



Growing innovators

Group Sustainability Report 2021

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Spotlight key



Coffee



Cocoa



Cotton



Welcome to ECOM's Group Sustainability Report.

Welcome

This is our Group-wide sustainability report, built around our three key sustainability commitments: improve farmer and worker livelihoods; protect and regenerate nature; manage change through transparency and traceability.

As an origin-integrated business, ECOM invests from source to customer, extending efficiencies and innovation throughout our network to create a more agile value chain. This means improved livelihoods and better productivity for our farmers and producers, better quality for our buyers and clients, and a positive impact for our workers and employees. Importantly, it also allows us to meet our sustainability targets by ensuring greater transparency and accountability throughout our operations.

The Group's ambitious sustainability strategy is based on our core values of integrity, intelligence and agility, and our restless, pioneering spirit. Each of our core businesses has a clear set of targets and baselines, supported by a variety of programmes. You can read about how these are being planned and rolled out in these pages.

The Group's environmental and social initiatives are in large part undertaken in collaboration with partners, including clients, donors, NGOs and area experts. We have credited these partners, where relevant, throughout.

The scope of this report covers our global operations across our core businesses of coffee, cocoa and cotton, including origin sourcing countries, secondary sourcing regions, our factories and offices.



1 Introduction

"With our strong foundation in sustainability, we're building more ambitious goals to boost farmers' livelihoods."

Pamela Schreier
ECOM Cocoa Senior Global
Sustainability Manager



1.1 A note from our CEO

We're here to create sustainable futures.

As outlined in this report's welcome page, ECOM is committed to helping improve the livelihoods of farmers around the world, protecting and regenerating nature, and managing change through transparent, responsible supply chains.

Sustainability at our core

Thanks to our pioneering, innovative spirit, ECOM was an early adopter of certification and advocate of farm-level support. We have spent nearly two decades embedding sustainable, ethical practices into our coffee, cocoa and cotton supply chains worldwide. As the impacts of climate change become more evident and the role of business in protecting human rights becomes ever more vital, we are accelerating our efforts.

A global community

The environmental and social challenges we face today – deforestation, water scarcity, labour issues and the effects of climate change – are constantly growing and changing. Through our deep network of global and local expertise, and our partnerships with clients, donors and NGOs, we can cooperate across our supply chains to find the solutions. The data we amass through our Sustainable

Management Services (SMS) division gives us the tools to keep delivering better economic opportunities for farmers, greater farm productivity and the best outcomes for our clients.

Setting meaningful targets

ECOM is committed to achieving Net Zero by 2050. We've already made real strides in our sustainability programme, but we know that this ambitious target needs to be underpinned by defined metrics. With these, we can set ourselves up for better quantitative and qualitative tracking of our progress and overall impact. This is why, in 2021, the ECOM Group joined the Science Based Targets initiative (SBTi). 2021 also saw us implement the Social Progress Index (SPI), which is aligned with the UN's 17 Sustainable Development Goals (SDGs) and measures a country's wellbeing from an environmental and social perspective, rather than an economic one. These measurable KPIs will help us meet the ongoing challenges posed by our changing climate and continue to change farmers' lives, and the outlook for the environment, for the better.

Alain Poncelet
ECOM Chief Executive Officer

2021 Group overview

This page shows key data relating to ECOM's operations, which span the globe and include farming, processing and sales to some of the world's leading manufacturers.

170

Years of history

40+

Countries in operation

625k+

MT of sustainable raw product equivalent traded

150+

Sustainability projects worldwide

Net Zero

Committed to becoming Net Zero by 2050

223m kWh

Total energy from sustainable sources

894km³

Approximate total volume of water recycled/treated

300k

Farmers on digital platforms

Additional measures to protect our colleagues

1.2 Our COVID response

Our COVID response

2021 saw the COVID-19 pandemic continuing to affect communities and disrupt economies across the world. At ECOM, we remained firm in our commitment to support the economic resilience of our farmers, enhance safety in our warehouses, mills, plants and support our employees. We continue to monitor the situation closely and have maintained resources to align with any changes in governmental and public health directives.

Safer operations

We worked with our plants, factories and facilities to establish their own COVID-19 response protocol that aligned with local regulations and suited their particular needs. In each facility, staff continued to undergo training on sanitation practices and other essential safety measures. Entrance was regulated via appropriate measures such as temperature checks.

Sustainability in action

Communicating about COVID-19 at ground level is a challenge. Throughout the pandemic, we supported farmers and factories in origin countries around the world through a range of COVID-related interventions. In our cocoa division, for example, we partnered with GIZ, Ghana Health Services and Farm Radio International in a programme that used radio to encourage hand-washing, social distancing and wearing masks. This was paired with incentives at farm level, including increased access to a grant fund for women that would finance primary healthcare needs related to COVID-19.

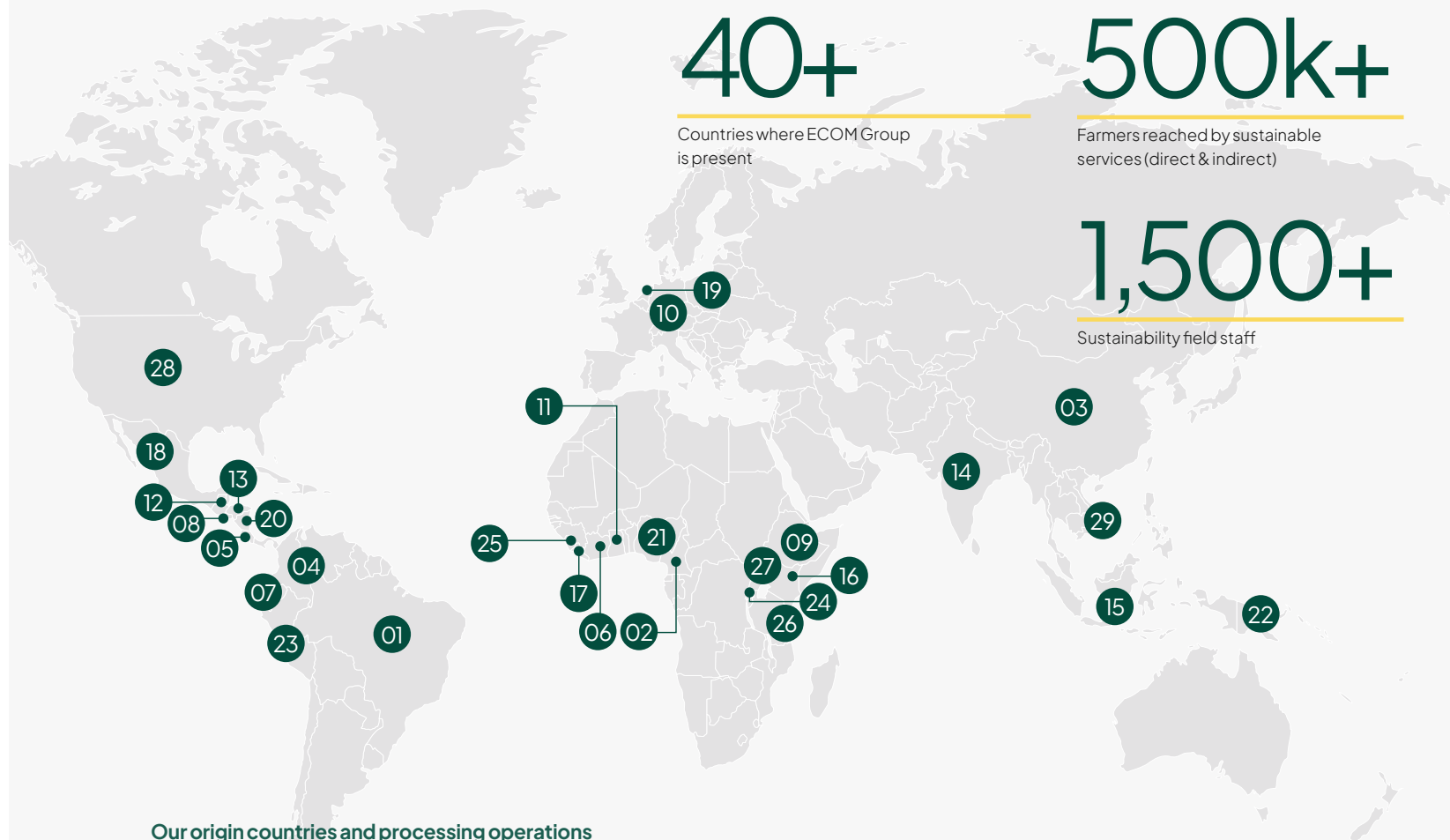
1.3 ECOM's divisions

ECOM is an origin-integrated company, with our own traceable, sustainable and client-specific supply chains. We procure commodities directly from the farmer, provide primary processing, logistics and risk management services and sell to branded product manufacturers. ECOM operates in more than 40 countries and works with thousands of farmers and local businesses. We employ more than 1,000 agronomists on the ground worldwide and have over 6,000 employees in total.

