



Livelihoods,  
Education  
and Nature  
at Scale

# COFFEE LENS

Impact Report

2022



# A word from our CEO – Vivek Verma

**I'm delighted to share our second impact report for Coffee LENS to mark the progress we've made together with our customers and sustainability partners towards our 2025 goals.**

I'm proud of the positive steps we've taken towards all four of our focus areas in the last year, particularly reaching 117,000 farmers with sustainability support to take us over halfway to our target. Other highlights include introducing regenerative land practices covering an area equivalent to 47,000 football fields, increasing the share of renewable energy in our processing facilities to over 50%, and achieving over 81% traceable to farmer/farmer group/regional level. All delivered against a challenging backdrop.

2022 was a mixed bag for the coffee industry. Navigating the ongoing effects of supply chain disruption, exacerbated by the war in Ukraine, inflation, and adverse weather events, required buffering strategies to ensure supply and quality. We saw record highs of arabica prices following poor weather conditions in Brazil, helping put more money in producers' pockets and generate a welcome buzz of activity in coffee communities. But as the coffee cycle goes, subsequent oversupply from the already 'better off' farmers triggered an inevitable price trough before the year was up.

On a brighter note, we are seeing an intensified interest and commitment throughout the coffee industry towards reducing carbon emissions in the supply chain. And while we're all too aware that the window is closing to meet the 1.5 degrees goal,

this increased appetite for improving our collective coffee footprint is particularly encouraging with the urgent need to build more resilient and regenerative supply chains.

For **ofi**'s coffee business, the last year has also brought opportunities. Our availability of sustainable coffee remained strong at over 40% of our directly sourced volumes to satisfy growing demands for traceability and transparency in the value chain. We acquired leading Canadian coffee roaster Club Coffee which combines our respective expertise in sustainable sourcing and innovative packaging to help our customers meet increasing consumer interest in these areas. And in Peru, we launched a new partnership with USAID, one of 44 sustainability projects last year, allowing our local team to extend support to more coffee producers with a joint investment of US\$8.1 million to fund extension services, infrastructure, certification, and training.

For our customers, we can unlock value from our sustainability impact by making it visible through data-based insights on AtSource, **ofi**'s sustainability management system. Built on multiple years of data and constantly evolving with new metrics and features to offer transparency across the supply chain. AtSource is also one of many digital tools that we will draw on to meet EU requirements for traceability and environmental

due diligence. We are already putting measures in place to support our customers which will build on the current monitoring frameworks, on-the-ground expertise, and sector partnerships we have in place.

Once again, we have been well supported by our customers and sustainability partners who I would like to thank for contributing to our collective efforts. Now that we're at the halfway mark towards our 2025 goals, this is also an opportunity to point forward to what we need to build on as we look to scale up our ambition for even greater impact by 2030.



**Vivek Verma,**  
Managing Director & CEO,  
Coffee – **ofi**

**Coffee LENS:  
Livelihoods,  
Education &  
Nature at Scale**



# Contents

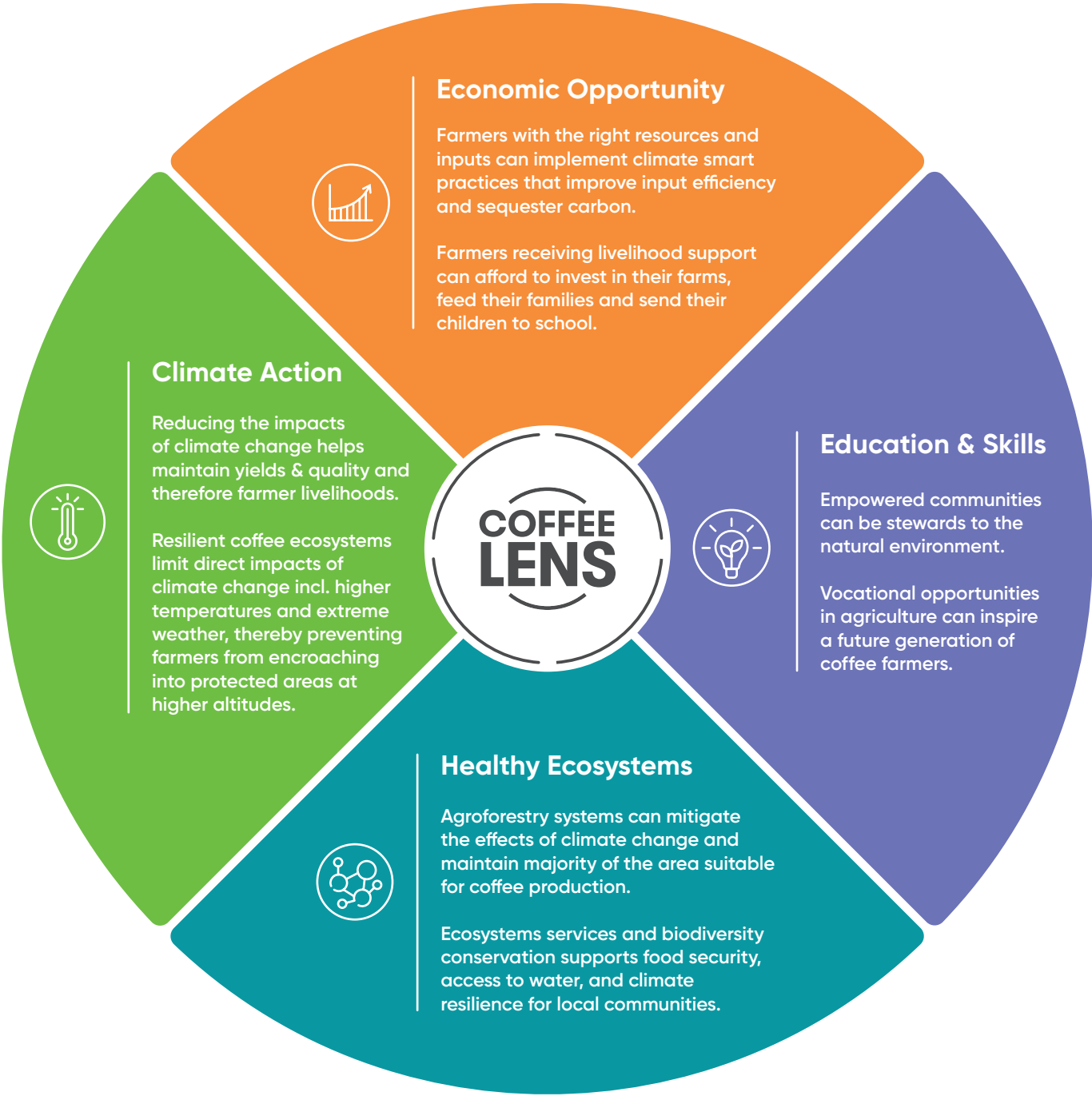
Coffee LENS: four interconnected pillars	6
Our sustainability journey	8
Our global footprint	10
2022 highlights	12
Progress snapshot against our 2025 targets	14
Economic opportunity	16
Education & skills	22
Climate action	28
Healthy ecosystems	36
Tracking our progress through traceability tools	42
Thank you	44
Looking towards 2030	46



