

ETG Group Sustainability Report



▶ 2023-24



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Introduction

We strive to provide quality products sustainably, and, in so doing, uplift the surrounding communities.



Introduction

In 2023, we developed a sustainability strategy to guide us on our 'Net Positive' journey. This strategy sets out how we want to achieve a net positive impact in relation to nature, people, and business.

This sustainability report is divided into three main sections, namely Nature Positive, People Positive, and Business Positive. Under each section, we provide an update on our performance and activities and showcase key projects and initiatives that demonstrate our work and progress between April 2023 and March 2024.



Nature Positive

The performance of our company and its social responsibility are closely linked to our ability to reduce the environmental impacts of our activities. Our goal is to preserve local communities and the ecosystems around our operations more effectively in the face of climate change.

Agriculture is at the heart of our business and will be one of the sectors worst affected by climate change. Our role is not only to support local communities in this transition towards sustainable and regenerative ecosystems but also to provide solutions to reduce greenhouse gas emissions and capture carbon through innovative mechanisms.



People Positive

ETG pays close attention to living and working conditions. This attention concerns all our partners and all sectors, including the producers, employees, stakeholders, and the communities in which we work.

To ensure long-term support, we offer comprehensive access to education and training programs. We work with all our employees to build a comprehensive approach, so that everyone can progress according to their needs and responsibilities. We want these actions to help convey our values and support the sustainable growth of ETG.



Business Positive

It is essential to be able to demonstrate safe, ethical and responsible business practices, and to ensure that our partners and suppliers meet the same standards.

We encourage and support responsible practices across all our verticals and downstream and upstream supply chains. We analyze our environmental, safety and social risk annually to help us clarify our commitments and policies, as well as our priorities for strengthening our management systems. We implement mitigation and remediation measures, which we monitor and assess through extensive data collection and analysis.

Sustainability Dashboard



569,200+

Hybrid Cocoa, Coffee and Cashew Seedlings distributed



404,532+

Farmers Reached through Farm Extension Services



2.5

Million tonnes of fertilizer products distributed at farmer level



79.6 MWh

Electricity Consumption



826,429+

multipurpose trees distributed to farmers and communities



25,000+

Farmers enrolled on ETG One Stop Solution app



4,000

Tonnes of improved seeds distributed



201,112 t

Carbon Dioxide Equivalent Emitted (CO2-e)



50,000+

Households covered by Child Labour Monitoring and Remediation System



400+

Clean cookstoves distributed



44,330

EHS Training Hours



288.6

Million litres of water consumed

CEO Letter

2023 was another year characterized by political and economic uncertainty. The world saw unprecedented geopolitical conflicts, increased volatility in supply chains, inflationary pressures, and millions of people left vulnerable due to the ever-increasing effects of climate change.

Through our clear business vision and the dedication of several thousand employees and contractors around the world, our Group managed to navigate these complexities and emerged stronger and more focused.

As you can read in this report, our company continued to make good progress on our sustainability journey. We launched our new Group Sustainability Strategy and embedded it deep into our company operations. It is based around three key areas where we want to achieve net positive impact – nature, people, and business.

We set our first company targets in the area of decarbonization, deforestation-free sourcing, reforestation and farmer extension services. We did this in close collaboration with our business partners, commodity teams and external auditors to ensure a close alignment with international standards. This helped us to come up with a tangible, measurable, and impactful approach that we envision for our future operations. A public commitment to our 'No Deforestation, No Peat and No Exploitation' (NDPE) policy is raising the bar and expanding our scope of responsibility in tackling land use change.

The group launched EHS Insight, a digital platform to collect and monitor Environmental and Social performance data across our warehouses and factory sites. Similar progress was made on deforestation monitoring, for which we launched a new tool to identify deforestation-free supply chains and flag areas with higher risk across multiple commodities and countries.

At the farm level, many exciting new projects were initiated to bring more value to farmers' products, including a world-first certification scheme for cashew for the premium market, large-scale reforestation projects for carbon abatement, and generating new farmer revenue streams from the voluntary carbon market. Today, we serve hundreds of thousands of farmers through our many projects, several of which are highlighted in this report.

As we look with optimism to the future, we stay grounded in our roots planted in Africa nearly sixty years ago. We are committed to continuing our journey of sustainable excellence and innovation and want to thank all our business partners and dedicated staff, who live our values every day, for the great achievements so far and the important work which still lies ahead.

▶ **Birju Patel**
ETG CEO

▶ **Ketan Patel**
ETG CEO

From the Sustainability Desk

We are proud to present ETG's 2023/24 Sustainability Report. The year saw significant developments in our industry, which you will find reflected in the report.

Climate change increasingly led to extreme weather, affecting our farmers and supply chains, and making markets less reliable. While we are working on strategies to reduce our own direct and indirect emissions, ETG and its partners are providing extension services to more than 400,000 farmers, including on how to increase resilience to climate change through techniques such as agroforestry, soil nutrition management, and organic farming. This report features examples of these initiatives.

In response, we see corporate social responsibility regulations tightening globally. The European Union expanded its deforestation-free supply chain regulations to include a wider range of commodities, requiring companies like ETG to prove that products do not contribute to deforestation or ecosystem degradation. ETG is scaling its deforestation monitoring and remediation in cocoa, coffee, soya, cashew, and cotton supply chains, as highlighted in this report, while scaling our reforestation efforts to bring back tree canopy cover in landscapes. Similarly, we are expanding our partnerships to tackle social inequalities in

smallholder farmer supply chains with a strong focus on women's empowerment and engaging youth.

ETG is also increasingly using technology to help manage the challenges and opportunities posed by the above developments. We are using apps to support farmers in making better decisions and ensuring supply chain traceability. We are looking at drone technology to better manage crops and building digital marketplaces for agri-products and financial services.

Against the background of these developments, ETG continues its journey to becoming a net positive company: One that gives more than it takes and makes a tangible contribution to solving the formidable challenges ahead. We hope you will join us in celebrating our successes and appreciating the challenges as we close another year of this journey.



