

IMPACT

REPORT

2021



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FOREWORD

Despite the challenging scenario faced in 2021, Sancoffee has been able to move forward in many directions. This is undoubtedly thanks to our committed coop members, co-workers and solid partnerships, which enabled us to navigate through the last stages of the pandemic and its economic consequences with a steady hand and continue our work on B-corp, Carbon Neutrality, Environmental preservation and restoration as well as new resources, certification and a code of ethics and conduct.

Once again, the coffee sector made proof of great resilience, amidst extreme weather events and major constraints in international logistics. The strength of our supply chains has allowed us to buffer some of the external impacts and look more confidently towards the future as the coffee market reshapes with new trends and demands. Also as a consequence, Sancoffee could even extend our work to a larger number of small coffee growers in Campo das Vertentes, embracing new associations and creating a new program designed to and by women growers, whose first lots we proudly exported this season.

Sustainability is a core value for Sancoffee, therefore we remained very active in the social and environmental arenas in 2021. We take a very practical approach on this matter selecting or building projects in which we can measure and follow up results in order to achieve our aimed impact. Out of these projects we highlight the renovation of a local public kindergarten that has been totally concluded this year. On the environmental side, besides the continuation and expansion of bio recovery and preservation projects on several farms, we are advancing on the understanding of the carbon footprint at farm level. In the following pages you can find out more about all these initiatives.

Enjoy the reading!

HENRIQUE DIAS CAMBRAIA
SANCOFFEE'S PRESIDENT





ABOUT SANCOFFEE

Sancoffee was born in 2000 as a specialty coffee coop. Since its foundation, Sancoffee has been the main driving force for quality in the Campo das Vertentes region. We strive to consistently produce amazing coffees, using the most advanced and sustainable agricultural practices, empowering coffee growers to access international markets and build long-lasting relationships with roasters and importers around the globe.

Each bean carries the soul and the hard work of a coffee grower. Each cup is the expression of our terroir. We work relentlessly to showcase these coffees and their stories around the world, keeping loyal to our history and values.

OUR VISION

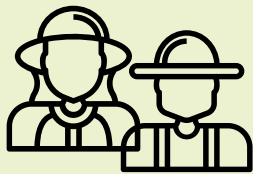
"To be a platform for continuous evolution in the specialty coffee chain"

