by women-produced coffees;
- Increase the coffee quality;
- Actions to build up more engagement between producers.



Photo . 3rd Nascentes Meeting



Photo . Coffee Post-Harvest field day



Supporting women in specialty coffee and promoting gender justice is a simple and effective way to support families and to elevate coffee quality. We've partnered with Sancoffee for many years, and supporting Nascentes represents a deepening of our relationship and shared values.

Chelsey Walker-Watson
Sales + Marketing, Atlas Coffee Importers



SANCOFFEE IN THE FIELD

Sancoffee in the Field is our platform for sharing knowledge and technology with co-workers, coop producers, and partners. In 2023, we held various courses, training sessions, and workshops on important topics. Our goal was to help everyone grow as professionals and enhance coffee quality.

4 QUALITY EDUCATION



8 DECENT WORK AND ECONOMIC GROWTH



17 PARTNERSHIPS FOR THE GOALS



KEY NUMBERS

10

workshops
and webinars

22

courses

647

people benefited

2,482

produced non graded
bags (60kg) above 86
points

NEXT IN 2024

- To promote courses, workshops, and training for member producers, partners, Sancoffee co-workers, farm co-workers, and the community;
- 10% more people benefited.



KINDERGARTEN RENOVATION



Photo . Israel Pereira | Kindergarten student

Kindergartens play a crucial role in promoting children's development in many areas, including health, culture and social skills, while upholding the principles of equality and children's rights. They serve as safe havens where parents can leave their children while they work.

Recognizing the need to better cater to young learners, we initiated a renovation project at Vovó Liquinha Kindergarten in 2022, and completed in 2023, in collaboration with our Japanese clients Ishimitsu & Co Ltd., Camel Coffee Co. Ltd. e Coffee Carrot.

The aim was to create a happy and comfortable space for the children in their care, with 9 key actions including painting, constructing new facilities and improving safety measures. These improvements not only enhance the physical environment, but also help to create a safe and enriching learning environment.



KEY NUMBERS

60

children directly
benefited annually

KINDERGARTEN RENOVATION

PAINTING



KINDERGARTEN RENOVATION

NEW LAUNDRY AREA



KINDERGARTEN RENOVATION

KITCHEN



KINDERGARTEN RENOVATION

WALL



KINDERGARTEN RENOVATION

With this project we feel more connected with Sancoffee (I love being around the community in Santo Antonio do Amparo), it adds value to the final product and gives the opportunity to share the business model with the final customers.



Takumi Hashimoto
Sales
S.ISHIMITSU & CO.,LTD.



Children in this kindergarten may also become involved in the coffee business in the future. I hope there will be a good opportunity for children leading the next generations to get to know about the possibilities of the coffee business.

Junji Kato
General manager
CAMEL COFFEE Co.,LTD.

I believe even small step such as this renovation project is the way towards letting families and community feel safe. And if this happiness and safeness keeps going and circlulating, eventually it will come to us with great happiness.



Sayuri Asano
Office development producer
Coffee Carrot



NEXT IN 2024

1) Seek partners to help us fund a new renovation project at a third kindergarten, the Kindergarten Sinhá Paiva.

BEST SANCUP

In its fifth edition, the Best SanCup auction of the Sancoffee community's finest featured 11 lots of a diverse range of natural, pulped natural, and fermented coffees, alongside traditional and exotic varieties, each emblematic of our producers' global dedication and craftsmanship.

The competition takes place in three structured stages. First, the lots are blind cupped by a panel of 5 national Q-graders, who meticulously select the best coffees. These selected lots are then evaluated by an international jury made up of Sancoffee's customers, including importers and roasters, who rigorously assess and rank the offerings. Finally, the top 11 lots are ranked and auctioned via an online platform, celebrating both the exceptional quality of the coffees and the hard work of our producers.

KEY NUMBERS

370
producers

37
samples qualified for
the national phase

11
winning lots

13.30 usd/lb
highest Bid

5.80 usd/lb
average Bid

USD 36,120.33
total value



Scan to see
the 2023 results



We really appreciate the Sancoffee's Best SanCup competition for the way it introduces us to wide range of coffees and profiles that challenge and educate us on what Brazilian coffee is and is capable of being. It introduces us also to all the amazing people and producers who form Sancoffee and the stories behind them.