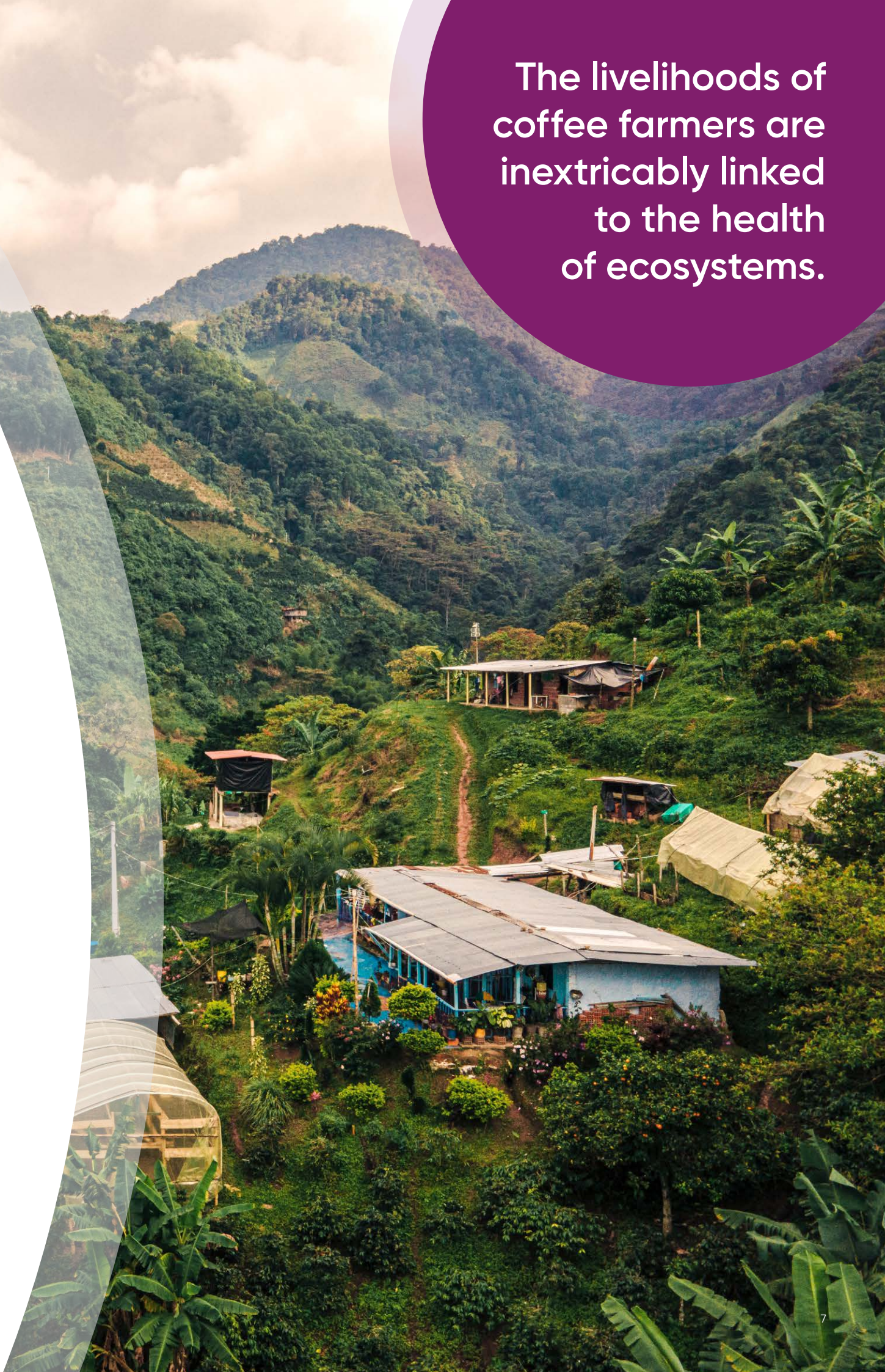


# Coffee LENS: focused on four interconnected pillars

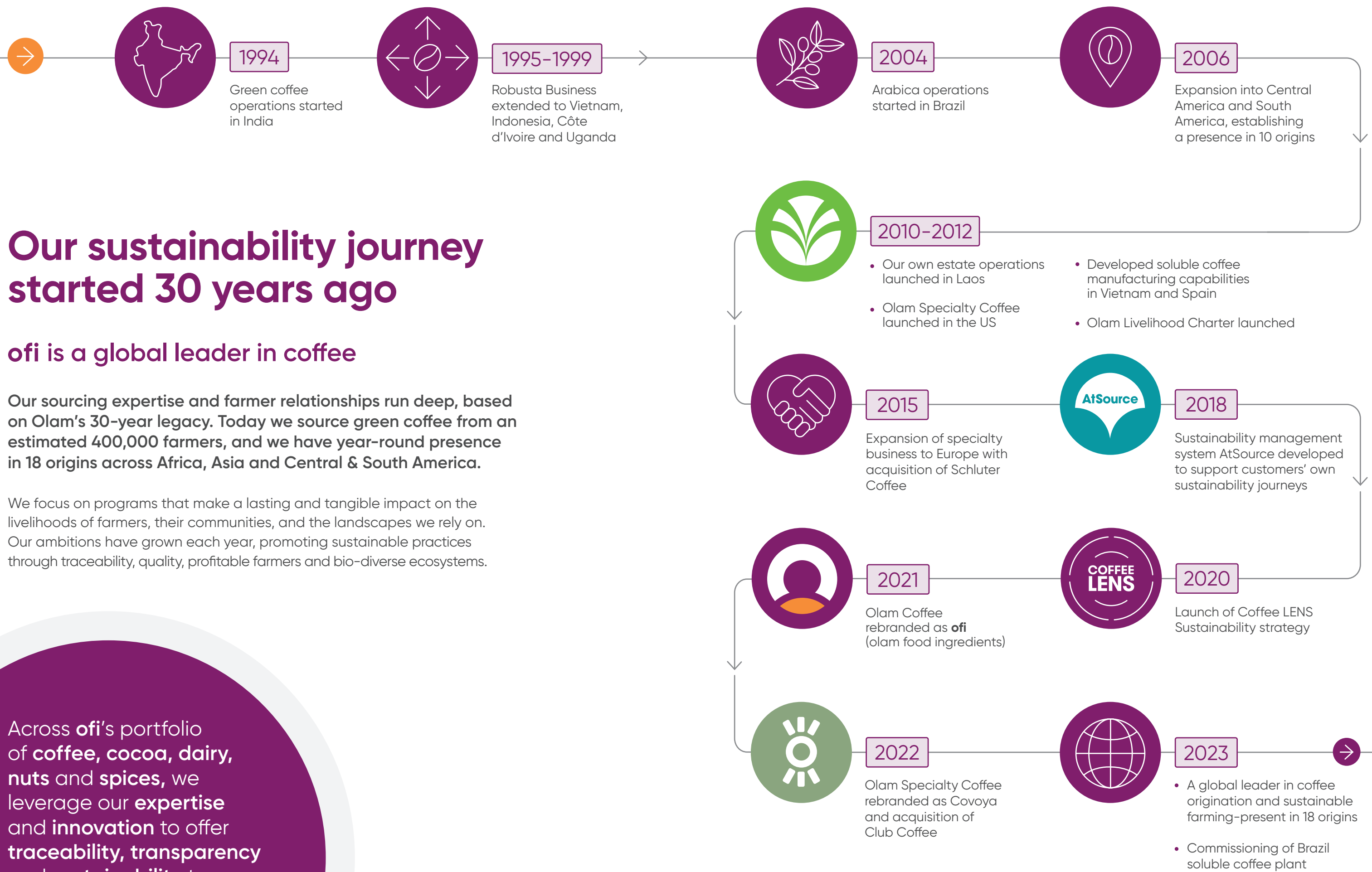
Our sustainability approach is guided by a comprehensive framework, encompassing specific goals and targets that are aligned with the UN Sustainable Development Goals.