OUR MISSION

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

FACTS AND FIGURES

- Key numbers of our business operations -



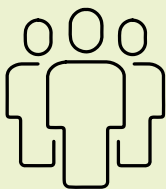
282
GROWERS



10
TOWNS



8,368
HECTARES OF COFFEE



32
WORKERS

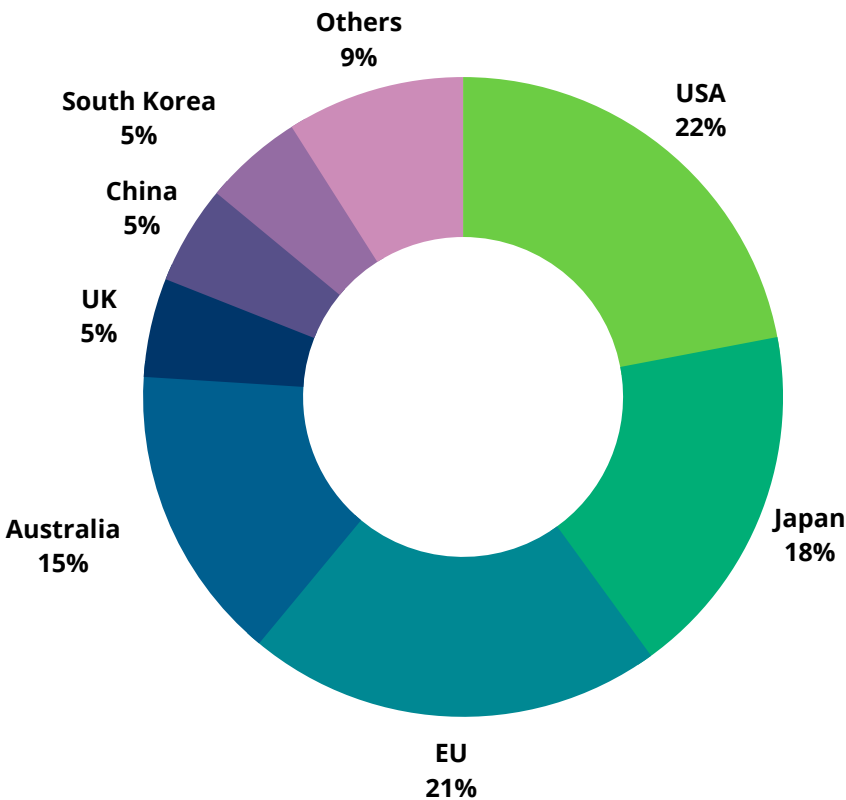


8,100
M² OF WAREHOUSE



136,604
TOTAL COFFEE
RECEIVED IN
BAGS (60KG)

MAIN MARKETS



47,544
EXPORTED BAGS (60KG)



GOVERNANCE

CODE OF ETHICS AND CONDUCT

The main objective of this code is to strengthen Sancoffee's culture and main values among its stakeholders.

CODE'S DIMENSIONS

1. COMMUNICATION AND TRANSPARENCY
2. CONFLICT OF INTEREST
3. ENVIRONMENT
4. ASSET PROTECTION
5. REPUDIATION OF CORRUPTION
6. RESPECT FOR HUMAN RIGHTS
7. HEALTH AND SAFETY AT WORK

TO LEARN MORE ABOUT THE CODE, PLEASE VISIT:

<https://youtu.be/HSA5H3pPU7c>

KEY NUMBERS

20

COOP FARMS
VISITED

03

COMMUNITIES
VISITED

24

WORKSHOPS

24

PRINTED CODES
DELIVERED

340

TOTAL AUDIENCE



Workshop: Sancoffee's Code of Ethics and Conduct

CERTIFICATIONS

B CORPORATION

Certified



Corporation

"B Corps strive to be the best companies for the world, and not just in the world"

Since 2019 Sancoffee has been a B-certified company seeking to balance purpose and profit. Taking in consideration in its decisions all the stakeholders

Based on the B Impact assessment, Sancoffee earned an overall score of 88.9. In 2022, we will pass through the recertification process.

CERTIFICA MINAS

- A partnership with Minas Gerais State -



EMATER
Minas Gerais

Certifica Minas Café is a program created in 2008 by the Government of Minas Gerais and managed by EMATER to promote the adoption of sustainable practices ensuring coffee quality and traceability. In the **Beyond Borders Program**, we count on the partnership of qualified technicians to support the participants' families to achieve the certification.



SANCOFFEE IN THE FIELD

- A EDUCATIONAL PROGRAM TO GROWERS, CO-WORKERS AND COMMUNITY -

10 workshops

03 webinars

22 courses

590 people

8 DECENT WORK AND ECONOMIC GROWTH



4 QUALITY EDUCATION



Course: Fermentation techniques



Course: Coffee Classification



COMMUNITY

BEYOND BORDERS

- A SMALL COFFEE GROWERS PROGRAM -



KEY NUMBERS

07

ASSOCIATIONS

262

GROWERS

57

GROWERS CERTIFIED BY
CERTIFICA MINAS PROGRAM

4,377

EXPORTED BAGS (60KG)