▶ **Christof Walter**
Chief Sustainability Officer

About ETG

We are continuing our journey to becoming a net positive company: One that gives more than it takes and makes a tangible contribution to solving the global challenges ahead.



About ETG

Established in Kenya in 1967, ETG is an international conglomerate with a diverse portfolio of expertise across multiple industries, encompassing agricultural inputs, logistics, merchandising and processing, supply chain optimization, digital transformation, and energy.

At ETG, we fulfill global resource needs by connecting smallholder farmers to buyers located across the globe. To focus on product and geography strategy, ETG has structured its businesses into six verticals: Fertilizer and Agri Inputs, Pulses, ETG Commodities, Vamara Group (Consumer Brands Business), ETG Logistics, and Food & Food Ingredients (nuts, rice, sesame, and cocoa). Over the past five decades, ETG has played a fundamental role in contributing to food security across various parts of the world.

Our success today is attributed to our evolution as a business and seizing opportunities in agriculture and various aspects of the agricultural supply chain.

We endeavor to uplift farming communities through agricultural growth, development, and sustainable initiatives aimed at community development.

We are continuously looking to diversify business across geographies and product categories to provide a wide variety of products which can meet the rising expectations of our customers.



57
Years in Business



470
Warehouses



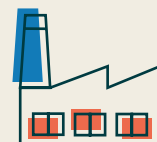
185
Trucks Operated



9,793
Employees



45
Countries



127
Large Sites

Our Vision

ETG envisions a world where we transcend limitations while positively impacting the lives of all our partners.

Our Values



Respect

We respect everyone and treat them with empathy, kindness, and dignity - irrespective of gender, race, or religion.



Pursuit of Excellence

We are resolute in our pursuit of excellence in every endeavor by being agile, championing change, and carrying an unwavering commitment to creating a long-lasting and positive impact within our industries and societies.



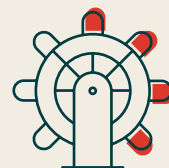
Integrity

We hold integrity as the cornerstone of our value system. It embodies the virtues of working with honor and honesty in everything we do, dealing with fairness in all our relationships with our customers, co-workers, and stakeholders.



Meritocracy

We collaborate and leverage the strengths of our business verticals and functions to create an environment where employees have the opportunity to excel. We remain neutral and unbiased when making decisions, always considering the organization's benefits, its employees, and society.



Leadership

The nature of our business presents several opportunities for individuals to take up the mantle of leadership. This encompasses accountability, a can-do attitude, and an unwavering commitment toward a common goal.

Business Verticals

ETG comprises six business verticals, each with its own set of objectives and market drivers that focus on increasing shareholder value and improving farmers' lives.

▶ ETG Logistics

With an extensive network of port, city, and rural infrastructure supported by rail and road logistics assets, ETG Logistics is an end-to-end logistics service provider in more than 20 African countries. The services include logistics through the ocean and air freight, warehousing facilities, custom brokerage, ship agency, container handling, fertilizer and grain handling, cleaning and bagging, and transportation services.

▶ Food & Food Ingredients

Food and food ingredients covers a fully integrated sourcing processing and distribution network, spanning both East and West Africa, for raw and processed cashew; a sourcing and distribution network for cocoa in West Africa and Ecuador; and trade activities designed to meet the growing demand for rice in Africa. In 2022, edible nuts and sesame were added to the portfolio.

▶ Agricultural Inputs (EIHL)

EIHL optimizes the accessibility of quality inputs at affordable prices and offers a "one-stop-shop" solution, including agronomic services to farmers. With multiple depots and fertilizer plants across Africa, EIHL has maximized the distribution of fertilizers, seeds, and agrochemicals to the most remote areas.

▶ ETG Commodities

ETG Commodities trades on several platforms, with liquid derivative products being utilized to mitigate price risk throughout the commodities value chain. The products traded include oilseeds, sugar, coffee, grains, metals, and energy (Liquefied Petroleum Gas).

▶ Vamara

Vamara manages 28 brands and focuses on organic growth of its own branded products in specific areas and categories, while also pursuing an acquisition strategy in some geographies. With extensive processing and operating sites across 12 locations, Vamara provides inexpensive, high-quality items to its customers, consumers, and communities.

▶ ETG Pulses

ETG trades in all varieties of pulses (raw and processed pulses). Within Africa and Asia, close to 80% of the procurement is from the farm gate, which greatly benefits rural communities. ETG has created a robust distribution network for pulses by operating 24 processing facilities across 7 countries.

History

1967-1985

Company founded in Kenya

Began catering to East and Central Africa

Acquired by the current owner

Launches as an agro-participant in East Africa

1986-1996



Largest supplier of food aid to UN World Food Program

Expansion of supply chain and infrastructure investments

Operations extended to Southern Africa

1997-2005

Major food aid supplier to NGOs

Processing, storage, and logistics in East & Southern Africa

2006-2011

Acquired and built plants in India, Mozambique, Uganda and Tanzania

ETG's first North American office

Increased volumes of maize, soya beans, wheat nuts, and coffee

Commodities volume crosses 1 million tonnes



2012-2017

Expansion of operations in Canada and establishment of a new plant in Bangladesh

Expansion via cashew processing plant, logistics, and fertilizer plants

Private Equity shareholders on board

2018-2020

ETG acquires Zamanita, Iltta Grains Plant, Wimpak, and Sidi Parani

ETG introduced Vamara Group, our consumer brands vertical

Public Investment Corporation (PIC) gains shareholding in our Fertilizer and Inputs Vertical, EIHL; and Mitsui becomes a shareholder of ETC

2021-2024

Expansion of operations in Ecuador, Cameroon, Kazakhstan, Spain, the Netherlands, and the USA

SABIC Agri-Nutrients acquires 49% stake in ETG Inputs Holdco Limited (EIHL)

ETG welcomes the MV ETG SOUTHERN CROSS, the first of ETG's fleet



Acquired Ibericafe under ETG Commodities and Curechem under Agri Inputs and Chemicals

ETG Climate Solutions established

Sustainability Strategy

Our approach is rooted in the idea of a net-positive impact on all people we interact with, while working within the carrying capacity of the earth.