The livelihoods of coffee farmers are inextricably linked to the health of ecosystems.







# Our sustainability journey started 30 years ago

## ofi is a global leader in coffee

Our sourcing expertise and farmer relationships run deep, based on Olam's 30-year legacy. Today we source green coffee from an estimated 400,000 farmers, and we have year-round presence in 18 origins across Africa, Asia and Central & South America.

We focus on programs that make a lasting and tangible impact on the livelihoods of farmers, their communities, and the landscapes we rely on. Our ambitions have grown each year, promoting sustainable practices through traceability, quality, profitable farmers and bio-diverse ecosystems.

Across **ofi's** portfolio of **coffee, cocoa, dairy, nuts and spices**, we leverage our **expertise and innovation** to offer **traceability, transparency and sustainability** to our customers.

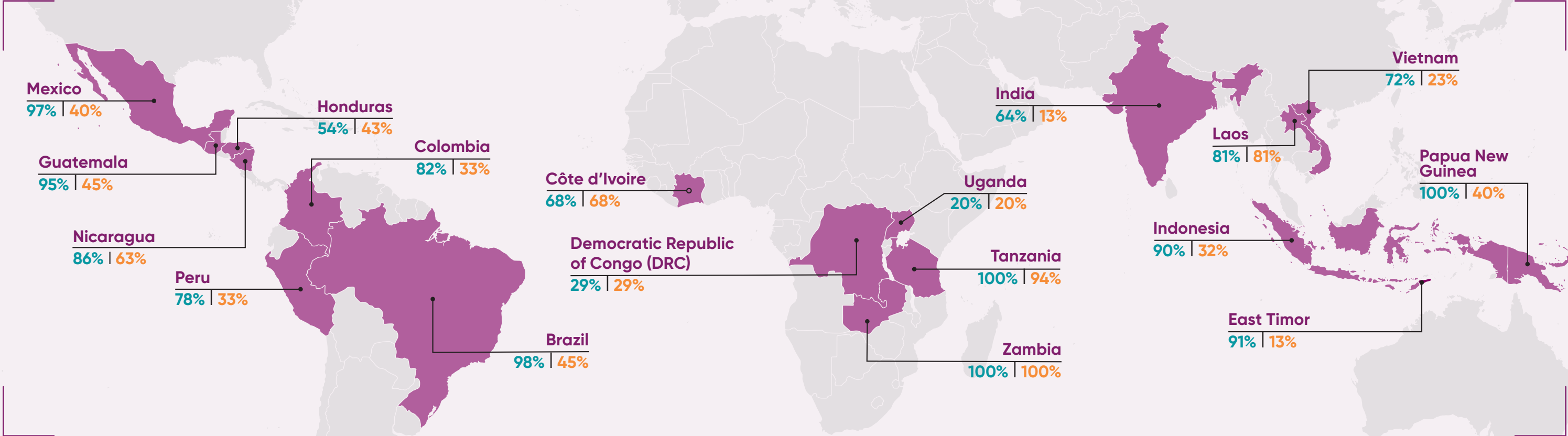
Our coffee journey continues...



# Our global footprint

Our on the ground presence in **18 origins** supports the sustainability ambitions of coffee customers worldwide.

We continue to advance in the traceable coffee we offer from each of our origins:



- Total traceable to region
- Total traceable to farmer group





# 2022 highlights



Over  
**99%**

origination volumes  
procured from suppliers  
engaged in the **ofi**  
Agri Supplier Code

↑ from 97.4% in 2021



**~23%**

total sales sold as  
sustainable coffee\*

\*Volumes certified and/  
or verified by private  
schemes and AtSource



**90,439**

coffee farmers  
registered on Olam  
Farmer Information  
System (OFIS)



**44**

sustainability  
projects  
worldwide

↑ from 40 in 2021

**40** customers  
& partners in  
**14** origins with  
a total funding  
commitment of  
over **\$50 million**

## Economic Opportunity



In **Uganda**, **ofi** started its multi-year collaboration with **Borbone Caffè** on the Mwanyi project to **empower women and youth** within sustainable coffee production.



In **Indonesia**, **ofi** is working with **USAID** on **LASCARCOCO**, an \$8.2 million project to **improve producer livelihoods through climate change resilient** cocoa and coffee agroforestry.

## Education & Skills



In **Nicaragua**, detailed **risk assessments of child labor** completed with Child Fund were the first step in establishing an **ofi Child Labor Monitoring and Remediation System (CLMRS)**.



In **Honduras**, over **450** children received **school materials**.

## Climate Action



Throughout **Latin America**, **ofi** launched **largescale GHG\* reduction programs** with customers with the goal of reducing Scope 3\*\* emissions in supply chains.



**Globally**, over **1,000 soil and foliar analysis** were conducted, providing better crop nutrition recommendations to farmers.

## Healthy Ecosystems



In **Côte d'Ivoire**, **ofi** signed an agreement to collaborate with **IDH** and local partners to protect **40,000 hectares** along the **Hana River** from **deforestation** associated with agricultural expansion.



In **Peru**, **JDE Peet's** and **ofi** have extended our comprehensive **farmer support program** that commits to planting **66,000 native trees by 2025**.

\*Greenhouse Gas Emissions    \*\*All other indirect GHG emissions not in Scope 2



# 2022 progress snapshot against our 2025 targets



## Economic Opportunity

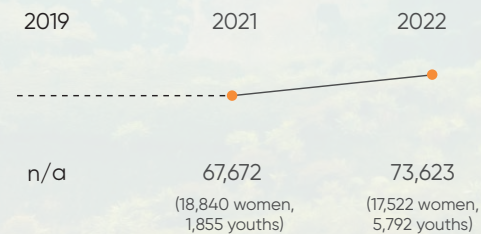
Enhance livelihoods of 200,000 coffee households

### Farmers receiving livelihood support



Facilitate training for 100,000 coffee households on sustainable agricultural practices and/or business skills (reaching >10% youths and >20% women)

### People trained on agricultural and/or business skills



## Education and Skills

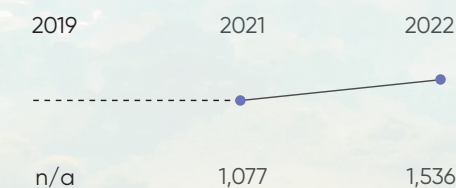
Implement education remediation plans in all high-risk supply chains