USD 239,613.47

PREMIUM PAID TO GROWERS
37% ABOVE LOCAL MARKET PRICES

USD 36,484.00

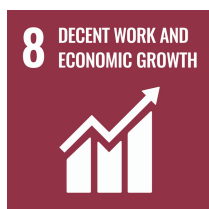
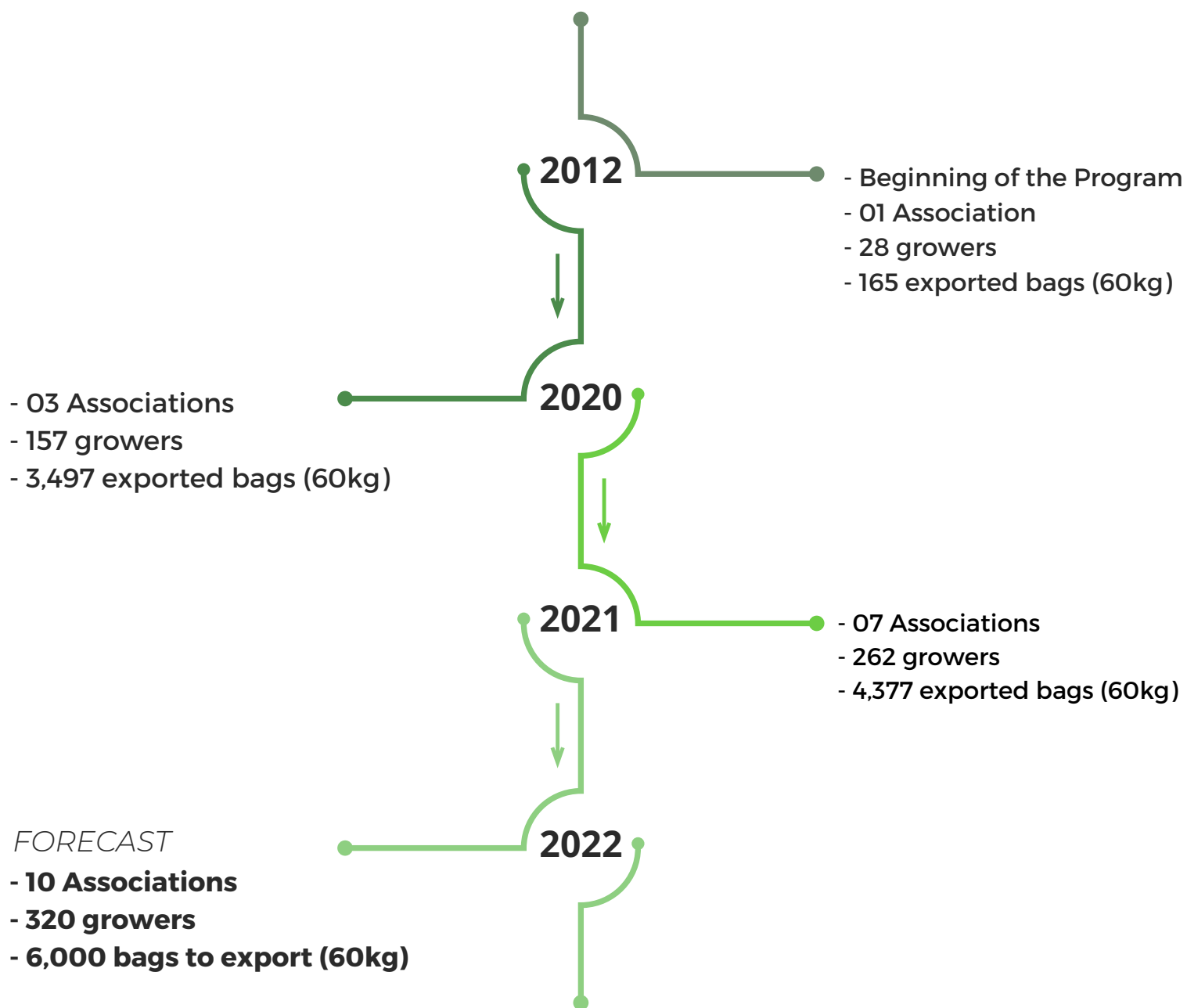
PREMIUM PAID TO THE
ASSOCIATIONS

USD 38,953.84

PARTNERS DONATIONS

BEYOND BORDERS

TIMELINE



NASCENTES

- A PROJECT TO EMPOWER WOMEN GROWERS -



The Nascentes project was created to give protagonism and value to women growers, to train them in personal and professional skills, and to add value to their coffees.

40

WOMEN

08

Communities

200

EXPORTED BAGS (60KG)



NEXT STEPS

- Branding;
- Actions to build up more engagement;
- Export forecast 600 bags.