ECOM has three core businesses:

- **Coffee** – we are one of the top coffee traders in the world, operating in 29 countries with over 20 origin countries and 85 sales destinations.
- **Cocoa** – we are one of the world's largest cocoa traders and processors, operating in 19 countries and sourcing quality beans from over 25.
- **Cotton** – operating in 7 origin countries and 36 sales destinations, every year we handle 2.5 million bales of raw cotton worldwide.

See where each of our core businesses operates in the map.



Our origin countries and processing operations

- | | | | | |
|------------------|----------------|--------------|---------------------|------------------|
| 01 Brazil | 07 Ecuador | 13 Honduras | 19 Netherlands | 25 Sierra Leone |
| 02 Cameroon | 08 El Salvador | 14 India | 20 Nicaragua | 26 Tanzania |
| 03 China | 09 Ethiopia | 15 Indonesia | 21 Nigeria | 27 Uganda |
| 04 Colombia | 10 Germany | 16 Kenya | 22 Papua New Guinea | 28 United States |
| 05 Costa Rica | 11 Ghana | 17 Liberia | 23 Peru | 29 Vietnam |
| 06 Côte d'Ivoire | 12 Guatemala | 18 Mexico | 24 Rwanda | |

2 Sustainability at ECOM

The ECOM Group is committed to reaching Net Zero by 2050. As early sustainability adopters, we have made progress on that journey, but we know there is still more to do.

"Together with our partners, we're committed to embedding sustainability at every step in order to meet our goal."

Teddy Esteve
ECOMCoffee CEO

2.1

Supply chains

Supply chains: the big picture

For each of our core businesses, the supply chain is long and complex, going from origination, to primary (and, for cocoa, secondary) processing, to export, to warehousing and finally merchandising. ECOM is active at each point along this journey: we're there to support farmers and producers on the ground during the growing process, and we constantly innovate to extend efficiencies throughout the processing, shipping and warehousing steps. We're committed to ensuring greater transparency and traceability along the whole chain, in order to meet our own sustainability goals and the expectations of the end consumer.

Boots on the ground

Across the Group, our agronomists are there on the ground to help farmers at origin, providing meaningful services that support them in every aspect of their lives. Our incentives and training programmes encourage climate-smart agricultural practices and increase productivity. Diversification schemes help make farmer incomes more stable, while financial services allow them to invest in their own land. Wherever we source, we have roots in the community, for example with our programmes to educate and empower women and, with our partners, our work towards the eradication of child labour.

Streamlining processes

The logistics side of any supply chain faces many challenges. We're constantly finding ways to streamline this side of our operations,

in order to minimise environmental impact and to make our customers' lives easier. Cutting down on unnecessary paperwork, for example, is just one small improvement that can deliver great results. Recently EISA, ECOM's coffee operation in Brazil, developed the Follow-Up Tool, a single easy-to-read screen that shows customers the exact details of their shipment's status, including booking reference, tracking numbers, ETAs and ETDs, so they're reassured and updated, with no need for constant messaging or excessive paperwork.

Traceable and trusted

Traceability and sustainability go hand in hand. In coffee and cocoa, the ECOM Group continues to focus on improving traceability, increasingly supported by digital data collection and tools such as GIS mapping. We know that external accreditations create confidence – we offer certification from the world's most recognised initiatives, including Fairtrade and Rainforest Alliance. We are now leveraging our traceability expertise in cotton as well. In 2019, we set up a process to make our cotton supply chains transparent from field to spinner, with a unique traceability code assigned to each batch. As of 2021, most of our cotton deliveries are traceable to the spinner, who can then take over the traced chain and carry it through to the finished product. (For more detail about the technologies behind our cotton tracing, [see the Innovation in Action section on p38](#)).

“When it comes to sustainability, we believe in continuous improvement. Doing things better every year. Working side by side in partnership with our producer groups to help improve sustainable practices that have a positive impact on society and the environment.”

Felipe Esteve
ECOM Cotton CEO



2.2

What sustainability means to us

Our goal is to secure the long-term future of coffee, cocoa and cotton – a future where farmers are resilient to the impacts of climate change and changing commodities prices, and where their livelihoods improve. A future where crops are grown with efficient use of resources that protect and regenerate nature, and where transparent, traceable supply chains ensure long-term sustainable change. At Group level, we support this goal by sharing our expertise, innovating and extending efficiencies. Within our core businesses, we have set specific targets to help us achieve our ambitious sustainability strategy, which includes reaching Net Zero by 2050.

Creating a secure future for coffee

At ECOM, we're for farmers – we want them to be successful. That's why, in 2004, we created our sustainability arm, Sustainability Management Services (SMS), with an initial focus on certifying farms. Having pioneered that step, we looked at how farmers could increase profitability further by improving firstly their quality and then their productivity. Since its inception, we have implemented more than 300 SMS programmes at origin, providing training and advice to farmers across the world. The fourth step in our strategy is financing. Farmers eligible for ECOM's micro credits can invest in their farms and receive technical assistance, helping them to connect to the best markets for their products. By supporting farmers on the ground, prioritising low carbon agriculture and minimising emissions across the rest of the supply chain, we're creating a secure future for coffee.

Growing a smarter future for cocoa

The way cocoa is grown, sourced and sold is changing, thanks to an increasing global demand for beans that are grown with care for the environment, respect for human rights, and that are fully traceable. ECOM's track record as sustainability pioneers means our customers trust us to help them pivot towards sustainable sourcing models. Our established apps and technologies give us long-term understanding and oversight of a wide range of environmental conditions, as well as helping us accurately scope the footprint of cocoa farming in the areas where we operate. Following SMS' success in our coffee division, we brought them into our cocoa supply chain to deliver farmer-centred services, from technical assistance to financing. In 2021, we decided to formalise our sustainability strategy and commitments in our Smarter Cocoa Charter, which shares the three goals of our Group strategy: to improve the traceability of our supply chains; to enhance farmer resilience and reduce poverty; and to improve practices with benefits for both people and the environment. By clearly mapping our actions and goals we can, with our partners and customers, grow a smarter future for cocoa.

Improve cotton, improve lives

Cotton has a complex and fragmented supply chain but, with our decades of experience and breadth of reach, we believe we have the expertise and influence to help make it more sustainable and transparent. Because cotton comes from farms of all sizes, we're implementing various different strategies. For large and medium associations, our focus is on water management, soil remediation, use of agrochemicals, clean energy, biodiversity and labour, to help them transition to more sustainable practices. For small farmers, we're designing programmes for indigenous populations in Mexico, the centre of origin and biodiversity of cotton, as well as working with partners to tackle issues including poverty, immigration, minority farmers and native endangered varieties of cotton. We're also developing the cotton branch of SMS, to extend the benefits already shared by coffee and cocoa. And, of course, traceability remains at the forefront of our strategy – we're currently leading multi-stakeholder trials industry-wide.

“Going forward, we will continue to innovate and create sustainable solutions so that we can have a positive impact across all the markets in which we operate.”

Alain Poncelet

ECOM Chief Executive Officer

2.3

Our material issues

In 2019, the global SMS team conducted a materiality assessment to identify the issues where coffee, cocoa and cotton have their most significant environmental, social and governance (ESG) impacts, and which matter most to our stakeholders. The assessment included comprehensive interviews with 8 internal and 15 external stakeholders, representing a variety of geographies management levels and organisations. This helped to ensure we prioritised the right set of topics.