### Education remediation plans implemented



Promote vocational training in agriculture to 10,000 young adults

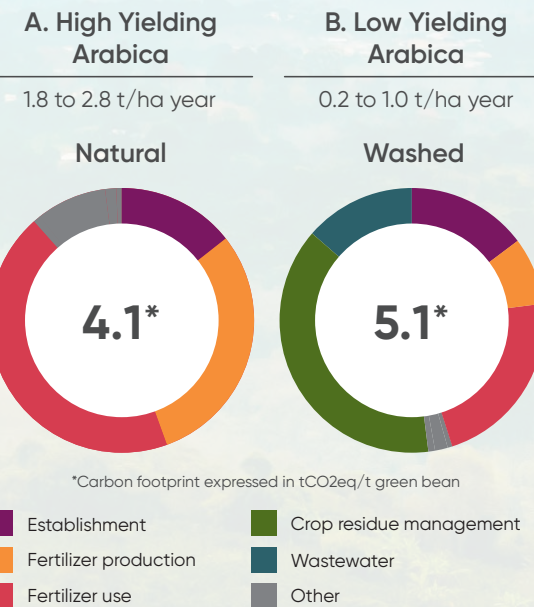
### Participants (aged 15-24) in vocational agriculture training programs



## Climate Action

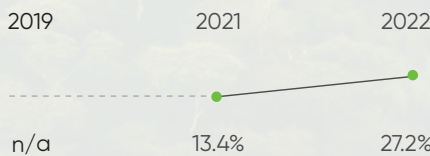
Reduce GHG emissions intensity in our supply chains by 15% (Scope 3)

Reducing scope 3 GHG emissions requires a multi-year approach to measure progress meaningfully. In 2022, we developed farmer archetypes to allow us to more precisely measure our GHG reductions. The 2 different farmer types below show that for Farmer A, using precision fertilizer allows decarbonization. For Farmer B's specific situation, improvement in residue management and yield is the answer. These insights can help farmers determine the best interventions for reducing their CO2 footprints.



Reduce on-farm untreated waste-water effluent by 50%

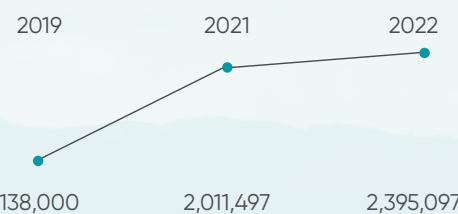
### Waste-water reduction



## Healthy Ecosystems

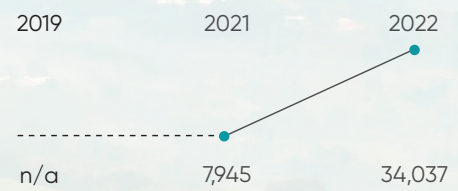
Plant 5 million non-coffee trees

### Non-coffee trees planted\*

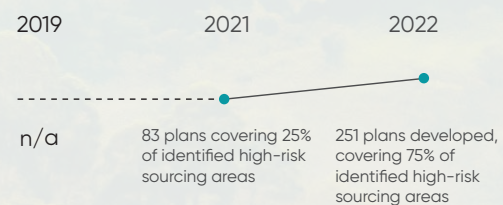


Improve soil health over 20,000ha

### Land with improved soil health practices implemented (ha)\*



Implement deforestation remediation plans in all high-risk sourcing areas



Save 1 million m<sup>3</sup> water annually in coffee cultivation and processing\*

### Water savings (m<sup>3</sup>)



\*Cumulative





# Economic Opportunity

## Supporting farmers to build a prosperous future

Improving the viability of coffee for producers is vital for improving farmer livelihoods and safeguarding the future of coffee.

In 2022, **ofi**'s in-country field teams helped enhance coffee farmer livelihoods by providing support in the form of training, inputs, credit, and other farming services to over **117,000** coffee farmers across our global sourcing network, helping them to improve yields and quality, maximise their return on effort and investment, and diversify economic opportunities. This is over halfway towards our target of **200,000** by 2025.

Over the last year we've given much more focus to ensuring that the customized support we provide matches the specific needs of individual farmers and expanding the use of farmer segmentation in our program design.

### 2025 Targets



Enhance livelihoods of 200,000 coffee households through access to higher value markets and technical assistance to build producers' knowledge and skills

Facilitate training for 100,000 coffee households on sustainable agricultural practices and/or business skills (reaching >10% youth and >20% woman).

### Progress Tracker



**117,242**

farmers supported through training, field interventions and certification programs

↑ +11% from 2021



**73,623**

people trained on agricultural and/or business skills, including **5,792** youths and **17,522** women

↑ ~8% from 2021



**US\$12Mn**

in quality and certification premiums distributed

↓ ~6% from 2021



**38,000+**

farmers registered on **Olam Direct** with **44,075** transactions providing sales access and visibility into regular market prices, with access to advice, financing and supplies

↑ ~8% from 2021







## ofi's Living Income Calculator: How do we know if our interventions add up to a living income?

Since developing our Living Income Calculator in 2021, it has been calibrated to design income generating strategies for 20 farmer groups across Guatemala, Honduras, Indonesia, and Uganda.

### The tool allows us to:

- 1 estimate the proportion of farmers living below or above the living income threshold at the farmer group level
- 2 identify income gaps
- 3 identify poverty hotspots across our supply chains

This tool utilizes data from **Olam Farmer Information System (OFIS)**, production data, and incorporates additional inputs from household surveys, partner projects, and literature reviews.

We can then use the results to simulate the impact of various improvement scenarios. By applying different income drivers such as quality premiums, yield increases, or income diversification, we can assess the effects of targeted interventions on household income.

The tool will be accessible to **ofi** customers through **AtSource**, our sustainability insights platform. As we incorporate additional supply chains and variables, the tool's capabilities will expand accordingly.

Additionally, we are collaborating with the **Sustainable Food Lab** and the **Living Income Community of Practice** to broaden the tool's reach and foster industry-wide collaboration on improving smallholders' income.



## In focus:

# Farmer segmentation to support a living income in Honduras

In Honduras, where we've calculated around 67% of farmers earn below the living income threshold, we're using farmer segmentation and our tools to narrow the gap for 1,000 coffee producers in the Comayagua and Santa Barbara regions. The program - a four-year collaboration with the ALDI SOUTH Group - follows a scalable, three-step approach:

### Step 1

We establish **direct buying structures** to facilitate market access and support for producers, for a fairer and traceable supply chain. This is enabled through **Olam Direct**, ofi's mobile application that provides farmers with transparency on a daily prices and the ability to sell coffee to us directly.



**1,341**  
transactions on  
Olam Direct in  
Honduras during  
the 2022/23  
coffee season

### Step 2

We use a **segmentation approach** to assess living income gaps among producers. This process compares farmer differences in land, know-how, crop diversity, family size, and access to inputs, informed by our baseline surveys conducted on OFIS. By categorizing farmers based on factors such as farm size, yields, skills and willingness to invest, **ofi** can better understand the diverse challenges and opportunities that exist within its farmer network and target interventions accordingly. This targeted approach enables customized interventions to address the specific needs and circumstances of each farmer segment, optimizing resources and maximizing impact.

### Step 3

Our local team of agronomists deliver **tailored interventions** according to the different producer segments. This exercise draws on a combination of simulations performed using our living income tool and lessons learned from 10+ years' experience in the field, as well as involvement in sector initiatives like the IDH Living Income Roadmap.