KINDERGARTEN'S RENOVATION

- EGAO (SMILE) FOR THE PLANET -



ABOUT THE PROJECT

While parents are out working in the fields, kindergartens are a space where children can spend the day safely, learning and having fun. In this context, the kindergarten's renovation project was developed with the sponsorship of US Foods (Japan).

RESULTS

- ① New paint in internal and external areas;
- ② Larger windows in the classrooms and kitchen;
- ③ Replacement of laundry roof;
- ④ Acquisition of furniture and toys;
- ⑤ New roof for recreational areas



KINDERGARTEN'S RENOVATION

EXTERNAL PAINTING



INTERNAL PAINTING



ROOF FOR RECREATIONAL AREA



FURNITURE AND TOYS

KINDERGARTEN'S RENOVATION

TESTIMONIAL

"During the pandemic, the classes were being held online and when we heard that our Kindergarten would benefit from this project we were very happy. Besides being a monitor at the Kindergarten, I am also the mother of one of the children assisted, Cecília, and when classes returned in person and I saw all the changes made, I was amazed! A playful, colorful place, proper for children.

Thank you very much to US Foods and everyone who contributed to the renovation of our Kindergarten "Geralda Lage Avelar"

- Gracieli Aparecida Alexandre
Kindergarten monitor

KEY NUMBERS

60

CHILDREN
ASSISTED PER
YEAR

9

WORKERS

1

COMMUNITY



COMMUNITY SUPPORT

- DONATIONS -



NURSING HOME

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

Assisted people: 38

VACCINATION CHAMBER

Institution: Guarita Community Health Center " at Santo Antônio do Amparo - MG

Assisted people: 475



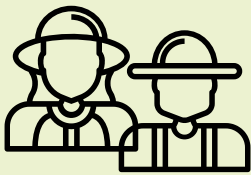
BLANKETS

Institution: Social Assistance Reference Center at Santo Antônio do Amparo - MG

Assisted families: 220

BEST SANCUP

- A CONTEST TO CELEBRATE THE BEST COFFEES PRODUCED AMONG SANCOFFEE MEMBERS AND BEYOND BORDERS PARTNERS -



282

GROWERS



107

SAMPLES



11

WINNING LOTS



25

BIDERS
(13 COUNTRIES)



USD 15.1/lb

HIGHEST BID



USD 5.8/lb

AVERAGE BID





ENVIRONMENT

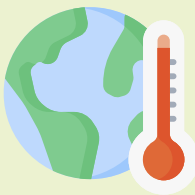
CARBON NEUTRALITY

- SANCOFFEE'S OFFICE AND WAREHOUSE EMISSIONS -



Calculation of Greenhouse Gases Emissions (GGE)

Methodology used: Greenhouse Gases Protocol (GHG protocol) following the guidelines of UN's Intergovernmental Panel on Climate Change (IPCC).