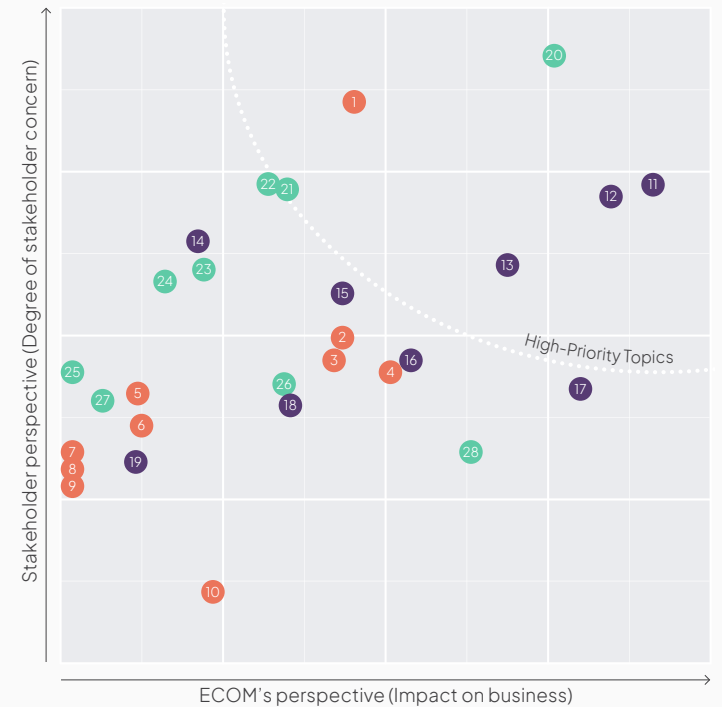
The assessment identified ECOM's priority issues, which were used to develop a process for setting relevant sustainability targets. These issues span multiple business areas, including our leadership, climate resilience and mitigation efforts, work to protect nature and ecosystems, and supporting livelihoods and human rights.

Today, we recognise that our changing environment requires us to do more in defining goals and metrics specific to each commodity. We are therefore in the process of a critical review to define the direction of our future strategy, optimising our current solutions in order to deliver better data tracking over all our operations and sustainability programmes.

Sustainability targets

Material issues identified

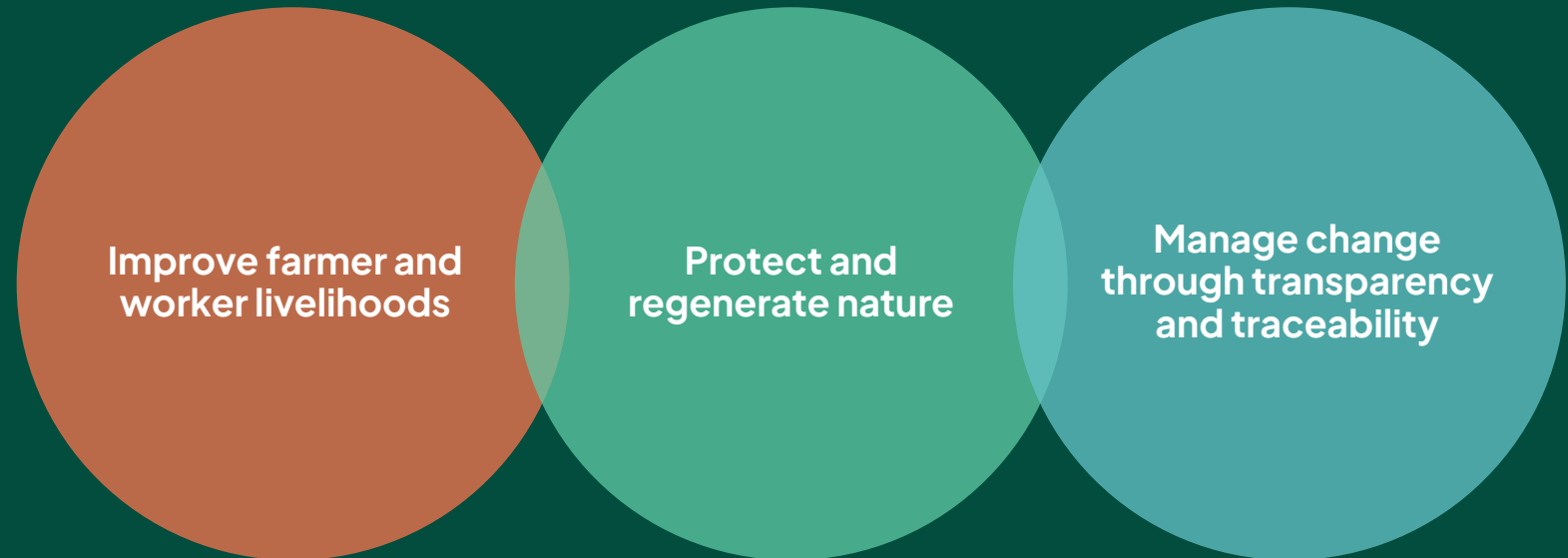
- 1 Forced and Child Labour
- 2 Living Wage and Fair Employment
- 3 Community, Livelihoods and Resilience
- 4 Training and Education
- 5 Health, Safety and Wellbeing
- 6 Women and Youth Empowerment
- 7 Land Tenure Rights
- 8 Freedom of Association and Collective Bargaining
- 9 Diversity and Inclusion
- 10 Employee Recruitment and Retention
- 11 Traceability and Transparency
- 12 Agricultural Productivity
- 13 Farmer Prosperity
- 14 Product Safety and Quality
- 15 Governance and Ethics
- 16 Price Volatility
- 17 Impact Monitoring and Management
- 18 Access to Finance
- 19 Energy Management
- 20 Climate Change Resilience
- 21 Deforestation and Land Use
- 22 Water Stewardship
- 23 Biodiversity Conservation
- 24 Greenhouse Gas Mitigation
- 25 Waste and Food Loss Management
- 26 Fertiliser and Crop Protection Management
- 27 Soil Management
- 28 Genetic Diversity of Seeds and Plants



Our commitments

Our areas of focus incorporate these six sustainability commitments where we can make an impact.

As stated previously, each of ECOM's core businesses will adapt these commitments in scope and ambition to meet the particular challenges and needs of each commodity.



- 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

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

- Ensuring responsibility in our supply chains

3 Improving farmer and worker livelihoods



"Collaborating with farmers in implementing solutions for a more prosperous livelihood is what makes going to the office every day more rewarding."

Teddy Esteve
ECOM Coffee CEO

3.1

Introduction: Improving farmer and worker livelihoods

We believe that the farmers behind our crops need to be supported and empowered to nurture resilient businesses. Giving them the economic security and skills they need means they're able to implement environmentally responsible practices on their farms whilst improving their livelihoods and those of their communities.

Purpose and profit

As part of our commitment to improving farmer and worker livelihoods, we want to empower farmers, workers and their communities to optimise their profitability and ultimately remove poverty. Across the ECOM Group we have a portfolio of projects covering more than 600,000 farmers, with a network of 1,500 field agronomists and staff. However, even with the steps we have in place to provide on-the-ground support, some farmers still struggle to run a profitable operation. Coffee producers in Asia, East Africa and Latin America, for example, need support to compete at the same price level as farmers in Brazil and Vietnam. ECOM is helping to promote farmer resilience in a variety of ways, including financing schemes, technical assistance, farm management and investment in the development of new hybrid varieties. (You can read the details of this project in Innovation in Action on page 27).

Our commitment to farmers extends across the Group. Cocoa farming is becoming more and more challenging – and the more difficult it becomes, the harder it will be to attract and keep young farmers in the cocoa value chain. That means farmers may be forced to turn to family members, including children, to work on their farms, which keeps children out of school and limits opportunities. These ripple effects are why we're helping farmers invest in secure, resilient businesses. By the end of 2023, we're committed to assessing the risks of child and forced labour in 100% of ECOM origin-sourced and partner-sourced cocoa supply chains.

We will also establish the living income baseline and map a way to address the gap. Our goals for the end of 2025 extend this commitment even further, including reaching 200,000 individual farmers with agricultural training. (Read a full list of our commitments on page 20 of our Cocoa Sustainability Report).

Because it comes from producers of all sizes, the economic strains on the cotton community differ from those in coffee and cocoa. ECOM therefore implements a variety of strategies to improve livelihoods, with a focus on workers. We already work very closely with farmers in Brazil, Mexico and the US, with projects including financial alternatives, regenerative practices and traceability. From 2023, we'll start adapting the Group's successful SMS methodology, proven in coffee and cocoa, to small cotton farmers in Latin America, Africa and Asia. Through a trusted network of specialists on the ground, we'll be able to provide services and training on a range of issues, from soil management to labour practices. In this way we can support smallholder farmers to build capacity and resistance and gain greater market access, so that they can compete with larger producers in the international market.