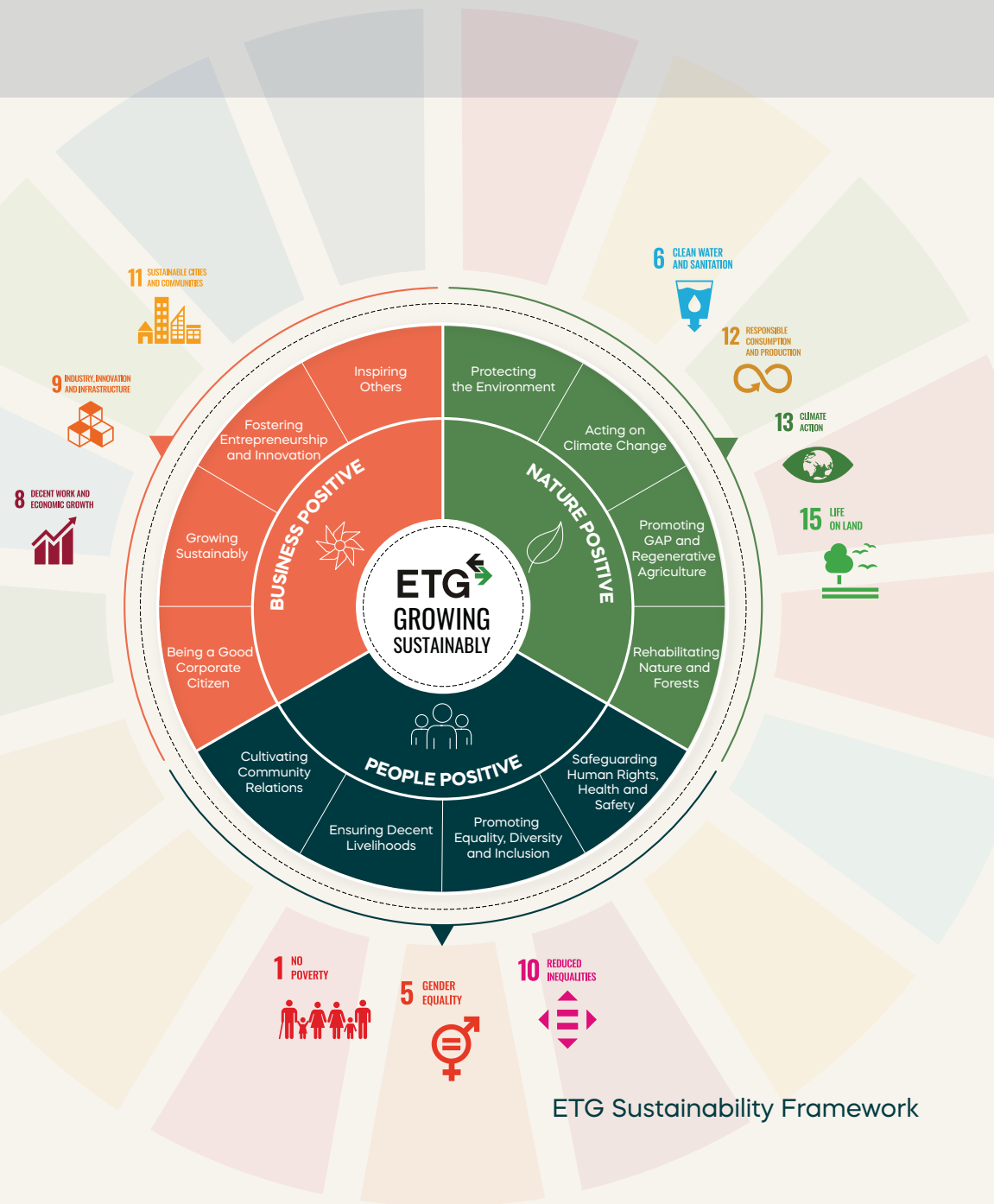
Sustainability Strategy

For ETG, sustainability is a way of doing business. A way that is not only a moral imperative but makes good business sense: Hundreds of studies with thousands of data points over more than 30 years show that businesses that do well in sustainability tend to also do well commercially.¹ This insight has recently led to the idea of net positivity – that businesses do well by giving more than they take, leaving everyone and everything that they touch and interact with in a better place than before.²

At ETG, our ambition is to fully transform into a net positive business. We realize that this is a journey and that this journey is not without its challenges, set-backs and conflicting objectives. We also realize that some parts of our business are closer to being net positive than others; and that finally, it is an ambition that we can only achieve together with others.

To guide us on our journey, we have developed a framework of three principles and twelve criteria. They set out three areas where we want to achieve net positive impact – nature, people and business – and the criteria by which we will measure our progress against each of them.

This framework was informed by our vision and values (see page 10) and by an analysis of what matters to ETG and what ETG matters to. It also considers external frameworks: The United Nations Sustainable Development Goals,³ the IFC Performance Standards,⁴ ILO Declarations and Conventions,⁵ and the principles of the United Nations Global Compact.⁶



ETG Sustainability Framework

From Strategy to Action

To operationalize our framework and make progress measurable, we have defined our first set of performance indicators that reflect our immediate priorities:

1. Absolute Scope 1 and 2 GHG Emissions measures our direct greenhouse gas emissions from fuel use and electricity use (Scopes 1 and 2 of our emissions) in metric tonnes of CO₂ equivalent (tCO₂e). This covers the emissions from all business units of ETG, calculated in accordance with the GHG Protocol's Corporate Standard.

2. Deforestation-Free Supply Chains measures the percentage of ETG's high-risk supply chain that is demonstrably deforestation-free. We define high-risk supply chains with regards to Global Map of Environmental & Social Risk in Agro-commodity Production (GMAP) risk-scoring and business importance.

3. Landscape Reforestation measures the number of trees planted in non-farm areas. ETG follows a landscape approach, that manages production systems and natural resources in an area that produces vital ecosystem services; and is managed by the people using the land producing those services. Indigenous tree species, such as medicinal or timber species, are planted to bring benefits to local communities through sustainable harvest.