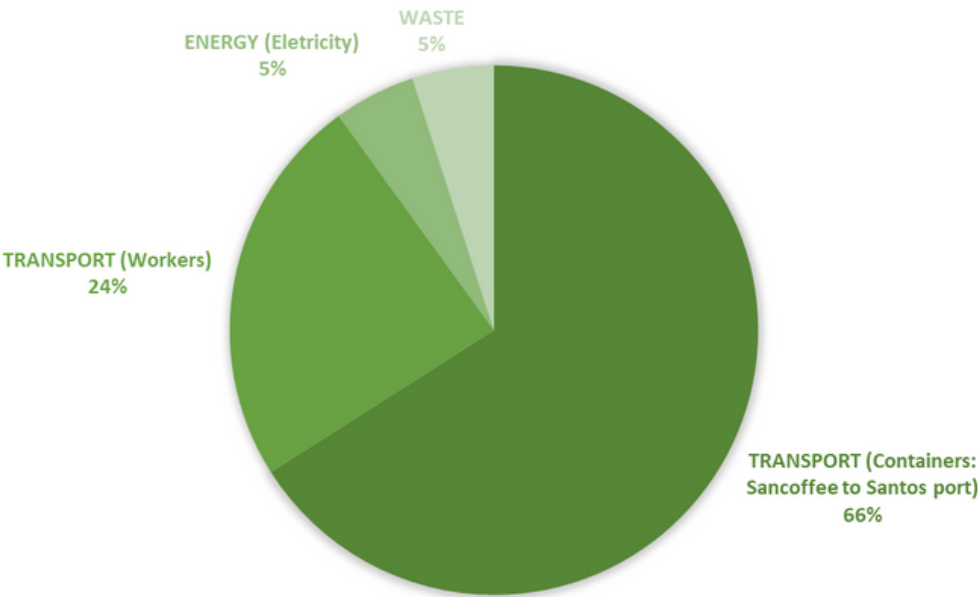


171

Sancoffee's total emissions
(Tons of CO2)



2020 Sancoffee's emissions
(% per sector)



OFFSETTING

1 ton of CO2 emitted
= 1 carbon credit



SELECTED PROJECT

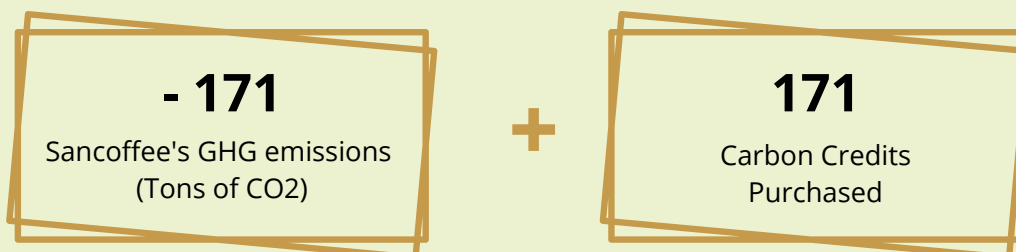
"Protected area of tropical forest in the Amazon"

Located in Paragominas, State of Pará.
This conservation area of 27,434.9 ha is continuously monitored to prevent any deforestation taking place.

Methodology: VMD0007
Project Register: <https://registry.terra.org/app/projectDetail/VCS/832>

CARBON NEUTRALITY

- SANCOFFEE'S OFFICE AND WAREHOUSE -



GGE NEUTRALIZATION



NEXT STEPS

- Calculation of CO₂ emissions 2021;
- Installation of a Solar Energy Plant at Sancoffee's Warehouse.

CARBON BALANCE

- A STUDY OF THE EMISSIONS AND REMOVALS OF A COFFEE FARM -

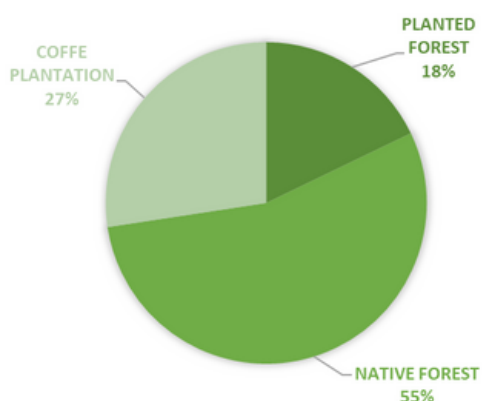
The pilot project was undertaken in Fazenda São Paulo and Fazenda Santo Antônio. The objective was to understand better the CO₂ balance within our farms, being one large and one small. The methodology used was the Greenhouse Gases Protocol (GHG protocol) following the guidelines of UN's Intergovernmental Panel on Climate Change (IPCC).



FAZENDA SÃO PAULO

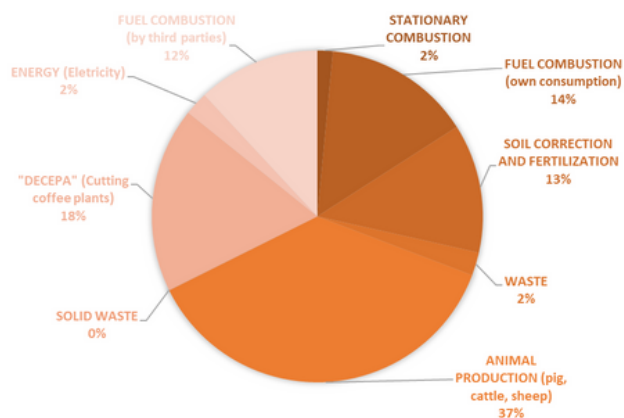
REMOVALS

ACTIVITY	EMISSION (ton CO ₂ e)	%
PLANTED FOREST	2233,08	17,86%
NATIVE FOREST	6843,32	54,74%
COFFE PLANTATION	3425,55	27,40%
TOTAL	12501,95	100%