There is still work to be done, but the positive impact of ECOM's support and investment is clear, as the case studies in the following pages show.



“People are the soul of what we do. We are a family-owned company and that ethos guides the way we work with farmers and other suppliers. Human rights are not negotiable and they are not an area for compromise. Everyone deserves dignity, respect, to be treated with fairness and to have the opportunity to thrive.”

William Venables

ECOM Cocoa Head of Marketing & Communication

3.2

Innovation in action

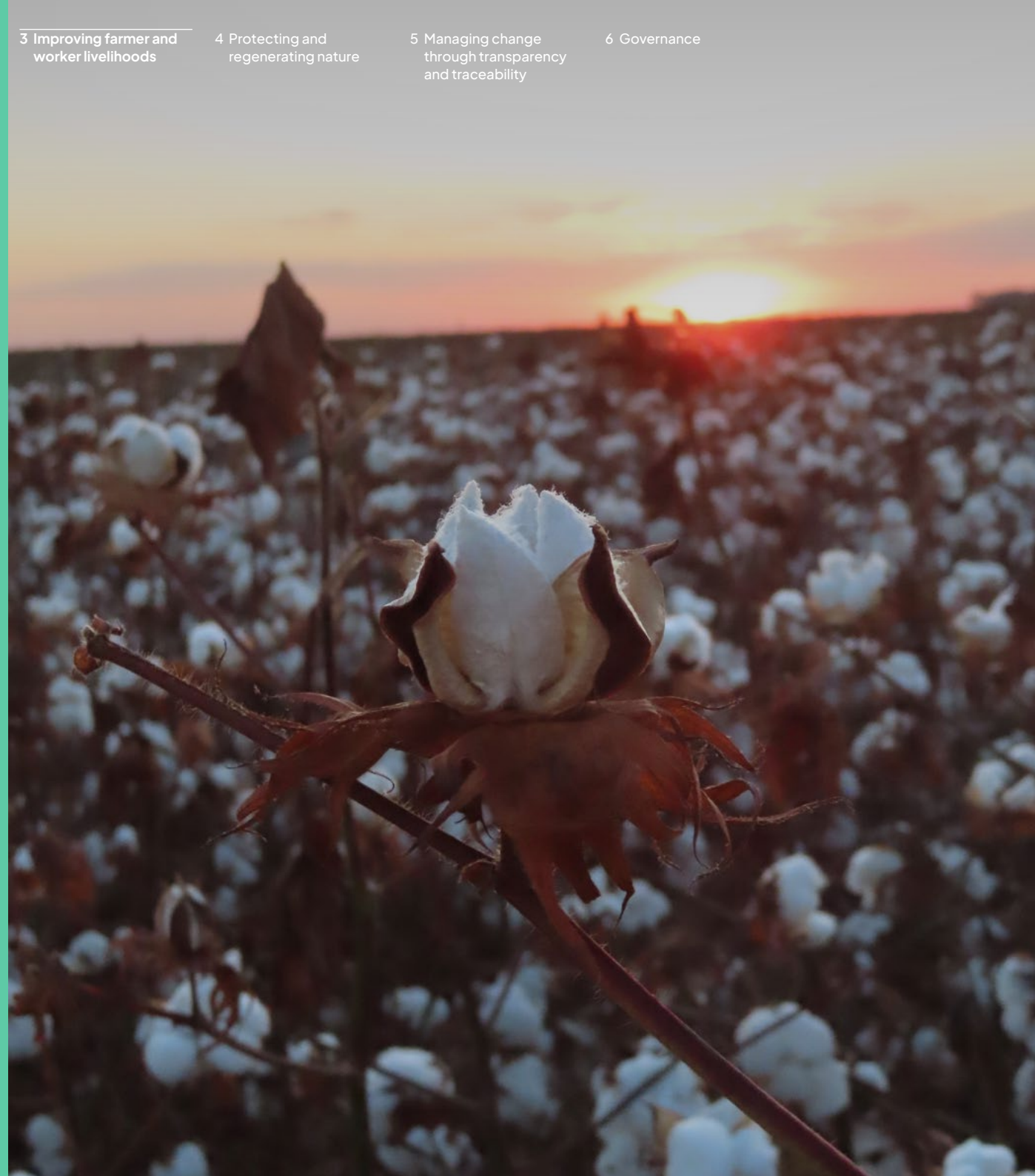
ECOM is driven by a pioneering spirit.

Our on-the-ground operations and sustainability programmes harness the latest technology and most agile thinking to help communities worldwide. We know that it's only by fostering innovation in our people, customers and farming partners that we can create real improvement in livelihoods and effect long-term sustainable change.

“With our diverse array of partners, the ECOM Group can scale up innovation and create customised solutions for farmers that will boost efficiency, productivity and quality, while reducing cost.”

Alain Poncelet

ECOM Chief Executive Officer



Innovation in action continued

Spotlight



Supporting farmers at origin

In June 2003, SOGIMEX pioneered the SMS Coffee Programme in Honduras, with the aim of strengthening the production capacity of coffee farmers there. More than 60 producers were given technical assistance – parcels of land were analysed, with specific nutrition programmes developed for each one through the fertilising months. By 2006, the project extended to all the principal coffee zones of Honduras, with 560 producers achieving Utz Kapeh (later UTZ, which then merged with Rainforest Alliance), Rainforest Alliance or C.A.F.E. Practices certification. By 2021, we were helping 1,578 producers, covering a production area of 8,390 hectares. ECOM's agronomy specialists use their technical expertise to advise producers on which certification programmes to adopt, which market segment to aim for and which technologies to implement on their farms – another example of how our innovative, on the ground approach is making a real difference in coffee communities around the world.



Supporting women farmers

Although many women participate in cocoa farming, there are still gender disparities – and this can sometimes be attributed to lack of consideration when developing programmes. For example, if training sessions are run at times when children aren't in school, it can be hard for women to participate. To that end, during 2021, ECOM worked with Equal Origins to develop the Gender Equity Index (GEI) tool, to assess current farmer support practices through a gender lens. Following two pilots, in Ghana and Peru, the final index was launched in early 2022 as a 67-question diagnostic tool that will help ECOM to identify precise areas for improvement in gender representation. Innovative solutions like the GEI can be rolled out across the Group, taking us further towards our goal of improving farmer livelihoods across the world.



Incentivising change in Mexico

ECOM is the biggest buyer of cotton in Mexico, with Mexican cotton accounting for around 20% of our global volume annually. There are approximately 7,500 producers of cotton and 30,150 local and migrant workers who rely directly on the sector for work. With 80% of production going towards national industry, public-private partnership will be pivotal to developing initiatives in the country. ECOM is committed to playing a key role in transforming cotton farming in Mexico so that it can start consistently to meet global cotton standards. Our programme there is focused on water management, soil remediation, biodiversity and labour rights. By incentivising the transition towards regenerative farming and sustainable cotton production, we can make farmers less reliant on institutional support and more resilient.



3.3

Human rights

Systemic poverty is a common feature in many farming communities around the world, often due to a mix of local factors such as economic vibrancy and currency rates, and more global factors like market pressures on commodities. The pressure this puts on farmers to provide for their families can lead to breaches of globally recognised human rights, for example by recruiting their children to carry out dangerous tasks on their farm or failing to provide safe working conditions.

At ECOM, we want to give our farmers the support they need to uphold human rights. To this end, we have developed a set of policies that align with leading international standards, including:

- The United Nations Universal Declaration of Human Rights
- The International Labour Organisation 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

Our Supplier Code of Conduct

ECOM's Supplier Code of Conduct 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. To ensure our suppliers live up to the Code, we carry out due diligence by implementing effective monitoring processes, including accessible grievance mechanisms that give a voice to everyone along the value chain, from farm workers to clients.

3.4

Child labour

The International Labour Organization's (ILO) definition of child labour states that: Child labour is work that is mentally, physically, socially or morally dangerous and harmful to children and/or interferes with their schooling.