4. Extension Services to Supply Chain Farmers measures the number of farmers in ETG's supply chains who receive extension services through ETG at least once per year. Extension services include training on better agricultural, social or climate smart

farming practices through group sessions, individual coaching, or digital platforms, or increased access to agricultural inputs, labor, or planting materials through subsidized distribution of materials, finance schemes, or labor support.

5. Extension Services to Women Farmers measures the percentage of women farmers among those farmers who receive the extension services described under the previous indicator.

6. Gender-Oriented Support Services to Women Farmers measures to the number of women farmers that receive tailored gender-oriented initiatives provided by ETG or partner organizations to increase women farmers' incomes and households' decision-making.





Nature Positive

Nature Positive

ETG realizes that all economic activity ultimately relies on the functioning of our Earth’s ecosystems. At the same time, humanity’s economic activities have, within a few generations, put such pressure on these life support systems that it threatens their very functioning.⁷ As a company, we are committed to working in ways that are mindful of our impacts on nature, preserve our earth’s ecosystems and restore them to a better state where possible.

Protecting the Environment

ETG’s business includes a network of factories, warehouses, depots and offices around the world, as well as logistics and trade operations. We are committed to ensuring that the environmental impacts of our operations and supply chains are avoided or mitigated.

Acting on Climate Change

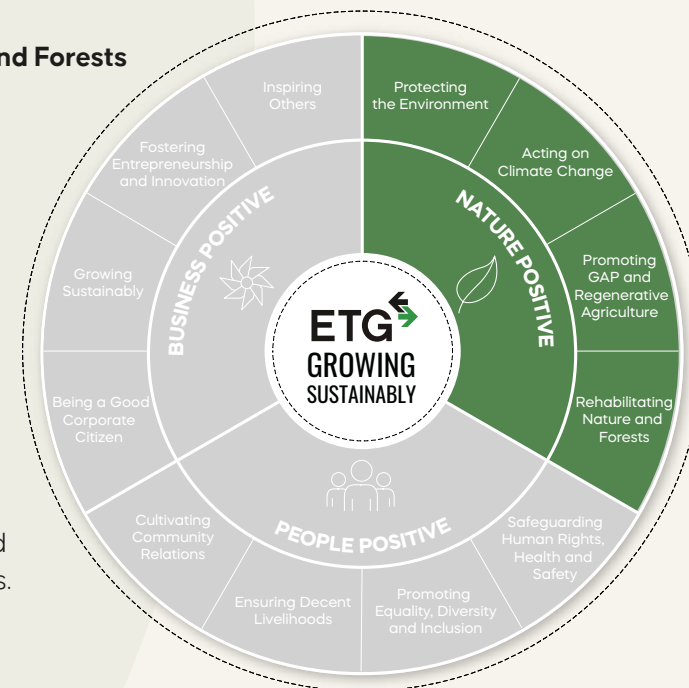
ETG is committed to aligning all its business activities with the below 1.5°C global warming target. We are also looking at how to adapt our business to the changing climate and how to strengthen the resilience of our supply chains and have embedded this in our Scope 1 and 2 reduction trajectory.

Promoting Good Agricultural Practices and Regenerative Agriculture

Agricultural commodities and inputs are a cornerstone of ETG’s business, through which we interact with millions of smallholder farmers worldwide. ETG is committed to supporting them in professionalizing their farming to achieve reliable and decent incomes, work safely, maintain and increase soil fertility, conserve water and biodiversity, and make a contribution to climate change mitigation and adaptation.

Rehabilitating Nature and Forests

ETG’s business is highly intertwined with nature, both depending on it and influencing it. We are committed to contributing to the global nature positive goal, with no net losses now and making a net positive contribution. Our reforestation efforts are a clear step in this direction and go beyond supply chain boundaries.



Water & Waste

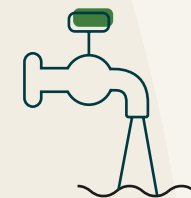
Minimizing waste and conserving water are critical parts of our sustainability journey

We report our water usage and discharge information across all our locations. As our operations are not water-intensive, our water usage throughout the year is limited and we continue to investigate and promote opportunities for water recycling and reuse within our production processes.

Upstream irrigation techniques, such as those used in agriculture, account for a significant portion of our water use. Our agronomists work with farmers to assess their water demands and make appropriate modifications, so that wasteful water practices are avoided while the water requirements of crops are met.

In our operations we apply the waste-management hierarchy: prevention, reduction, reuse, recycling, energy recovery, and disposal. Our main waste streams are paper and cardboard, plastic, and organic waste.

Our policies commit to reducing waste generation and proper reusing or recycling of waste. We have employed efficient waste management systems across our worksites to reduce waste going to landfill and maximize recycling. Our Sustainability Team has launched several initiatives, such as the segregation of waste, the phaseout of single-use plastic and several recycling initiatives.



288.6
million litres

of water consumed



1,385 t

total waste produced



4.2 t

hazardous waste



165 t

paper



302 t

plastic

Emissions

ETG follows the GHG Protocol's Agriculture Guidance for calculating our emissions.

ETG's total GHG emissions for Scope 1 increased from 140,217 t (CO₂-e) in 2022-23 to 155,225 in 2023-24 (10.7%). Scope 2 emissions also increased from 31,503 t (CO₂-e) in 2022-23 to 45,887 in 2023-24 (45.6%).

Several factors lie behind the 17.1% increase in our overall emissions. Some of our pulses facilities were running below capacity in the baseline year and have now increased their throughput again. Higher levels of precipitation in Canada increased the need for pulses to be dried post-harvest, and the capacity of our edible oil crushing and refining facilities in Africa expanded.

ETG is working on a carbon reduction strategy to align with the UN Paris Agreement and become carbon neutral by 2050.