EMISSIONS

ACTIVITY	EMISSION (ton CO ₂ e)	%
STATIONARY COMBUSTION	176,86	1,50%
FUEL COMBUSTION (own consumption)	1695,92	14,43%
SOIL CORRECTION AND FERTILIZATION	1478,46	12,58%
WASTE	266,16	2,26%
ANIMAL PRODUCTION (suine, cattle, sheep)	4333,78	36,87%
SOLID WASTE	4,51	0,04%
STUMP (Cutting coffee plants)	2125,24	18,08%
ENERGY (Electricity)	269,77	2,30%
FUEL COMBUSTION (by third parties)	1403,8	11,94%
TOTAL	11754,5	100%



BALANCE = REMOVALS (12,501.95 t CO₂e) - EMISSIONS (11,754.5 t CO₂e)

CARBON POSITIVE FARM = 747,44 t CO₂e

CARBON BALANCE

- A STUDY OF THE EMISSIONS AND REMOVALS OF A COFFEE FARM -

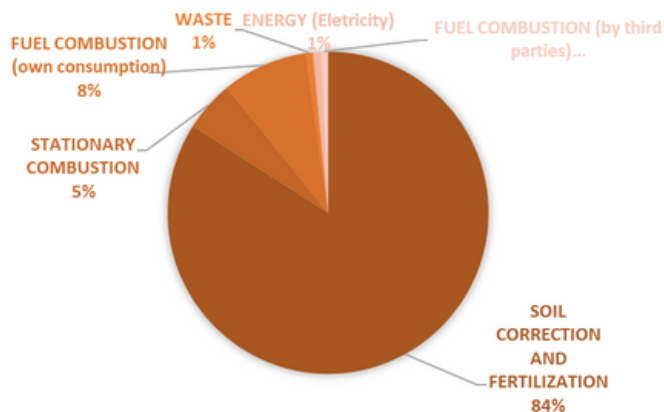
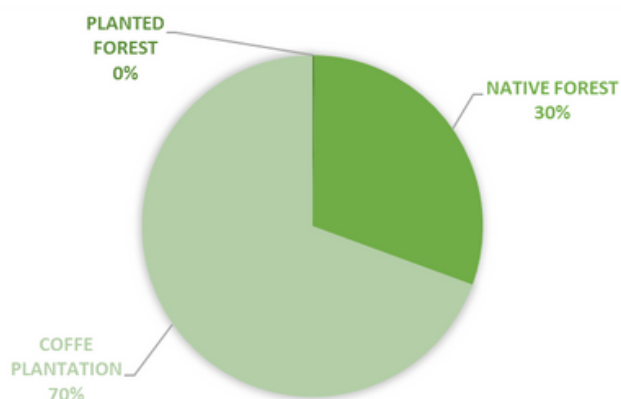
FAZENDA SANTO ANTÔNIO

REMOVALS

ACTIVITY	EMISSION N (ton CO2e)	%
PLANTED FOREST	0.11	0.22%
NATIVE FOREST	15.16	30.36%
COFFE PLANTATION	34.66	69.42%
TOTAL	49.93	100%

EMISSIONS

ACTIVITY	EMISSION (ton CO2e)	%
STATIONARY COMBUSTION	2.04	5.12%
FUEL COMBUSTION (own consumption)	3.44	8.64%
SOIL CORRECTION AND FERTILIZATION	33.46	84.03%
WASTE	0.26	0.65%
SOLID WASTE	0.05	0.13%
ENERGY (Electricity)	0.29	0.73%
FUEL COMBUSTION (by third parties)	0.28	0.70%
TOTAL	39.82	100%