Assessing child labour in our supply chain

Not all work performed by children on farms qualifies as child labour. It can be part of family life. We focus on looking for instances that fall within the ILO's definition of child labour, where children are at risk of, or involved in, work that risks their health and safety. Examples include performing precarious tasks such as carrying heavy loads or using sharp tools, weeding or watering trees in a nursery, or carrying or moving crops that are drying in the sun. We also identify where children are performing tasks that keep them from attending school. ECOM's policies and programmes are powerful tools in fighting the prevalence of child labour, but we are mindful that on their own they are not enough. Child labour is a result of systemic poverty – to eliminate it, we need to eradicate rural poverty, which is why ECOM's overall goal of helping farmers to build a thriving business is a key part of our work to end child labour.

Child Labour Monitoring and Remediation System

Child labour in the cocoa supply chain is one of the most far-reaching and urgent issues in agriculture. ECOM is committed to tackling it. In Ghana, we work with the International Cocoa Initiative (ICI) to implement the Child Labour Monitoring and Remediation System (CLMRS). Our local SMS teams were trained by ICI on child labour issues and use their own expertise to capitalise on monitoring, raising awareness and identification. SMS' specialist platform, SMS Integrity (SMSi) synchronises data into an education dashboard that gives a clear visualisation of child labour risks. By mapping farmers' households against school facilities, we can assess and target high-risk households. Going forward, we are taking the learnings from our cocoa supply chains and implementing the system across coffee and cotton, identifying and remediating cases of child labour in all the areas in which we operate.



Child labour continued

Spotlight Flexible learning

The ILO's definition of child labour includes work that interferes with children's schooling. For coffee pickers who have to move from district to district, sending their children to the same school isn't always possible. ECOM's coffee division has been working on projects across Central America to support the children of coffee pickers through mobile education centres so that they can continue to learn whilst their parents harvest the crop. In Nicaragua, we've partnered with Libros para Niños on their Harvesting Readers project for the past two years and to date, have impacted 230 children from various communities across the region, with a goal for next year of targeting 500+ children. In Costa Rica, as part of La Casa de la Alegría social responsibility project, we're supporting centres where children can receive education, care and nutrition during the work day. ECOM's operation in Honduras, SOGIMEX, participates in a similar programme there.



3.5

Gender disparities

Equal Origins' Gender Equity Index (GEI) was developed during 2021 to assess how our support practices could be improved in terms of gender disparity.

Following two pilot iterations in the cocoa supply chain, in Ghana and Peru, we now aim to roll the GEI out across the Group with a focus on addressing and empowering women in five key ways:

- Organisational capacity
- Strategy and analysis
- Reach women
- Benefit women
- Empower and transform

“We want to be the premier provider of socially responsible solutions that improve lives for all our farmers and, importantly, empower women in the community. We also aim to encourage women in the industry, increasing the percentage of senior female managers within ECOM's businesses in line with the percentage of women employees.”

Sue Garnett,
Coffee Sustainability Sales Director



Gender disparities continued

Spotlight Supporting solo women farmers in Peru

While the GEI is helping us precisely identify areas for improvement in gender representation, our existing programmes to support women farmers continue to run. In one of our long-standing partnerships, we help support vulnerable women in Peru who have experienced violence or personal challenges and are managing their cocoa farms alone. The project aims to help these women increase their productivity and yields to strengthen their economic resilience, with ECOM focusing on supporting them to qualify for certification, providing technical assistance and helping them earn a premium payment for their product.



3.6

Community engagement

There is no single solution to rural poverty.

Just as a variety of factors contribute to it in the first instance, it takes a number of initiatives to help eradicate poverty and bring prosperity to farming communities across the world. At ECOM, our package of measures to engage with and improve life for farmers and their families includes: developing resilience through tailored training on new technologies, farm renovation and rehabilitation; enabling income diversification by providing intensive training in a variety of fields, from vegetable production to making soap; providing digital support in the form of accessible, app-based platforms; making farm equipment affordable with low-cost machinery, flexible payment choices and post-purchase training; setting up banking systems such as the Digital Premiums Platform and Village Savings and Loan Associations; and offering youth training schemes that allow young people aged 18 to 25 to develop valuable skills and earn an income.

Our work is entrenched in collaboration at the community level. Across the Group, we develop successful relationships with local organisations, NGOs, clients and banks to support farmers in every aspect of their lives.

ECOM Social Progress Index (SPI)

In 2020, we implemented the SPI to help us assess the social health and wellbeing of our farming communities by measuring progress against three areas:

- Basic human needs: food, shelter, safety, medical care
- Wellness: access to knowledge, education, environmental quality, information and communication, freedom of speech
- Opportunity: personal rights, freedom of choice, inclusiveness, access to advanced education

We have already completed the Index in our cocoa supply chains in Ecuador and Peru. Ecuador scored highly on safety, health and wellness, nutrition and basic medical care, but ranked low in access to advanced education, personal rights and environmental quality. In Peru, personal safety, health and wellness, and freedom of choice scored highly, but access to information and communication, advanced education and water and sanitation were poor. We will now identify regional partnerships to help us tackle these low-scoring areas, whilst rolling out the SPI across our other value chains.



Community engagement continued

Spotlight



One cow, many benefits

Coffee farmers receive income only when their coffee is harvested and sold. CMS, the farmer-facing division of ECOM's subsidiary in Kenya, has been rolling out the Sustainable Source Smallholder Systems project (4S@SCALE) to help smallholders develop alternative sources of income – like high value dairy cows. Not only does the cow provide an additional income through selling the milk, it's good for family nutrition, especially that of children. The waste from the cows is used in a biodigester, giving farmers clean energy for their household and saving money on fuel. The by-product from the biodigesters – bio slurry – is used on farms and to grow vegetables in kitchen gardens. It's one small idea with a lot of impact – it increases income and quality of life for farmers and helps the environment by reducing emissions.



Village Savings and Loans Association (VSLA)

Many cocoa farmers live in areas with minimal infrastructure. As a result, many do not have bank accounts – and being unbanked makes financial resilience hard to secure. To tackle this, ECOM has implemented VSLA initiatives, in collaboration with clients, to allow men and women from the community to create their own 'bank', where they can invest small amounts when they want, whilst keeping their money safe.

“Through the association, I have been able to secure a shop for myself. Purchasing farm products for my cocoa farm to yield the best cocoa is no longer a problem for me since I can easily rely on my savings. In fact, the impact of the VSLA on our society generally cannot be overemphasised.”

Emmanuel

Sefwi-Eteso Society, Ghana



Developing farmers in the US

In partnership with NGOs, local governments, academia, government agencies and brands, our US programmes fund cotton farmers to transition to more sustainable practices and enhance their returns for adopting them. Our support is focused on providing producers, including small and minority farmers, with the training and resources to learn innovative growing methods, pay for certifications and develop effective marketing strategies. Through our research on regenerative practices and the yield and quality improvement delivered by non-conventional farming, backed up by quantifiable data, we can highlight the benefits of sustainable agriculture, leading to more growers becoming certified, with increased acreage.

4 Protecting and regenerating nature



Across the world, farming has intensified to meet consumer demand, leading to practices such as deforestation and intense water usage which are in turn contributing to climate change. ECOM is committed to tackling climate change by protecting and regenerating nature, optimising our natural resource management and improving farmer resilience. By 2050, we will be a Net Zero emissions company.

"We all have our parts to play across the different industries and sectors. We need to change the system we're currently operating in and we need to do this collectively - we cannot do it alone."

Ana Nicod
Head of Climate Change Strategy, ECOM

4.1

Introduction: Protecting and regenerating nature

As farmers worldwide compete for natural resources, entire ecosystems are becoming stressed beyond their capacity to adapt. ECOM wants to transform farming systems in all the areas where we operate, so that these agricultural ecosystems become sustainable and biodiversity is safeguarded. By working with partners including our clients, academic institutions and NGOs, we can introduce regenerative practices and climate-smart growing methods that will help farmers improve their capacity to absorb, recover and adapt to a changing climate.

In our coffee division, ECOM has long been a pioneer in sustainability solutions and services. We're committed to building the capacity of farmers through training and advisory services and to prioritising low carbon agriculture, agroforestry and peatland restoration. Our Caring for Climate Services include carbon reduction and removal projects that impact every step along the supply chain. And our SMS verification system checks farm practices against 40 critical criteria, including ecosystem protection and traceability, to give our roasters and end consumers confidence that their coffee has been responsibly grown, harvested and processed.