Lloyd Thom

Green Bean Buyer, Campos Coffee



SUPPORTING THE COMMUNITY



NURSING HOME

Institution:

Nursing Home "Vovô Nunuca" at Santo Antônio do Amparo - MG

Assisted people: 51

3 GOOD HEALTH AND WELL-BEING



PRODUCER EVENTS IN THE REGION

Events: Emater, Elas no Café Amagri, ACAVE, Bom Sucesso, Ibituruna and Perdões quality competitions

Benefited people: 476

4 QUALITY EDUCATION



WOMEN AND YOUTH MEETING

Institution:

Hanns Neumann Foundation

Benefited people: 295

4 QUALITY EDUCATION



5 GENDER EQUALITY





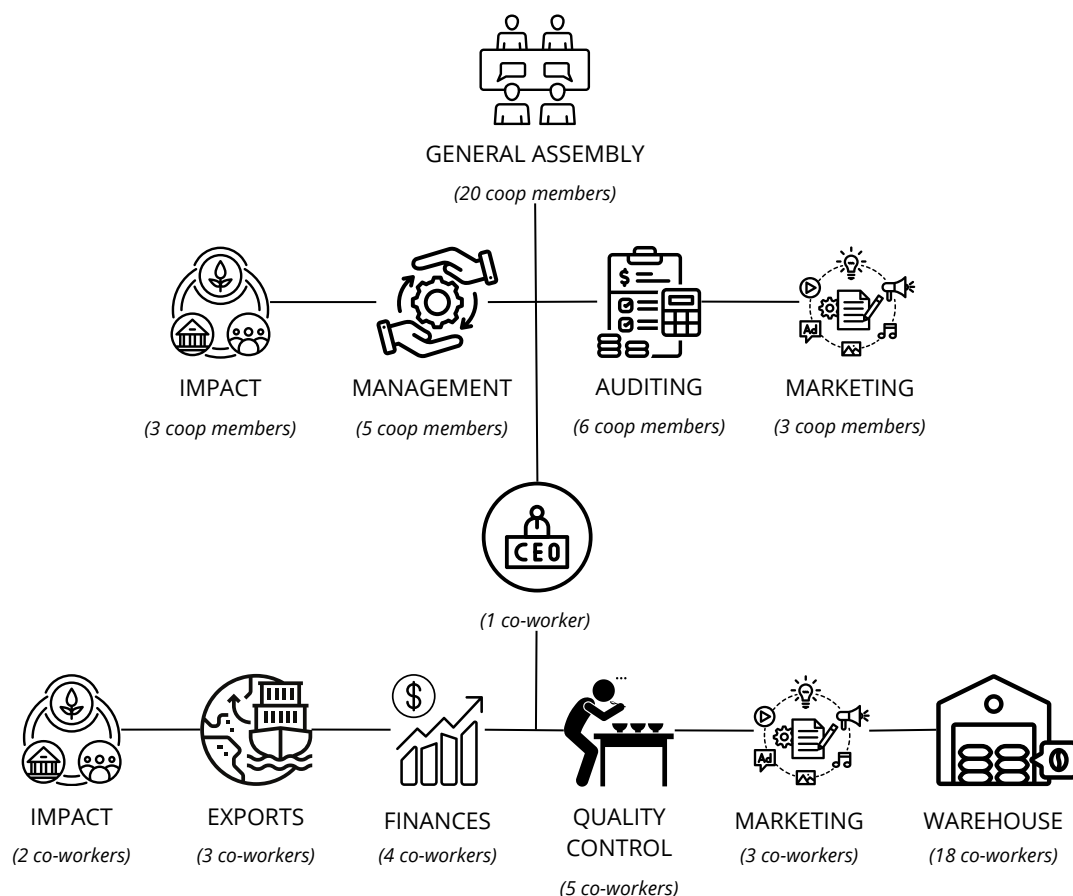
GOVERNANCE

ORGANIZATIONAL STRUCTURE

Sancoffee's organizational structure ensures the consistent delivery of values and solutions to our stakeholders, striving for efficiency and transparency in achieving our goals.

The General Assembly, composed of all coop members, serves as the ultimate decision-making body, responsible for approving major changes such as strategy, annual budgets, and structural rules.

Additionally, the four boards oversee operations and projects, ensuring alignment with approved decisions and the company's overall strategy and culture. Among these boards, the Impact Committee, which includes representatives from three of the cooperative's farms, leads and implements the cooperative's sustainability strategy.