#### Snapshot of tailored interventions:

**A**

High yield,  
large farm

Solar driers distributed,  
installed and farmer  
training on use

**31 farmers**

**B**

High yield,  
small farm

Financial literacy  
training

**142 farmers**

**C**

Low yield,  
large farm

Advanced agronomy  
training

**257 farmers**

**D**

Low yield,  
small farm

Basic coffee equipment  
(inc. pruning shears,  
machetes)

**205 farmers**

"Segmentation starts with a simple conversation with farmers to understand their individual situations."

Stefannie Corea,  
Sustainability & Differentiated  
Coffee Manager - Honduras, ofi

Hear from  
our team in  
**Honduras**







# Education & Skills

In the rural communities we buy our coffee from, making a meaningful contribution to education is one of the most powerful ways we can support both the current and next generation of coffee producers.

Limited access to education and financial constraints, coupled with the labor intensive nature of the coffee harvest, mean child labor and school absenteeism can at times be linked to coffee production. Indeed, for many smallholders, our agricultural training programs will be the first kind of formal education they've had access to.

In 2022, **ofi** Guatemala followed the CLMRS (Child Labor Monitoring and Remediation System) protocol to survey 460 coffee households and provide training on child labor risk. In 2022, 56 Child Labor cases were found with an 86% remediation rate.

Based upon the results of these surveys **ofi** created "Education Remediation Plans" that identify customized solutions to help improve access to education and protect children. For example, in Guatemala, our 24 Coffee Camps and Kindergartens, in partnership with non-profit Funcafé, provided a safe space for over 482 children while their parents were working during the 2022 harvest.

## 2025 Targets

8 DECENT WORK AND ECONOMIC GROWTH



Education remediation plans implemented in all high-risk supply chains

4 QUALITY EDUCATION



10,000 young adults receiving vocational training in agriculture

## Progress Tracker



38,085

people trained on children's rights

↓ ~5% from 2021



44,448

farmers trained on gender and women's rights



4,684

children receiving direct education support (school materials, programs, improved infrastructure)

↑ ~130% from 2021



Education

remediation plans implemented in 14 high-risk supply chains



1,536

people aged 15-24 participated in vocational agriculture training programs

↑ 43% from 2021







"I have been a teacher at this school for 6 years. I am happy with the project in that it has brought about a lot of positives such as increased pupil enrolment. Teachers are willing to be deployed to this school now because of the infrastructure, and now we have good teacher /pupil hours."

**Trevor Kapila**  
Maths teacher - grades 8-12,  
Kateshi Secondary School

## Building better education around our Zambia estates

In conversation with **Brahim Banda**, Deputy General Manager of Kateshi Estate, **ofi**

Our 2,200 hectares of certified arabica estates in the stunning Mafinga Hills of Zambia's Northern Province supply a wide-range of sustainable and traceable single-origin coffees to our speciality customers. They also offer seasonal employment to over 15,500 people in the surrounding villages. Our teams are also investing in the communities beyond the estates to improve access to healthcare and education.

Community consultations hosted by our team in nine villages surrounding our estates in February 2022, revealed that only 2 in 10 school-aged children were attending school regularly due to limited access, some living up to 15-25km from their nearest school. And the schools that do exist were desperately overcrowded with a lack of water and sanitation facilities. For this reason, we constructed a new classroom block at Kateshi Secondary School, to accommodate 217 additional pupils, along with a borehole to provide access to safe water.

The project has been a collaborative effort between **ofi's** local team, our customers Starbucks, and the Solon Foundation who

helped fund the construction materials required, and the Zambian Government whose technical expertise and regulatory guidance has been invaluable.

Since the completion of the new classrooms, it's been incredibly rewarding to see new pupils enroll and 8 new teachers join, improving the student to teacher ratio by 45%. Following further conversations with community groups, the next steps in our social development program over the next 6 months will focus on constructing an additional classroom block and hygiene facilities at 2 more schools.



# Investing in the next generation

with **Jeremy Dufour**, Head of Sustainability Execution – Coffee, **ofi**

The digital connectivity, creativity, and global awareness of the younger generation never ceases to inspire me, even in remote areas. Their potential is immense and with the right tools, we can witness incredible transformations.

For example, during one of my visits to our sourcing communities in the Kivu regions of DR Congo, I witnessed the impact that ‘youth squads’ – convened and trained by **ofi** to sell pruning and other agricultural services to coffee farmers – are delivering.

Their collaborative approach to farm management is improving efficiency, reducing costs, and boosting yields. It is vital that we tap into their potential and foster an entrepreneurial mindset.

Coffee has long been the lifeline for families, providing sustenance and livelihoods. However, today’s challenges cast uncertainty over the next generation. The perception of coffee farming as arduous and impoverished discourages young people and their parents from pursuing it as a career.

We’re working to reshape this perception by creating opportunities for the younger generation within the ecosystem of professional services that support coffee production. In 2022, we increased the number of young adults we supported with vocational training in agriculture by 43% from the previous year. We want to show them that a career in farming can extend beyond the farm, to roles involving innovation and digitization –from pruning and agronomy coaching, to accounting and delivering agricultural inputs. So they see that prosperity and coffee farming don’t have to be mutually exclusive, but mutually reinforcing.



“In 2022, we increased the number of young adults we supported with vocational training in agriculture by 43% from the previous year.”

**Jeremy Dufour**  
Head of Sustainability Execution –  
Coffee, **ofi**



## Decarbonizing our coffee supply chains

Smallholder coffee farmers are on the frontlines of the climate crisis. In 2022, scientific studies\* continued to echo previous sombre warnings that the world could lose half its land suitable for coffee as a result of climate change, threatening the livelihoods of the 125 million people who produce it.

To mitigate the impact of climate change on coffee production and build a resilient supply chain, we need to ensure producers are equipped with the right resources and inputs to grow enough to sustain their livelihoods, as well as prioritize on-farm carbon capture and efficient processing methods. This helps reduce carbon emissions associated with coffee production, enhance soil health and optimize energy and water use. By adopting these strategies, coffee supply chain stakeholders can work together to build a more sustainable and climate-resilient future.

\*PLOS ONE, 2022

### 2025 Targets



**12** RESPONSIBLE CONSUMPTION AND PRODUCTION

Reduce our Scope 3 greenhouse gas (GHG) emission intensity in our supply chains by 15% through improved land-use management, farming and post-harvest practices, and more efficient energy use



**13** CLIMATE ACTION

Reduce on-farm untreated coffee wastewater effluent by 50%

### Progress Tracker



**30%**

reduction in **Scope 1 & 2\*\*** GHG emissions intensity in **ofi** soluble processing plants