The focus in cocoa is to carry out the risk assessments that will help us identify how we can optimise our natural resource management practices, improve farmer resilience and, ultimately, become a Net Zero emissions company in our Scope 1, 2 and 3 emissions by 2050. By the end of 2023, we will have carried out deforestation and biodiversity risk assessments in all our ECOM origin-sourced supply chains; country-level climate change risk assessments; and established agroforestry models and monitoring systems in 100% of our origin-sourced supply chains.

In cotton, we're working with a multi-stakeholder group including academia, national and local governments, NGOs, financial institutions and development banks, to map all the native and wild cotton varieties that are viable for textiles. We want to connect with small producing farmers to create experimentation parcels where we can develop innovative practices and improve seed research. In this way we can help our cotton producers, many of whom are small, poor, indigenous farmers, to recultivate and sell their product. Other agricultural practice pilots in cotton include precision agriculture and irrigation, clean energy and regenerative agriculture, aquifer restoration, ecosystem services and a programme on non-GMO, unlicensed seed. These programmes are currently at first stage, which involves analysis on the ground. The diagnoses will then be used to inform solutions – we look forward to sharing our progress in next year's report.

“We join industry partners in their efforts to eliminate deforestation, build resilience to climate change, eradicate child labour and support our farmers in reaching a living income.”

Teddy Esteve

ECOM Coffee CEO



4.2

Innovation in action

Sustainable agricultural ecosystems are ones in which people, productivity and biodiversity co-exist and thrive.

ECOM is partnering with industry leaders to develop and support the innovative solutions that will make this happen. Opening up access to innovation and new technology is an essential building block for family farmers, revitalising rural areas and creating job opportunities for youth and women. By scaling up innovation, we can boost efficiency, productivity and quality, while reducing costs and protecting and regenerating nature. And these technical solutions aren't just applied at ground level – we're looking across our entire supply chain to see where in our operations we can minimise energy use and reduce our emissions.



Innovation in action continued

Spotlight



Breeding the beans of the future

Arabica coffee trees, mainly grown in full sunlight, are particularly sensitive to the rising temperatures and diseases brought about by climate change. ECOM has been working in a partnership to develop Arabica hybrids suitable for growing under shade. Over four years, we've been testing four hybrids against their ability to cope with stress factors including high temperatures, drought, shade, high atmospheric CO₂ levels and poor nitrogen nutrition. The results show that the new hybrids are 10-20% more productive than traditional varieties and have a degree of resistance to diseases that makes it possible to reduce pesticide use by 15-20%. If these hybrids are rolled out, we could see agroforestry systems for coffee expand by 30-40% within the next decade, ensuring a supply of high-quality, fully traceable coffee, for which growers are paid a fair price, and which is carbon neutral.



Making waves in wastewater management

The processing of coffee, particularly wet pulping, produces large volumes of wastewater. If the wet mill at a farm then leaves that water untreated in a lagoon or pond, as it degrades, it will release large volumes of methane and biogas. If the untreated water is released into a river, that could lead to water contamination and loss. Since 2019, ECOM has been working with the University of Notre Dame's department of Civil and Environmental Engineering and Earth Sciences to model a more efficient treatment of wastewater within our operations – effectively, a way to collect wastewater and treat it. Following laboratory tests to develop low-maintenance, low-technology solutions, separate workstreams have been looking at modelling for irrigation transit, groundwater, and pond systems as part of the treatment process. If these pilots are successful, we'll look to scale up the technology across our coffee supply chains.



Cotton – Bringing healthy soil back to Brazil

The climate crisis is having a severe impact on the health of soil – and this in turn impacts on farming. In Brazil, ECOM's cotton division is working with experts in soil, sustainability and agronomy on the regenagri® project. The initiative supports farms to transition to regenerative farming techniques that increase organic soil matter, encourage biodiversity, reduce GHG emissions and sequester CO₂. One supplier, who started with the programme five years ago and currently produces 7,500 MT of cotton, has shown a 34% reduction in use of chemicals, alongside significant efficiencies in fertiliser use, land and water use, and greater carbon fixation. In the US, ECOM is the first merchant to be certified regenagri®, meaning we have been able to provide traceable, certified bales.

4.3

Nature and biodiversity

To safeguard important areas of biodiversity, it's essential that we address deforestation and transform growing practices to support a forest-positive future.

ECOM's agroforestry initiatives in coffee and cocoa are integrating trees into farming systems to improve soil and water health and preserve local biodiversity. In cotton, we're working with our clients, producers and academics to tackle the challenges posed not only by deforestation but by urban growth and tourism. The world's 46 species of wild cotton are critical sources of genetic traits, but they're all currently facing the risk of extinction. Only by restoring ecosystem biodiversity can we ensure the sustainability of our key crops.



Nature and biodiversity continued

Spotlight



Organic cotton in Tajikistan

Organic cotton is grown using natural methods including crop rotation, green manures and composting, with absolutely no artificial pesticides or fertilisers. This way of growing maintains healthier soil and boosts biodiversity, making organic cotton a key part of our sustainability strategy. We've been excited recently by the possibility of extending our organic cotton partnerships to Tajikistan, in central Asia, where a producer has been researching and working on growing the crop for the past few years. From 260 hectares in 2021/22, they're looking to expand to 580 hectares in 2022/23 and have been certified by The Global Organic Textile Standard (GOTS). It's through forging these kinds of partnerships that ECOM will be able to encourage the spread of regenerative farming, and protect ecosystems, across every continent.



More efficient cocoa farming in Ecuador

Supporting more efficient growing is key to helping farmers to adapt to climate change and to protecting the environment. In Ecuador, ECOM's cocoa division has partnered with leading companies to find ways of making technology used in large industrial farms work for smallholders. Together, we developed several new technical packages and protocols for small-scale farms for irrigation and fertilisation, then established demonstration plots in Ecuador and Peru to validate the kits and fertiliser blends. Farmers who took up the packages were trained and given access to affordable finance – and, to show them the value of investing in our innovation for their business, we shared our cost-benefit and climate change vulnerability assessments with them.



The BROCAP® trap

The coffee berry borer (CBB) is one of the world's most destructive pests, found in all major coffee-producing regions worldwide. Infected beans are unfit for consumption, making the loss of potential earnings considerable. Conventionally, they have been eliminated using chemical agro-inputs, which entail a risk of pest resistance and an accumulation of toxic residues. SMS is now supporting the use of the BROCAP® trap, an environmentally friendly alternative developed by CIRAD and PROCAFÉ. By trapping the CBB, pesticide use is reduced, systems are protected and the coffee itself is more wholesome. Data from Indonesia shows that 97% of insects caught in the trap are CBBs, meaning its natural predators remain at large.

4.4

Climate change and resilience

Longer dry seasons, reduced rainfall and disease are already making life harder for farmers.

At ECOM, we're supporting farmers to tackle climate change, fortify their farms and sustain crop production far into the future. We're not doing this in isolation – we're collaborating with our producers, customers and stakeholders all along our supply chains to find the synergies we need for maximum climate change impact.

Understanding our emissions

In 2021, the ECOM Group joined the [Science Based Targets initiative \(SBTi\)](#) and committed to achieve Net Zero greenhouse gas emissions across our entire value chain by 2050. As a commodities trader, most of our emissions come from our Scope 3 operations (with Scope 1 and 2 coming primarily from our factories) – this is why cutting carbon at farm level is essential to achieving our Net Zero goals. ECOM is a member of the Cool Farm Alliance and we're using the Cool Farm Tool, an online greenhouse gas, water and biodiversity calculator developed specifically for farming, to help calculate our Scope 3 emissions.

Supporting farmers to reduce emissions

Caring for Climate Services is our customer-facing platform that draws on the expertise of our origin teams and in-house climate team to roll out emission reduction and removal initiatives across our supply chains. Interventions such as switching to renewable energy for primary processing, using organic fertiliser and implementing better irrigation and waste management practices are all helping to cut emissions. We're also undertaking agroforestry and reforestation projects to sequester carbon from the atmosphere and convert it into above and below ground biomass. As an origin-integrated company, we are in a unique position to help farmers – and every actor along the supply chain – to work with us on our journey to Net Zero.



Climate change and resilience continued



Spotlight Breaking new ground in Nicaragua

Since 2011, Philippe Courtel has been on the front lines of cocoa innovation for ECOM. In the past ten years, he has seen firsthand the effect of global warming on farming systems, from soil degradation to reduced productivity and drought. Philippe believes, however, that we can use science to combat those effects. In his work in Matagalpa, Nicaragua, he has helped develop and roll out a state-of-the-art technique – somatic embryogenesis – that enables the creation of coffee hybrids, thereby improving plant quality and increasing yield. This is just one of the techniques being developed by ECOM, SMS and our partners to create resilient plants that can withstand the onslaught of climate change and diseases.