CERTIFICATIONS



Photo . Sancoffee's operation

For us, it is mandatory to have our customers feeling absolutely comfortable while receiving our coffees. Food Safety, Traceability and Good Agricultural Practices are key principles that our producers need to be in full compliance with.

The certification schemes help us to educate and to incentivize our producers to be aligned with this goal. The third part auditing systems also brings confidence to Sancoffee that the producers have been following standard protocols at the farm level.

At Sancoffee, our commitment to ethical standards is enshrined in our code of ethics and conduct. To qualify for participation in our export programs, cooperative and partner farms must hold certifications from recognized bodies such as Rainforest Alliance or Certifica Minas Café. This requirement underscores our dedication to supporting environmentally and socially responsible practices throughout the coffee supply chain.



KEY NUMBERS

16

Rainforest
Alliance
certified farms

54

Certifica Minas
Café certified
farms

1

Organic
certified
farm

CERTIFICATIONS

B certification aims to redefine success in the economy so that not only financial results are taken into account, but also the well-being of society and the planet. This is a global community of leaders who use their businesses to build a more inclusive, equitable and regenerative economic system for people and the planet¹.

Since its first certification process in 2019, Sancoffee has been working in different initiatives across all facets of its operations to drive positive impact.

In 2023, Sancoffee underwent the rigorous recertification process, a triennial endeavor aimed at evaluating and improving its performance. The cooperative achieved a remarkable increase of 15.2 points in its final score, reaching an overall score of 104.1. This significant improvement underscores Sancoffee's unwavering dedication to continual progress, solidifying its position as a force for positive change in the world.

Overall score

104.1

17 PARTNERSHIPS
FOR THE GOALS



Photo . Manual selective harvest

¹ Sistema B Brasil , "[About the B movement](#)" 2024



As a B crop certified company too, it's important for us to share this passion for excellence with Sancoffee. Our customers support and enjoy being part of positive and impactful projects.



CAFE IMPORTS



Luis Arocha
Green coffee buyer, Café Imports



ACCOUNTABILITY

SUSTAINABILITY FUND

The initiatives designed for producers, the community, and environmental preservation are funded through Sancoffee's Sustainability Fund, overseen by the Impact Committee. This fund is maintained by 10% of the cooperative's annual surplus, contributions from cooperative producers, and donations from our clients.

We extend our heartfelt gratitude to all who have played a role in making the initiatives outlined in this report a reality.

Amount invested in 2023: **USD 78,206.76**

PROJECT	COST (USD)
Trainings	3,609.65
Kindergarten's Renovation	22,379.92
Carbon footprint	8,090.44
Bio Recovery	20,068.84
Beyond Borders	17,138.96
Nascentes	2,097.00



Photo . Kindergarten Geralda Lage Avelar

FUTURE OUTLOOK



Photo . Coop farm

The advancement of technology is opening new perspectives in virtually all human activities. As we adapt to rapid changes and try to seize these opportunities, we are also reminded of how essential the human component becomes in a digitalized world. Our relation should also be central, after all, agriculture lies at the very beginning of the coffee value chain and the production ultimately depends on environmental conditions.

Over the last years, our efforts have been dedicated to understanding the impacts generated by our activities. This approach has enabled us to put in place initiatives that contribute to improve our social and environmental footprints on this plant. Although much has been accomplished, we are constantly evaluating our programs and exchanging knowledge among stakeholders. The final goal is clear, building an ever more sustainable business model that will reach beyond our borders and inspire others.

At farm level, these actions translate into better agricultural practices such as regenerative agriculture that combine preservation with efficiency. More and more farms at the Sancoffee network are joining these efforts and we are eager to continue this journey towards a better balance between agriculture and nature. Moreover, we must continue to push the boundaries of our production methods and implement new technologies that may keep the youngsters interested, opening the way for new generations of coffee growers.

In a world never short of uncertainties: climatic, economic, geopolitical, to name a few, we believe that investing in the future is our best insurance against increased risks. This is fundamental to building the resilient value chains that will make it possible to sustain our activities in the long term so that people can continue to enjoy their favorite cup of coffee!

Yours faithfully,
Sancoffee team



Sancoffee

B R A S I L

*Would you like to know more about our projects or
support any initiative?*

Please contact:
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CEO
fabricao@sancoffee.com
+55 35 9 9935-3958