↑ **9% from 2021**



**52%**

share of renewable energy in **Scope 1 & 2\*\***

↑ **18% from 2021**



**27.2%**

reduction of on-farm untreated coffee wastewater effluent in **Scope 3\*\***

↑ **102% from 2021**



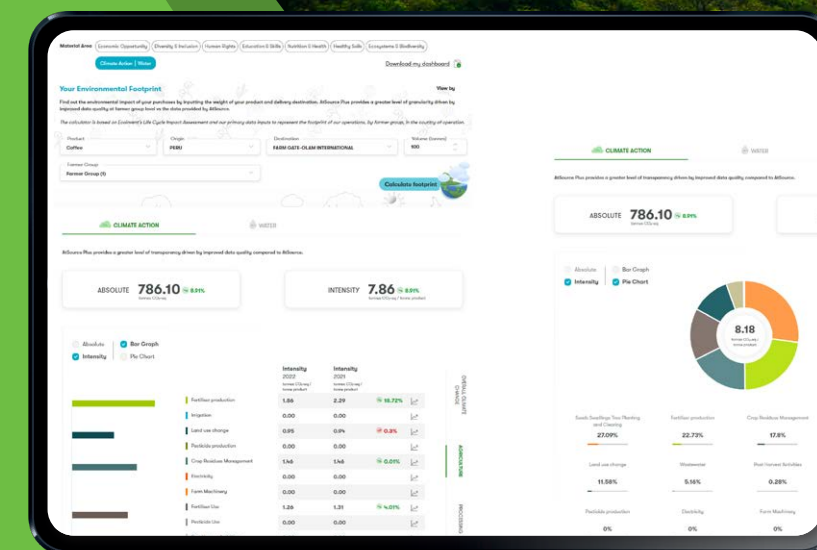
Installation of

**1,131**

wastewater treatment systems

↑ **277% from 2021**

**\*\*Scope 1:** Direct GHG emissions occur from sources that are owned or controlled by **ofi**, for example, emissions from combustion in owned or controlled boilers, furnaces, vehicles, etc.; emissions from chemical use in owned or controlled process equipment. **Scope 2:** Accounts for indirect GHG emissions from the generation of purchased Heat, Electricity & Steam consumed by **ofi**. **Scope 3:** All other indirect GHG emissions not in Scope 2



### Measuring environmental impact: ofi's Digital Footprint Calculator

The **Digital Footprint Calculator (DFC)** enables customers to assess their environmental impact by measuring their carbon footprint throughout the supply chain. By inputting relevant data collected by our field teams, the calculator provides insight into the carbon emissions associated with various stages of coffee production processing and transportation. This helps customers understand their carbon footprint and identify areas where interventions can be implemented to reduce GHGs.



## Perspective:

# Using soil analysis to reduce our carbon footprint in Guatemala

With **Byron Holcomb**, Specialty Coffee Manager, **ofi** Guatemala.

Producing coffee isn't easy. Coffee farmers work all year long to get to the harvest. The labor demands and general chaos of the harvest can be exhausting. The ideal season to take soil samples is just as the harvest is finishing, as they help farmers determine the most suitable fertilizer formula for their farms. Yet many farmers skip this step for one or many different reasons: cost, complexity and ability to respond to the results. To add to the complication, soil analysis interpretation is usually done by the same supplier trying to sell the farmer fertilizer, which can potentially create a conflict of interest.

For all of these reasons, **Starbucks** and **ofi** Guatemala teamed up for an exciting project to support farmers with soil analysis and fertilizer optimization. Between 2021 and 2022 we ran over 500 soil and leaf samples and provided feedback to the 95 farmers that participated in the program.

One of the challenges was that once a recommendation for a fertilizer formula was given to the farmers, how to follow it and then have the capital to apply it was an uphill battle for them. To bridge that gap, the project created custom blends of fertilizer for different regions and funded the fertilizer for various farmers, totalling about 400,000kg of fertilizer distributed.

From the farmers' perspective, a collaboration to facilitate a tool to show the farmers better use of fertilizer is great. Then to enable the application of that tool is really going the extra mile.

The collaboration not only supported farmers with tools for better fertilizer use but also added value through supporting the application of those tools. As a result, there was a significant 20% reduction in overall fertilizer use per hectare, achieved through more accurate and efficient formula recommendations.

"It is the first time in 50 years that I have received such great help. I was able to apply the right fertilizer and in the quantities that my coffee needed."

**Jesus Ramirez,**  
Coffee Farmer, Guatemala







Photo courtesy of President's Choice

## Perspective: Creating more sustainable packaging solutions

With **Solange Ackrill**, VP Strategy and Marketing,  
Club Coffee (part of **ofi**)

With an estimated 2.25 billion cups of coffee enjoyed every day, there are steps we can all take to help minimize waste and improve the environmental footprint of our daily caffeine hit.

Sustainable coffee is important to consumers and our customers. What they want goes beyond the coffee itself by addressing the growing demand for sustainable packaging and manufacturing. This represents what we call a “sustainable tri-fecta” where we provide coffee solutions that are sustainable from green sourcing, through production and on to the end of life of our packaging.

## AromaPak™

After launching **PURPOD100®** in 2016, the world's first BPI certified commercially compostable coffee pod for North America's most common single-serve format, last year we added our newest innovation in packaging for roast and ground coffee. **AromaPak™** featuring **Boardio®** is a paper-based recyclable packaging that replaces multilayer bags and cans traditionally used to package coffee beans and grounds that tend to contain plastic or metal.

### Club Coffee's AromaPak™ packaging solution provides

**Carbon reduction: 90.68%** less  
carbon vs large steel cans

**Improved emissions footprint:**  
**90%** reduction in transport emissions  
vs traditional cans

**AromaPak™** is incredibly light and  
can be shipped as flat sheets,  
meaning **8x** fewer trailers are  
required compared to steel cans



## In focus: Laying the ground for more precise carbon footprinting

Companies like **ofi** and Nestlé are committed to combating climate change and reducing the environmental impact of their supply chains. Yet, there is opportunity to improve accuracy of methodologies used to evaluate actual impact and guide decision making. This is particularly critical in tropical farming systems where such methodologies and data are key in guiding decision-making.

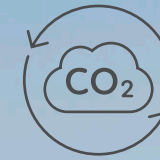
Last year, **ofi**'s coffee team joined Nestle, Wageningen University & Research (WUR), the Swiss Federal Institute of Technology in Zurich (ETH), and the International Center for Tropical Agriculture (CIAT) on the 'Ground Zero' project. This collaboration aims to provide a framework of robust, easily measurable and verifiable indicators and methods to assess the carbon

footprint, soil health, and biodiversity in cocoa and coffee production systems. The project focuses on quantifying and monitoring carbon footprint, soil health, and biodiversity at farm-level across the globe, including in the **ofi**'s coffee estates in Zambia. The project combines state-of-the-art scientific equipment and expertise to enhance measurement accuracy.

"Our **ofi** estates give us an advantage because we understand how farmers think. We farm, we feel the pain, and we see the opportunities because we are working at field level."

**Piet van Asten**  
Head of Sustainable Production Systems

### In particular, the project will:



Implement field-based methods that are needed to quantify, benchmark, and monitor greenhouse gas (GHG) net emissions and sequestration from coffee and cocoa farms.



Establishing the effect of agronomic practices, such as fertilization, on soil chemical, physical and biological properties, and their influence on productivity, profitability, biodiversity, and GHG emissions.



Provide science-based monitoring approaches to monitor the efficacy of action taken to restore ecosystem biodiversity in coffee and cocoa farms.

The in-situ data generated in the context of this project will refine the measurement and reporting of GHG emissions and help identify opportunities for implementing targeted strategies to reduce the carbon footprint and other environmental impacts in cocoa and coffee supply chains. By improving measurement and tools to assess carbon footprint, soil health, and biodiversity, the Ground Zero project will provide pre-competitive guidance for agricultural companies to make their upstream sourcing operations more sustainable.