Spotlight Progress through partnership

ECOM's cotton division is exploring a number of ways to measure and manage our impact, in partnership with several major global organisations. We were the first merchant to join Better Cotton and played a key role in shaping its development. We are also an active member of Textile Exchange®, a global nonprofit organisation that's positively impacting the climate by accelerating the use of preferred fibres across the global textile industry. By 2030, its goal is to guide the industry to achieve a 45% reduction in greenhouse gas emissions within fibre and raw material production. We currently participate in their Sustainable Cotton and Organic Cotton Round Tables, as well as in the 2025 Sustainable Cotton Challenge Team and the Fibre Crops Module (FCM) pilot. We know that by collaborating, we'll increase our knowledge and reach and, ultimately, progress faster.

Climate change and resilience continued

Spotlight Reforestation in Nicaragua

Nestlé's Forest Positive strategy launched in June 2021 aims to contribute to reforestation efforts and having a positive impact on its broader sourcing landscapes. A main component of this strategy is the Global Reforestation Program, which aims to plant and grow 200 million trees by 2030 in the sourcing landscapes. Nestlé's projects will help restore natural forest landscapes, introduce agroforestry systems for suitable crops and support other natural ecosystem restoration activities.

Nicaragua is one of the countries in Latin America to implement the ambitious Bosques del Mañana project, which is part of Nestlé's Global Reforestation Program. Between 2021 and 2026, Bosques del Mañana will plant 8.6 million trees in Nestlé's dairy and coffee supply chains and contribute to accelerate the transition to sustainable and regenerative farming systems.

ECOM is responsible for the execution of the project. A pilot phase of the project was first realised in Río Blanco (livestock-producing area) in 2021, where 100,000 trees were planted. In 2022, the project expanded its reach to new departments. The project is on track to reach the 2022 goal of one million trees by the end of October.





Cutting GHG emissions inside ECOM

As outlined in the previous pages, most of our emissions as a commodities trader come from our Scope 3 operations. However, in order to achieve our goal of being a Net Zero organisation by 2050, it's vital that we look at how we can reduce the Scope 1 and 2 emissions produced in our factories and warehouses. We will reduce our carbon footprint through sustainable operations in energy, water and waste, including the use of fossil-fuel alternatives. Already we use solar power and biogas as alternative power sources at the farmer and facility level, as well as sophisticated techniques to treat wastewater and recycle waste.

“Setting our Net Zero target has been the culmination of a long process and a commitment to be fully in line with the 1.5 degree scenario of the Paris Agreement. Our approach is based on sound science, setting credible and reliable targets and modelling our impacts accordingly. It will be challenging but it is also a necessity.”

Ana Nicod

Head of Climate Change Strategy

Group-wide efficiencies

In order to maximise impact for our Scope 1 and 2 emissions, we need to work as a group. The fuel alternatives and new processes we find for our factories and facilities will be rolled out across coffee, cocoa and cotton, helping us to decarbonise our operations more quickly and efficiently.

The switch to solar

Solar energy is a cost-effective, clean and renewable resource that we're committed to using where possible across our operations. In Nigeria, we have transformed our industrial cocoa processing plant into a model for solar energy. Already, the solar-hybrid system installed there saves enough energy annually to power 5,500 Nigerian households and will prevent an estimated 2.5 tonnes of CO₂ from being discharged. In East Africa, outside Nairobi, our Group headquarters is also transitioning towards solar energy, with 2,800 solar modules being mounted on 5,700 square meters of roof space, which will reduce CO₂ emission by at least one million kilograms a year. Other projects include the Machado Warehouse and our mill in Mato Grosso, both in Brazil, the Tulip Velten Cocoa Plant in Germany and our coffee dry mills in Guatemala and Vietnam. Together, these investments represent a significant decrease in our Scope 1 and 2 carbon emissions.

5 Managing change through transparency and traceability



When we understand something, we can improve it. The traceability of our supply chains underpins our trustworthiness as a Group – because we know where our commodities come from, we can make sure they're grown sustainably and responsibly.

For ECOM, our clients and the end consumer, transparency and traceability are key. Only by shining a light on our supply chains, from end to end, can we be sure we're having the impact we're working for.

"The trusted relationships we have developed over time will be key to helping us meet our transparency and traceability goals."

Nicolas de Wasseige
ECOM Cocoa Deputy CEO

5.1

Introduction: Managing change through transparency and traceability

Supply chain management is at the core of ECOM's activities as a commodities trader. But with many farmers living in remote areas with reduced access to tools and resources, responsible practices can sometimes come second to simply reaching markets for produce. In addition to geographical remoteness, the complexity of the supply chain poses challenges, with many different intermediaries at each point along the chain. Traceability is a vital tool in helping us achieve full oversight – ECOM is working with every actor in the supply chain to digitise every step of the products' journey. Together with new technologies and our commitment to certification, the Group is continuing to achieve greater visibility of our activities, even across the most complex and indirect supply chains.

“Promoting sustainable agriculture is our objective; sourcing, tracing and delivering it to our clients is our mission.”

Antonio Esteve

ECOM Cotton Board Chairman



5.2

Innovation in action

If traceability is a vital tool in helping us achieve full supply chain oversight, then digitisation is the key to powering that tool.

The ECOM Group's advanced data technologies give us a holistic view of our farmers' activity across every country and commodity. We can adapt these technologies as information changes and goals evolve. Since its launch in 2013, ECOM's in-house database SMS Integrity (SMSi) has been implemented in 18 countries, with over 310,000 farmers and over 400,000 farms registered. The details we hold on farmers' profiles and environmental risk assessments mean we can help farmers work faster and smarter and, ultimately, provide better livelihood security.

“Digital data is the fuel of the new economy. Now we have data about household, farm, plantation, environmental and social aspects, we can better understand – and find solutions to – our farmers' individual challenges and common challenges across regions or communities.”

Tadeo Cwierz
ECOM Global IT



Innovation in action continued



Spotlight Keeping pace with cocoa

ECOM cocoa has extended the SMSi programme from collecting farmer information to mapping land. Data collection has been automated for field staff, with 341,115 polygons (maps that digitally represent geographic data for irregularly shaped areas) and 432,305 hectares mapped to date. The mapping information is linked to procurement information and to land use maps to ensure that traceability can be demonstrated from farm to first purchase point and we can work together to combat deforestation. Across the chain, from grower to chocolate maker, this helps achieve a more transparent end-to-end process.



Spotlight Tracing cotton

Our contacts and experience give ECOM's cotton division great reach in the traceability world. Our modular traceability systems use blockchain technology, forensic science traceability, DNA markers and RFID tracking systems. We use SMS integrity (SMSi), our versatile platform, to analyse the data and generate reports.

As of 2021, we can generalise cotton traceability to most of our deliveries and, through our pilots, we are constantly improving, adapting and adding more detail. In one of these, the Blue Seed programme, we have been able to trace a luxurious, extra-long tailor-made fibre produced with less water from start to finish: from seed developer, to farmer, service provider and factory, and finally to high-end branded jeans in a Milan concept store. In the first cycle, 2020/21, we produced 100 MTs (metric tonnes) of fully traceable Blue Seed cotton, growing to 440 MTs in 2021/22, and forecasting around 1,000 MTs for our third cycle, 2022/23.

5.3

Responsible supply chains

In coffee, cocoa and cotton we work with national and local governments, NGOs, development banks and other partners to develop new technologies and strengthen farmer skills. We also work with academic institutions across the world, who play a key role in creating and transferring knowledge through research, publications and case studies that establish proposals to address certain problems.

Our supplier code of conduct

Establishing clear expectations is key to supply chain transparency. Our Supplier Code of Conduct details the ethical, legal, environmentally and socially responsible practices that we look for from each of our partners. It's not just about being legally compliant – we want to actively advance social and environmental responsibility. Our suppliers know that we can assess compliance with the Code at any time and that, if any violation is identified, our business relationship with them can be terminated.