BALANCE = REMOVALS (49.93 t CO2e) - EMISSIONS (39.82 t CO2e)

CARBON POSITIVE FARM = 10.09 t CO2e

CARBON BALANCE

- A STUDY OF THE EMISSIONS AND REMOVALS OF A COFFEE FARM -



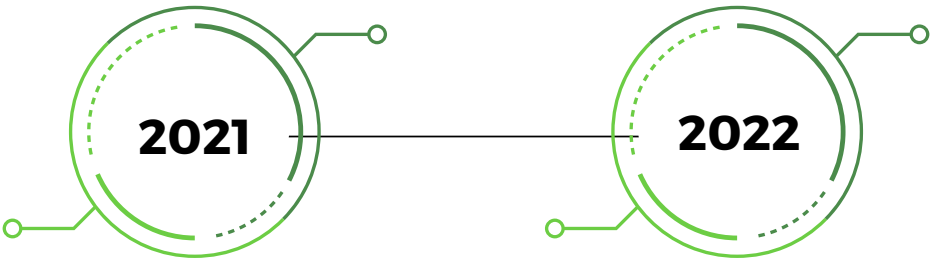
NEXT STEP

- Calculation of the Carbon Balance of all Coop Farms

BIO RECOVERY PROJECT

- A PROJECT TO ENSURE THE IMPROVEMENT AND CONSERVATION OF THE ENVIRONMENT FOR THE CURRENT AND NEXT GENERATIONS -

FARMS FAZENDA CAMPO ALEGRE FAZENDA SANTA CLARA



18 hectares
Recovered area

20.3 hectares
Recovered area

03
Recovering Gullies

08
Recovering Gullies

05
Springs recovered

11
Springs recovered

5,395
Native trees
planted

10,595
Native trees
planted



BIO RECOVERY PROJECT

- A PROJECT TO ENSURE THE IMPROVEMENT AND CONSERVATION OF THE ENVIRONMENT FOR THE CURRENT AND NEXT GENERATIONS -



NEXT STEP

- Diagnosis of the total area of all cooperated farms and Recovery plan for the degraded areas.



ACCOUNTABILITY

SUSTAINABILITY FUND

The Sancoffee's Sustainability Fund sponsors the social-environmental projects under the scope of the Impact Committee. It is funded by 10% of Sancoffee's Budget Surplus and clients' donations.

In advance, our thanks to all the partners who collaborated!

Total = **USD 41,742.39**

MAIN PROJECTS

Project	Cost
Trainnings	USD 418,18
Kindergarten's Renovation	USD 7.402,72
Nursery Home	USD 7.200,00
Donations	USD 1.950,46
Sancoffee's Carbon Neutral	USD 1.739,09
Farms' Carbon Balance	USD 2.447,80
Bio Recovery Project	USD 9.272,73

GENERAL NUMBERS

1,300
PEOPLE
BENEFITED
DIRECTLY

171
TON CO2
OFFSET FROM
SANCOFFEE

757.53
TON CO2
REMOVED FROM 2
FARMS

5,900
PLANTED TREES

11
RECOVERED
SPRINGS



FUTURE OUTLOOK

As the world is changing at an ever faster pace, we keep our eyes and minds focused on ways to create meaningful connections and positive impacts for all stakeholders. Thus, ESG matters are currently at the core of our concerns and we expect them to take an even larger role in the future. One thing that remains unaltered, however, is our deep belief that coffee can be a force for good and therefore strive to build an ecosystem in which growers and co-workers can feel more empowered and rewarded to fulfil their aspirations in life.

The clock is ticking for our planet in terms of climate change and we must take more ambitious goals in the coming years. In an activity supported directly by nature as agriculture we are very exposed to these risks and therefore we should be also part of the solution. The response will most probably be a combination of new practices such as regenerative agriculture, biological inputs, clean energy sources and agroforestry techniques that we are already testing as pilot projects.

The way ahead is indeed full of opportunities and we hope to welcome everybody on board!

All the very best,
Sancoffee team



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