## Regenerating coffee landscapes

The tropical regions that are the primary habitat for coffee cultivation face significant deforestation risks and threats to rural water sources.

By investing in sustainable land management practices, promoting agroforestry and regenerative agriculture, the coffee industry can play a meaningful role in ensuring coffee provides a decent livelihood to farmers in balance with these vital landscapes.

Through collaborative partnerships and collective action, we can address deforestation and other environmental impacts associated with coffee production, fostering a sustainable future for coffee and the fragile landscapes it depends upon.

### 2025 Targets



Plant 5 million non-coffee trees

Implement deforestation remediation plans in all high-risk sourcing areas, as defined by the Forest Loss and Risk Index (FLRI)



Improve soil health of over 20,000 ha through regenerative agriculture

Save 1 million m<sup>3</sup> of water annually in coffee cultivation and processing

### Progress Tracker



2,397,097\*

non-coffee trees planted (species include Gmelina arborea, Albizia, Laurel, and Cedro)

↑ 19% from 2021



251

plans developed covering 75% of identified high-risk sourcing areas.

↑ +200% from 2021



Improved soil health across  
34,037ha\*

↑ 328% from 2021



254,210m<sup>3</sup>\*

water saved in coffee cultivation and processing

↑ 89% from 2021



46,062

farmers trained on conservation practices

\*Cumulative





## Perspective: Regenerative practices in action



### Protecting soils with weeds

Weeds are typically seen as a nuisance in coffee fields, but at our certified coffee estates on the Bolovens Plateau in Laos, we have taken a different approach.

Across our 1,200 hectares of coffee we have turned weeds into valuable tools to maintain the natural ecosystem and cultivate a higher level of biodiversity. Instead of creating a "biodiversity desert" by constantly removing weeds, we rotate which areas are weeded, so that there is always vegetation cover and mature weeds are present.

By allowing weeds to grow, we provide a source of nectar and pollen that attracts beneficial insect predators, which help reduce pest populations. It also helps prevent soil erosion, improve soil fertility, and support local biodiversity. By embracing weeds as part of the ecosystem, we create a more sustainable and resilient coffee farming system.



### Driving water efficiency with eco-pulpers

Most of the coffee beans we source from Colombia come from very small farms and are typically washed coffees resulting in a clean, bright and juicy cup. But as the name suggests, washed processing requires a large amount of water.

To help reduce this footprint in 2022, **Starbucks** provided funding for the **ofi** team to install over 60 ecopulpers. These machines remove the mucilage from the coffee bean mechanically, omitting the need for fermentation and washing – the activities that require the most water and generate the most significant threats to water quality in the wet-milling process.

Over 60 farmers had access to the eco-pulpers and they received subsequent training and resources from the team to encourage a shift to a non-fermentation process and reduce our water footprint in that supply chain.



### Creating a circular coffee economy in Peru

Now in its third year, the Circular Coffee project between ofi, JDE Peet's, Solidaridad, SERFOR and Cooperative Cuencas de Hullega, has supported 1,600 farmers in Peru's San Martin region to adopt circular agricultural practices that enhance climate resilience and farm productivity.

A key development in the last year has been to pilot innovative circular solutions for coffee husks. In Peru, creating prototypes for coffee husk pellets as a source of clean fuel in farmer homes and in the Netherlands, JDE Peet's is piloting a system to repurpose and upcycle coffee grounds waste into value added products.

### Project highlights

Reporting period July 2022 – June 2023



**100,000+**

forest trees planted on farmland contributing to reforestation



**795**

vegetable gardens established to improve food security



**400**

farmers adopting wastewater as organic liquid biofertilizer.



**17**

farmers obtained land-use permits



**2,624ha**

farmland considered agro-resilient from implementing soil conservation practices, agroforestry & compost management



Across our **1,200 hectares** of **coffee** in **Laos** we have turned **weeds** into valuable tools to maintain the **natural ecosystem** and cultivate a higher level of **biodiversity**.

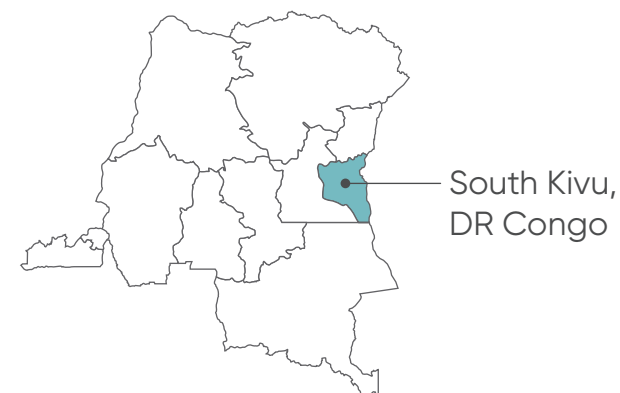




Through collective efforts, the alliance endeavors to safeguard the ecological integrity of the region and ensure a prosperous future for both the Kahusi-Biega National Park and the livelihoods of coffee farmers in South Kivu.

## In focus: Taking a landscape approach to sustainable livelihoods in DR Congo

Since its launch in 2021, USAID's Gorilla Coffee Alliance (GCA) with *ofi*, Nestlé Nespresso, TechnoServe, Asili, and the Wildlife Conservation Society, has made significant strides in preserving nature and improving coffee farmer livelihoods in South Kivu, DR Congo.



The 5-year project is crucial as the Kahusi-Biega National Park in South Kivu is a vital habitat for endangered Grauer's gorillas, facing risks from political instability, population growth, and limited economic opportunities leading to illegal activities like logging, poaching, and mining.

To address these challenges, the USAID's Gorilla Coffee Alliance utilizes the coffee industry to help improve the livelihoods of coffee farmers in South Kivu while protecting the park and its wildlife. Through incentivizing forest habitat conservation, building local capacity, increasing incomes, and improving community well-being, the alliance strives to secure the future of Kahusi-Biega and its unique wildlife.

### The story so far

In FY 22, the project generated **\$1.9 million** in annual sales for supported farmers, and provided **\$925,900** in total agricultural finance, providing crucial support financial support for farming activities.

To promote gender equality and youth empowerment, the project provided training on entrepreneurship skills to approximately **100 women** and **100 youths** in the community.

**4,732** coffee farmers (2,129 women) trained on pruning, soil health, shade tree management and training on gender and nutrition. An *ofi*-trained youth team has successfully pruned **92,315** old coffee trees.

Over **927,957** coffee seedlings have been distributed to more than **1,500** farmers.



# Tracking our progress through traceability tools

At ofi, our digital solutions constantly improve data and insight to offer transparency across the supply chain. Through integrated tools and systems, we help provide our customers with the information they need to optimize supply chain decisions, ensure compliance and assurance, and measure/amplify their impact.

## What is AtSource?

AtSource is ofi’s sustainability management system that provides information and insight into the coffee supply chain.