Year	Scope 1	Scope 2	Total
2023-24	155,225 t CO ₂ -e	45,887 t CO ₂ -e	201,112 t CO ₂ -e
2022-23	140,217 t CO ₂ -e	31,503 t CO ₂ -e	171,719 t CO ₂ -e

	Scope 1 Emissions (t CO ₂ -e)	
	2022-23	2023-24
Coal	76,453	104,282
Diesel	24,639	23,500
Firewood	6,528	8,619
Kerosene	0	15
LPG	252	869
Natural Gas	143	971
Paraffin	95	43
Petrol	2,998	1,160
Propane	0	36
Refrigeration	1,224	1,224
Waste Oil	0	0
Extrapolated Emissions	32,979	14,506
Total Emissions	140,217	155,225

	Scope 2 Emissions (t CO ₂ -e)	
	2022-23	2023-24
Recorded Emissions	26,410	36,675
Extrapolated Emissions	5,092	9,214
Total Emissions	31,503	45,887

Reclamation and Reforestation

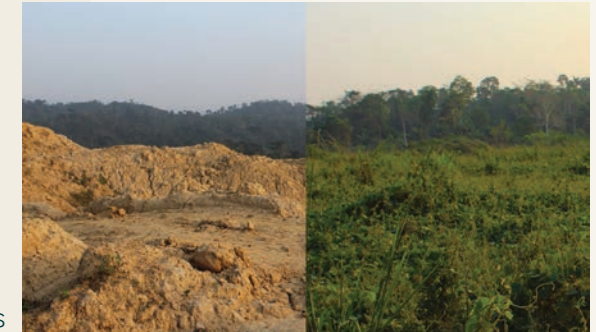
Ghana, one of the world's biggest producers of cocoa, is being marred by illegal mining which is destroying the landscape.

Dinkyiea is a small community in the Adansi North District in the Ashanti region of Ghana. In the 1980s and 90s, the community used to be a principal cocoa producer, as the vegetation created a favorable microclimate that supported both cocoa and the cultivation of food crops.

This all stopped when the illegal miners arrived. Illegal mining activities, known as 'Galamsey', led to severe deforestation and land degradation. The vegetation was stripped away along with the topsoil, leading to crop loss and unfavorable micro-climatic conditions for cocoa cultivation. The loss of soil and the decline in crop yields over time have caused a massive exodus from the community.

Mohammed Hotor is a committee member of the Dinkyiea traditional council who also functions as a Purchasing Clerk for Cocoa Merchants Limited (CML) in the community. He says: "The once pristine landscapes have been destroyed by illegal mining. Galamsey activities have left deep scars on the earth, poisoning streams, and stripping away the natural beauty." As the detrimental effects became more evident, the community stood at a crossroads, and the Elders of Dinkyiea sought help to reforest the 131-acre site.

When work began on the site, the area was a degraded land mass with huge mining pits filled with water, uneven hilly surfaces, no vegetation cover, and nothing growing. The surrounding water bodies had been muddied and contaminated with heavy metals from the mining activities.



The mining area before and after reclamation

The reclamation began by leveling the land, removing tree stumps, filling the pits, and creating drainage. Leguminous crop species such as *Pueraria procumbens* were planted to fix atmospheric nitrogen, and fertilizers were applied to replace the missing nutrients.

As the vegetation begins covering the land, Mohammed is more positive about a future where the scars of galamsey will be healed, saying: "I believe the land will thrive once more, biodiversity will be restored, and waters will run clear again." He looks forward to the tree planting and says: "I am hopeful for a productive future in Dinkyiea."

The local authority in Dinkyiea organizes frequent meetings with community members to highlight the impact of illegal mining practices and to encourage the community to help build more sustainable income opportunities.

Towards Deforestation-Free Sourcing

With the EU Deforestation-Free Regulation (EUDR) taking effect on the 30 December of 2024, we have been working hard to ensure that our coffee, cocoa and soya supply chains are compliant with the new regulations.

Field Interventions

ETG has been working with farmer producer organizations to collect geo-data and other farming indicators. For EUDR the efforts of mapping farmers have drastically been scaled, supporting the recruitment, training, and equipping of field agents from farmer producer organizations. Further investments have been made in collecting purchasing data to register the traceability flow from producer level to aggregators and up to processing in origin country factories.

Due Diligence

Data from ETG's origin sourcing and partner exporters is aggregated in central systems, and validated for consistency, integrity, and plausibility. ETG is collaborating with long-time partner Meridia, a tooling company that has developed Meridia Verify as engine for EUDR verification. Furthermore, ETG is

developing deeper due diligence data collection and protocols on the legality of sourcing, such as land and labor.

Supporting collaboration in sector and with National Governments

As we have always believed in supply chain and sector collaboration on making a lasting impact on smallholder farmers. Within the EUDR implementation, ETG is also engaging in collaborations with national government platforms such as in Ghana (cocoa) and Vietnam (coffee), and in collaborative approaches with supply chain actors Uganda (coffee).

Towards a Higher Degree of Regulatory Compliance

EUDR represents the first of a series of regulatory changes across the EU, UK, and US. In response to this increasingly stringent regulatory environment, ETG is actively working towards implementing these directives by developing robust internal processes to ensure compliance with the Corporate Sustainability Reporting Directive (CSRD) reporting requirements. Furthermore, under the Corporate Sustainability Due Diligence Directive (CSDDD), ETG has launched a collaborative initiative with trade partners in Uganda to monitor social and environmental risks systematically. These measures underscore our commitment to regulatory compliance; however, we acknowledge that maintaining full compliance with these evolving standards will necessitate continuous effort and adaptability require ongoing effort and adaptability, particularly as we manage the complexities of these regulations across our diverse operations.

ETG Climate Solutions

This year has been full of developments for the ETG Climate Solutions. We have created a dedicated entity, ETG Climate Solutions SA, to host our activities and enable the rapid scale up of our projects. The team has grown considerably, and now over 35 people, mostly in Africa, are implementing our programs in Zambia, Kenya, and Malawi. By the end of 2024, we will have two additional carbon programs registered in Kenya and Zambia.

We have managed to plant almost 1.5 million trees across our projects, in close collaboration with Empowering Farmers Foundation (EFF) (see page 50). We are in process of distributing our first 15,000 improved cookstoves in Zambia, and our first carbon program (Agroforestry Zambia) has been registered under the Verra Registry and is currently undergoing validation, bringing us closer to our first carbon credits produced for the voluntary carbon market.