Coffee SMS Code

Certification is a recognised symbol of trust. As well as offering certifications from the world's most respected and recognised organisations, including Rainforest Alliance and Fairtrade, ECOM has its own verification standards: SMS Verified and SMS Diamond Verified. These are achieved through the SMS Code which sees ECOM's sustainability arm, SMS, partnering with coffee farmers for the long term to enhance their farm management and productivity. Following a meticulous audit, farmers can achieve SMS Verified or SMS Diamond Verified, standards which are recognised by the Global Coffee Platform. Through SMS Code, farmers can meet purchasing and growers' ambitions through higher yields and better quality. A third programme, SMS Traceable, enables the production of Coffee Origin Reports that give commercial, logistics and sustainability information on the producer population that the coffee comes from.

Partnerships in cotton

Beyond working with organisations and academic institutions, ECOM invests financially in partnerships that will benefit communities and create greater transparency in the supply chain. In 2018 EISA, ECOM's cotton operation in Brazil, formed Beneficiadora de Algodão Cotton 163 with a group of local farms, financing the project as an impact investment and keeping 38% of the shares, while the farmers own the rest. Cotton 163's net profit margin increased by 9.85% in 2021 – a clear demonstration of the benefits that working in partnership can bring.

Going end-to-end in cocoa

In our cocoa division, specific traceability targets will help us achieve our goal of knowing that every bean we source has been done so responsibly. By the end of 2023, we're committed to 100% traceability for beans purchased directly from origin-sourced supply chains, with a similar goal for partner-sourced beans by the end of 2025.



Responsible supply chains continued

Spotlight



Single origin cocoa

When over a million new cocoa trees were planted on the OFIR plantation in Sierra Leone, ECOM knew it would be some years before they became productive. So we decided to use it as an opportunity to demonstrate what plantations like this are capable of. We harvested cocoa beans from old trees on the plantation and, working with expert French chocolatiers, used them to create a small batch of single-origin, tree-to-treat chocolate bars. Working in this way gave us the insight and data we needed to enable traceability, not just to the plantation, but to the very tree the beans in each bar were harvested from.



Verifying cotton

ECOM has joined forces with an expert traceability organisation to create Verified Yarn, a product that gives clients and end consumers confidence in the origins of their cotton, and the journey used to create it. Oritain provides forensic scientific product-based traceability, with verification at any point of the supply chain to the initial source of the cotton, while ECOM uses digital traceability to map and audit the cotton journey. This enables the production of fully traceable ready-made garments, traceable from ginner to spinner and spinner to garment. Oritain and ECOM continue to work closely on the next steps and rollout of this initiative.



Frutos de la Restitución, Colombia

ECOM's specialty coffee arm looks for the most exciting varieties around the world and connects the grower and the roaster. In 2019, ECOM's partner in Colombia, Condor, was introduced to something special – varieties that not only tasted amazing, thanks to cultivation in rich, volcano ash-derived soil, but were grown by farmers who were forced to abandon their lands after decades of violence and were only restored to them in 2011. Known as the Frutos de la Restitución – the fruits of restitution – these coffees from the producers in Tablon de Gomez not only represent an important initiative for social justice and progress in Colombia, but the sheer quality is a testament to the families' resilience and strength. In just three weeks, in the middle of the pandemic, more than 30,000kg were sold, enabling Condor to pay 46 different producers directly. At ECOM, we're committed to helping more families like these connect to the specialty market, creating a transparent chain for their exceptional product to reach a worldwide audience.

6 Governance

Operating ethically is key to how we build trust with our farmers, commodity communities, customers and everyone impacted by our work.



6.1 Ethics and governance

Ethics and governance across ECOM

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

ECOM Code of Conduct

The ECOM Code of Conduct sets out how we expect our employees, agents and representatives to act. It requires that they:

- **Comply with the ECOM code.**
- **Act with integrity.**
- **Consider sustainability as a core business strategy.**
- **Treat all people with respect and act to prevent harassment and bullying.**
- **Keep honest, accurate and objective records.**
- **Support ECOM to protect its data and company information.**

The Code, which is mandatory, is available in six languages (Dutch, English, French, German, Portuguese and Spanish) and was communicated to all employees in the ECOM Group via email. We also sought acknowledgement of commitment to the Code of Conduct from over 1,000 employees via our Employee Talent Management System (ETMS) platform.

We maintain an internal Ethics and Compliance Concerns Policy and an external Ethics Concerns Policy (available in English, Spanish, French and Portuguese) to help our employees and stakeholders raise concerns when they see or suspect violations of our Code of Conduct or any wrongdoing.

6.2 How we govern sustainability



6.3

Our core policies

Our core policies to guide sustainability at ECOM and across our supply chains are:

- ECOM Code of Conduct
- Ethics Concerns Policy
- Modern Slavery Statement
- Environmental Policy
- Social Policy
- Equality, Diversity & Inclusion.
- Supplier Code of Conduct

Please find our policies on our website: www.ecomtrading.com.

Ethics at ECOM

We expect all our employees, contractors, sub-contractors, suppliers, agents and other third-party representatives to maintain high standards of integrity. We retain internal and external Ethics Concerns Policies (one for internal use and one for public use) which reinforce our commitment to ethical behaviour and encourage a culture where wrongdoing is safely reported at an early stage.

Our external Ethics Concerns Policy sets out our approach to the reporting of suspected wrongdoing, inappropriate behaviour and/or dangers relating to modern slavery, bribery, fraud and criminal activity, tax evasion, environmental damage and bullying and harassment, among others.

Contact details for the reporting of concerns are provided in the Policy (which is publicly available via our website and is available in English, French, Spanish and Portuguese) and all reports are confidentially addressed. The internal policy is communicated to the employees via the ECOM Group's intranet.

In 2021, both our external and internal policies were reviewed by external legal counsel and tested for compliance with the EU Whistleblowing Directive.

Upholding the human rights of ECOM employees

ECOM operates in a number of high-risk countries for modern slavery and employs temporary and seasonal workers, further increasing the risk of supply chains susceptible to modern slavery. ECOM has a responsibility to safeguard the lives and livelihoods of the hundreds of thousands of people around the world who grow the commodities that enter its supply chains.

ECOM has zero tolerance for modern slavery in its organisation and supply chains. It is committed to conducting business with honesty and integrity and in accordance with the highest legal and ethical standards. ECOM expects everyone it works with, including employees and all partners, to uphold these values and share its commitment to doing business in a responsible, sustainable and ethical manner. ECOM continuously works with its business partners, clients and suppliers globally to eliminate modern slavery from its supply chains and any part of its business. We closely review applicable modern slavery laws around the world, including the UN Guiding Principles on Business and Human Rights, as well as developments in human rights due diligence measures around the globe. ECOM is currently implementing a supplier due diligence platform to, amongst other things, capture supplier practices in relation to modern slavery as well as to record suppliers' adherence to our policies and codes.

Health and safety

We prioritise the safety of our people regardless of what division of our operations they work in. Our approach to health and safety differs according to whether employees work in the field, in offices or in manufacturing. However, while different workplaces require different health and safety processes, we ensure that our policies and approach align with local laws and international standards wherever we operate.

Discrimination

We do not tolerate discrimination in any form and work to create inclusive workplaces that embrace diversity across race, gender, age, religion, orientation, ability and more. Our internal Grievance Procedures provide details for the reporting of discrimination, amongst others.

Freedom of association

Every employee at ECOM has the right to freedom of association and collective bargaining, and any choice to associate with trade unions does not impact employees less favourably. We also expect our suppliers to operate in such a non-discriminatory way.

Our core policies continued

Anti-bribery

We operate globally and are therefore subject to a multitude of applicable anti-bribery and corruption laws. We maintain an Anti-Bribery and Corruption Policy and a Gifts, Donations and Entertainment policy to standardise our approach to ethical business activities for the ECOM Group. The policies apply to all employees, agents and other authorised representatives of the ECOM Group.

ECOM carries out due-diligence screening on its counterparties for sanctions and other concerns. We screen counterparties daily to ensure we are not inadvertently contracting with entities of questionable integrity or who may be on sanctions lists. When a counterparty is flagged, the compliance team assesses the alert and escalates this to the relevant business unit to determine if the business relationship should continue.

Where a counterparty is flagged as a state-owned entity/politically exposed person, the compliance team checks to see if agents are being used in relation to that business relationship. If so, this is escalated to the relevant business to check and ensure that a robust agency agreement is in place and that ECOM's ABC policy has been shared with the agent.

We continue to carry out annual risk assessments across ECOM to ensure anti-bribery and corruption compliance.



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