### Digital dashboard

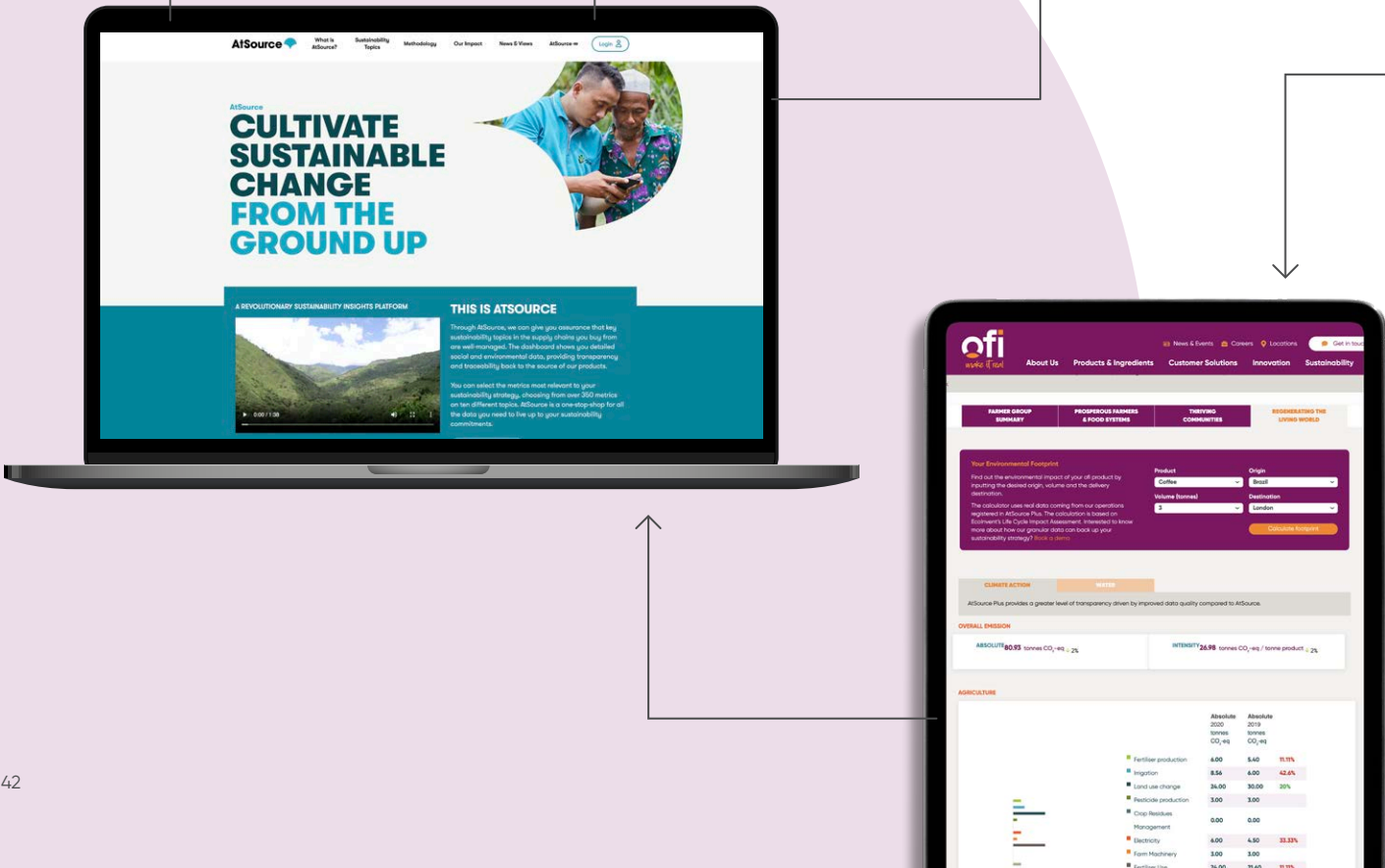
gives customers access to traceability and transparency data, supply chain mapping, risk assessments and environmental footprint.

### Sustainability Assurance & Verification system

provides assurance that responsibly sourced coffee complies with AtSource rules, sustainability requirements, and data integrity- providing a cost-effective alternative to certification

### Customized reporting for Impact Data & Metrics

tracks a wide range of metrics across economic, environmental and social sustainability topics



## How does AtSource work?

AtSource provides different levels of assurance and information that are externally verified by 3rd party verification bodies. Both AtSource V and AtSource + are recognized by GCP as equivalent to the Baseline Coffee Code – 2nd party assurance.

	AtSource V	AtSource +
Traceability	To farmer group level or ofi estates	To farmer group level or ofi estates
Verification	Performance and risk assessments based upon baseline sustainability requirements  Targeted action plans for continuous improvement  Data verified every 3 years	Performance and risk assessments based on more advanced sustainability requirements that go beyond baseline requirements  Targeted action plans for continuous improvement  Data verified annually
Reporting & impact data	Country-level risk profiles and generic carbon and water footprints	Granular metrics offering comprehensive insights, specific to each supply chain  Advanced environmental footprints for specific farmer groups based on primary data  Customizable impact reporting, as well as origin stories focused on sustainability outcomes

## AtSource is powered by on the ground data and insight

The **Olam Farmer Information System** (OFIS) provides the farm-level data that feeds into AtSource. The data is collected by our field teams and includes farm location, land under coffee and coffee production. This information allows us to take a deep dive into what's happening on the ground and increase the impact of sustainability efforts.

**Olam Direct** is a mobile application that gives farmers direct access to buyers, agronomic advice, financing and supplies. The ability to sell, set prices and get paid directly means that farmers get a better price, and that the procurement process is fairer and more transparent.



# Thank you

to all Coffee LENS partners who have supported  
our initiatives in 2022

## Customers

The ALDI SOUTH Group

BKI

Caffè Borbone

Dunkin

JDE Peet's

Komeda

Melitta

Nespresso

Nestlé

Paulig

Westrock

Sawai Coffee

Starbucks

Strauss Coffee

Suntory

Tchibo

Tim Hortons

UCC

## Partners

Asian Development Bank  
(ADB)

Asili

ChildFund

Deutsche Gesellschaft  
für Internationale  
Zusammenarbeit (GIZ) GmbH

Enveritas

Funcafé

Heifer International

International Institute of  
Tropical Agriculture (IITA)

Landel Mills

Lavazza Foundation

The Sustainable Trade  
Initiative (IDH)

Ministry of Education  
of Zambia

Rainforest Alliance

SERFOR Peru

Solidaridad

The Solon Foundation

TechnoServe

United States Agency  
for International  
Development (USAID)

Wildlife Conservation  
Society (WCS)

World Coffee Research (WCR)

L'Union Nationale des  
Coopératives d'Épargne et de  
Crédit de Côte d'Ivoire (UNA-  
COOPEC-CI)

Conseil Régional du Cavally







# Looking towards 2030

**Our sustainability journey started almost 30 years ago and we're far from finished.**

Soon we will be launching our **Coffee LENS 2030 sustainability strategy**. With this step, we are setting ourselves even higher standards with ambitious targets so we can offer sustainable choices to our customers.

Through these dedicated targets, we are looking to be climate positive, enhance farmer livelihoods, protect human rights and achieve 100% traceability in our direct supply chains.

**We invite you** to join us as we continue to scale up our impact on the ground and tackle the key issues facing the coffee supply chain.





**UK office:**

Level 5  
The Adelphi  
1-11 John Adam St  
London WC2N 6HT

**Singapore office:**

7 Straits View  
#20-01 Marina One East Tower  
Singapore 018936



[www.ofi.com](http://www.ofi.com)



[www.linkedin.com/company/ofi-group](https://www.linkedin.com/company/ofi-group)