We have set-up agricultural waste biomass collection centers in Zambia and Malawi, which will help ETG Group to use biomass for factory heat and steam generation, thereby reducing our Scope 1 & 2 carbon footprint.

We continue to support smallholder farming communities with our programs, and we remain convinced that despite all the challenges, we are on track to build an exceptional team that will deliver long term social, environmental, and financial positive outcomes, both for ETG and the communities where we operate.



► **Ilya Tyuvildin**
Head ETG Climate Solutions

Helping Farmers Build Climate Resilience

The Accessible Soils And Sustainable Environments (ASASE) project, funded by the Netherlands Enterprise Agency (RVO), is addressing the adverse effects of deforestation and climate change for farmers in Ghana

With over 865,000 households dependent on cocoa farming in Ghana, the project focuses on implementing interventions both on and off cocoa farms to build resilience and promote sustainable practices. Through the ASASE project we aim for a bottom-up approach which alleviates poverty, tackles the effects of climate change, and ensures that cocoa becomes a crop that benefits rather than harms the environment.

Individual Farmer Coaching

ASASE provides individualized coaching to farmers through our field officers, aiming to increase adoption rates of Good Agricultural Practices (GAP). Over 1 million cocoa seedlings and 318,092 shade tree seedlings have been distributed, and over 14,000 farmers (5,527 women) have been trained in GAP and climate-smart cocoa farming practices.

Shade Tree Registration

We collaborate with Meridia and Tropenbos Ghana to map and register shade trees on farmers' land. This helps farmers gain legal ownership over these trees, protecting them from exploitation by timber contractors and contributing to the preservation of cocoa plantations. 1,534 farmers have received the TreeSeal tree registration documents signed by the Forestry Commission.

Land Titling

We partner with Meridia to secure farmers' land rights through land titling. This initiative aims to provide farmers with long-term security over their land, enabling them to invest more confidently. So far, 894 farmers have obtained land tenure documentation (FarmSeal), and 862 farmers have received FarmRight Attestations

Seedling Distribution

By the end of Year 4, we had distributed a total of 1,795,127 cocoa seedlings representing 280% of the project target. We also distributed 462,000 shade tree seedlings out of a project target of 550,000 (84%).

Reforestation of Degraded Lands

Communities are engaged in reforestation efforts by establishing community nurseries and utilizing approaches such as Payment for Ecosystem Services (PES). This initiative aims to grow multipurpose tree seedlings for distribution and planting across degraded lands, contributing to the restoration of 30 hectares (Final target 100 hectares) of land across 25 communities.

VSLA-CHILD

VSLAs are community-based groups that collectively save a small portion of their incomes. These savings provide access to small loans that members can use to invest in their farms and side businesses, leading to diversified income and greater financial capacity. 85 Village Savings and Loan Associations (VSLAs) have been established under the project, with 2,251 members, including 1,425 women.

Cocoa and Forests Initiative

ETG is a signatory of the Cocoa and Forest Initiative (CFI). As a cocoa trader, we implement CFI activities with our farmers on behalf of chocolate makers.

ETG is committed to protecting and restoring forests, engaging communities, and supporting sustainable production and farmer livelihoods. We have developed our community reforestation work, continued our Payment for Ecosystem Services project along the banks of the Hana River, and also started a Payment for Ecosystem Services project for farmers adopting agroforestry practices and planting multipurpose shade trees.

Effective long-term forest conservation requires local leadership, ownership, and responsibility over project activities. We helped to establish 25 Community Resource Management Committees (CRMCs) in forest fringe communities. CRMCs are made up of ten democratically elected individuals, often including respected local figures. After establishment, these groups lead conservation and reforestation efforts. This year, we reforested 185 hectares of land in Côte d'Ivoire and Ghana on behalf of our clients.

Income-generating activities, such as beekeeping and chicken farming, will be piloted in the 24-25 crop season. These activities are designed to prevent farmers from going back to reforested plots as they will have a new means of generating income that does not depend on land used for long-term reforestation.

Cocoaching is ETG | Beyond Beans' Farm Development Plan (FDP) methodology, providing individualized coaching to farmers to help them achieve higher yields through more sustainable agricultural practices. This year, we have individually coached around 1,200 farmers in Côte d'Ivoire and Ghana.



Growing Trees & Livelihoods in Coastal Kenya

ETG Climate Solutions has joined forces with Empowering Farmers Foundation for the Kenyan launch of the ETG Emerging Farmer Carbon Abatement Program.

The new project, called *Tukuze Kilifi* (which means Grow Kilifi in Swahili), aims to plant one million trees in one year and improve the livelihoods of 12,500 households in the Kenya coastal region. Small-scale farmers are being introduced to a cashew agroforestry model, including moringa, indigenous trees and finger millet.

This holistic model provides both long and short-term benefits such as income through cashew, increased biodiversity, food and medicinal values of moringa, the fertilizing effect of indigenous trees, and the nutritional benefits of finger millet. ETG Climate Solutions will sell the carbon credits from the CO₂ sequestered by growing trees on the voluntary market, allowing the project activities to be funded.

The team has already onboarded and mapped the households that will be part of the project. Fifteen community-based nurseries have been set up to raise 500,000 cashew seedlings and 500,000 moringa seedlings. 650 elected lead farmers have been trained and are cascading their knowledge amongst their farmer groups to ensure that the land is suitably prepared and that households

are equipped to plant and look after their trees properly.

The cashew and moringa were distributed to farmers from May onwards during the rainy season. In the coming months, farmers will receive more coaching on tree maintenance, water conservation and soil fertility as well as training and cooking demonstrations on finger millet, a traditional crop that is being reintroduced to the region because of its climate resilience and nutritional value.

The project has been positively received by farmers, and many farmers from neighboring areas have already requested to join the waiting list for the planned expansion.

The launch serves as a proof of concept for ETG Climate Solutions as they scale up agroforestry in the coming years across Kenya, and build in interventions such as cookstove distribution, biomass collection, and the production of biochar.



Biochar

Biochar carbon removal is a way to sequester carbon dioxide from the atmosphere with wide-ranging additional benefits.

Biochar is a charcoal-like material obtained by burning biomass, such as cocoa husks and pruning materials, under anaerobic conditions. It helps mitigate climate change by sequestering carbon in the soil for extended periods and consequently reducing GHG emissions. This enhances soil fertility, water retention capacity, and nutrient circulation, which promote higher crop yields.

When biochar is applied to the soil, it stores the carbon in a secure place for potentially hundreds or thousands of years. The carbon sequestered can be registered and the resulting carbon credits can be sold on the voluntary carbon market. We see biochar's unique properties, wide-spread applicability, and cost-effectiveness, as an important opportunity across multiple commodities and verticals such as cocoa, coffee, cashew, and fertilizers.



Carbon-Low Coffee Sourcing

In an era where environmental sustainability is at the forefront of global consciousness, ETG Coffee is embarking on a sustainability initiative to implement net-zero carbon interventions and improve farmer livelihoods.

A crucial element of ETG Coffee's sustainability road-map is the effort to reduce carbon throughout the coffee supply chain. In Uganda, ETG Coffee is pioneering biochar production from coffee husks and other agri-waste, a method that captures carbon permanently and improves the soil by retaining water and binding nutrients from fertilization.

In this carbon-low coffee pilot, ETG experimented with both artisanal and industrial approaches to compare the quality of biochar, the cost, and the adoption potential of each. Together with a coffee cooperative in the Masaka region, biochar was artisanally produced in locally made kilns, this was successful for maize and wood but less successful for coffee husks. By partnering with a biochar company in Northern Uganda, the project managed to char coffee husk in a pyrolysis installation that creates power as a by-product to provide electricity to a local community. The biochar is now being used for research and development trials on coffee plots, together with the biochar experts from the Norwegian University of Life Sciences.

The Cocoa Carbon Biochar Project

In 2023, with the support of IDH and LONO, ETG | Beyond Beans developed the Cocoa Carbon Biochar (CCB) research and development project to test the potential effects of biochar in cocoa agroforestry. The project aims to evaluate whether this innovation presents an active business case for the farmer, and as many of our clients have carbon reduction targets, to explore the potential for reducing the carbon footprint of the exported cocoa beans.

The CCB project is a comprehensive initiative that aims to:

1. Assess biochar production models and their potential for scaling
2. Understand the environmental and agronomic benefits of biochar in the context of cocoa agroforestry
3. Analyze the business case for cocoa farmers to adopt biochar soil applications
4. Investigate the optimal models for monetization and benefit sharing of the sequestered carbon through in-setting or off-setting.

Monetizing the sequestered carbon will play an important role in the business case for farmers and implementers. Therefore, in the last phase of the project, carbon monetization models will be investigated:

- In-setting: Sequestered carbon will be used to reduce the carbon footprint of exported cocoa that will be sold at a premium to supply chain partners.
- Off-setting: Sequestered carbon will be sold as credits on the carbon market.

These models will be compared on the cost, impact and revenue potential for both farmers and implementers.

Future Scale-Up

The outcomes of this project will feed into our scale-up project: a circular cocoa facility. With Kumasi Drinks BV and supported by partners such as the Netherlands Development Agency (RVO), supply chain partners, and clients, we will establish an industrial site close to Daloa, Côte d'Ivoire, in 2025. This facility will produce cocoa juice, and cocoa pods and other waste streams will be upcycled into pigments, sweeteners, building materials, and biochar.



Biochar - A Sweet Solution

To recycle agricultural waste and promote sustainable farming practices, ETG has initiated a biochar pilot project using an mobile pyrolysis plant.

In response to the abundance of agricultural waste in Zambia, ETG Climate Solutions has launched a biochar pilot project using a mobile pyrolysis plant, nicknamed "The Beast," which is designed to convert local feedstock into high-quality biochar.

Around 330,000 tonnes of biomass from the Nakambala Sugar Estate has the potential to produce around 150,000 tonnes of biochar per year. While typical biochar yields are 20-30%, we have achieved a 45% yield by feedstock preprocessing before pyrolysis. These volumes highlight the potential for scaling into industrial project and address the environmental challenges posed by underutilized byproducts.

The biochar will be marketed as a soil amendment and integrated into EIHL's fertilizer products. Successful trial data will be leveraged to promote this innovative product across ETG's extensive supply chain in sub-Saharan Africa. With additional production sites planned, biochar will be positioned as a sustainable alternative to counter the negative effects of chemical fertilizers, ultimately enhancing soil fertility and crop yields.

The project aims to establish biochar as a viable commercial agronomic business, with carbon credits as an added benefit. A Memorandum of Understanding (MoU) will be presented to Nakambala Sugar Estate to scale production by early next year with the goal of processing all byproducts into sustainable, climate-friendly products.



Soy Virtuous Farming Project in Malawi

The Virtuous Farming Project focuses on fairness, equality, and social development in farming communities, and is built on three pillars: Economic, Social, and Climate.

ETG has partnered with Community Agribusiness Partners (CAP) to implement this project, which aims to strengthen the organic soybean supply in Malawi and improve living standards.

Using CAP's Community AgriBusiness approach, the project forms farmer groups, connects them to agribusiness networks, and provides skills training. It promotes organic farming practices for environmental and business sustainability, with a focus on using compost manure as a cost-effective alternative to fertilizers. This helps farmers increase soybean yields, improve soil fertility, and boost income.


Farmers in areas like Dowa, Lilongwe, and Mchinji often struggle with high costs and limited access to agricultural inputs, as well as low market prices during harvest seasons. Through this project, ETG promises to buy directly from farmers, cutting out middlemen and ensuring fairer prices. As a result, farmers will earn more and reduce dependence on international markets.

Sustainable farming practices are also emphasized. Farmers receive training in agroforestry and are encouraged to plant trees like cashew and macadamia alongside crops such as soybeans

and rice. This method enriches the soil, prevents land degradation, and provides diverse income streams from both crops and tree fruits.

Additionally, ETG plans to introduce carbon credits, allowing farmers to earn extra income for their environmental efforts. Farmer groups will also gain access to formal loans through partners like Standard Bank and First Capital Bank, helping them invest in their farms and improve productivity.

The project is not only working to increase crop yields and income but also to promote environmental sustainability and support long-term economic growth in rural communities.

 *I'm happy to be part of this project as it has farmers at heart. Many of us rely on farming to make ends meet, and this project provides a cheaper way for us to farm which does not rely on chemicals and other fertilizers which are expensive to buy. I believe through this project; we will improve our living standards as we access the ETG market and learn new farming systems that will improve our soils,"*

► **Damiano Mwale**
Emerging Farmer, Mchinji District





People Positive

People Positive

Through our business, we directly and indirectly interact with hundreds of thousands of people daily: our employees, farmers, suppliers and contractors; the communities in which we operate; our customers; and our shareholders and investors. Our ambition is to have a positive impact on all people whose lives we touch, no matter how large or small their contribution to our business.

Safeguarding Human Rights, Health and Safety

ETG respects the dignity and rights of all humans and is committed to safeguarding human rights at work and the health and safety of every individual in its supply chains.

Promoting Equality, Diversity and Inclusion

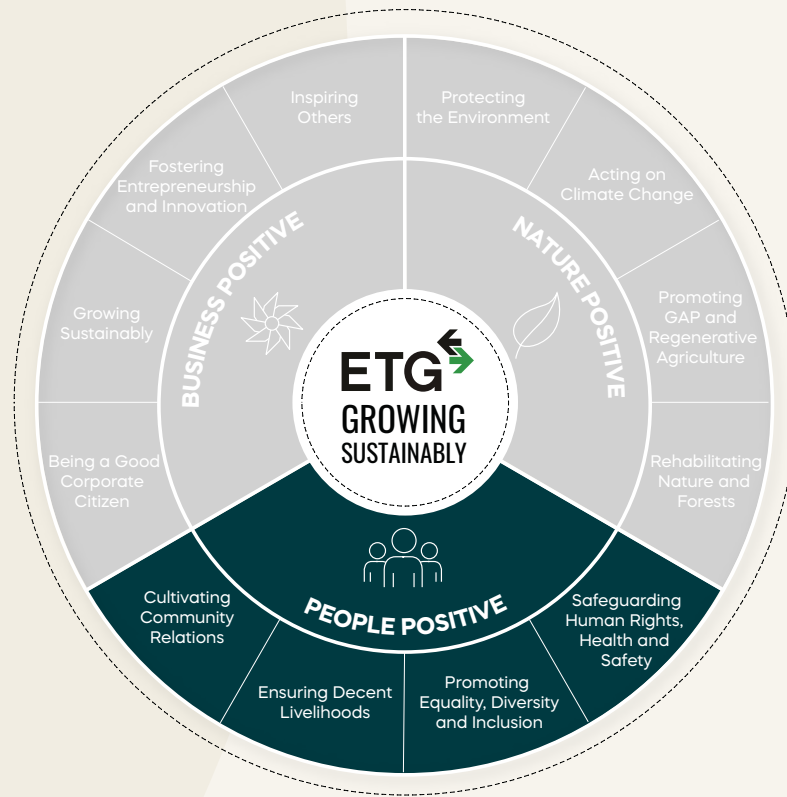
ETG is a global company working across continents, countries and cultures. We are committed to treating every individual in our supply chains with equal respect, reward based on merit and creating a diverse and inclusive workspace for our people, free from discrimination, intimidation or harassment. In our supply chain programs, we are committed to increasing access for women community members.

Ensuring Decent Livelihoods

ETG provides income to tens of thousands of people, including farmers and workers, many of whom are at the bottom of the income pyramid. ETG is working towards paying for their goods and services at a level that is in line with a decent living income.

Cultivating Community Relations

ETG is committed to building and maintaining good relationships with the communities it operates in and to contributing to community development where possible. In our farmer communities we have launched gender-tailored interventions such as women savings groups to boost women’s financial decision making, directly benefiting households’ nutrition and education.



Talent Development

We aspire to build a work culture that puts our people first. Nurturing them along their career path, we are committed to helping our teams fulfil their career goals. Our ethos of equality, meritocracy, constant learning, and focus on work-life balance ensures that our people realize their full potential.

Our talent development agenda, rooted in our comprehensive People Development strategy, is central to our commitment to fostering agility, growth, and resilience.

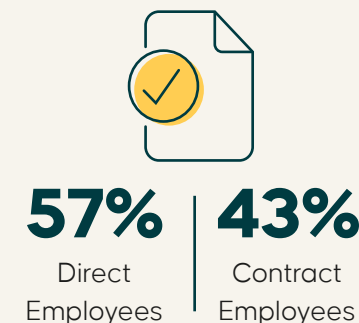
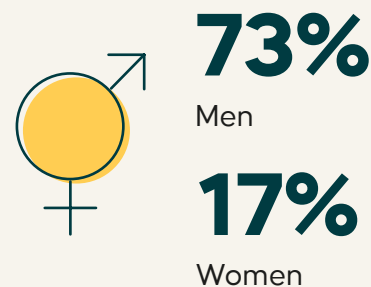
Built around our people agenda, this strategy empowers employees through accessible and impactful learning experiences, driving personal and organizational growth.

Our approach is centered around four foundational pillars:

- Leadership
- Skills
- Mastery
- Culture

We are committed to democratizing learning through self-paced, on-demand solutions, making skill-building accessible to all. By emphasizing skilling, experiential learning, and flexibility, ETG's development strategy prepares our workforce to thrive in an evolving world, driving sustainable impact and embodying our entrepreneurial spirit.

Key Statistics



EHS Insight

The ETG ESG Group is proud to announce the successful implementation of EHS Insight, a powerful and user-friendly Environmental, Health, and Safety (EHS) management tool. This system represents a major step forward in streamlining how we handle safety, compliance, and risk management across our operations. EHS Insight provides a centralized platform that enables us to track key safety metrics efficiently, ensure we meet regulatory standards, and manage audits and inspections with ease.

The adoption of EHS Insight marks a critical evolution in our safety processes. By automating workflows and consolidating EHS data at both site and group levels, the system reduces the administrative burden on our teams. This means less time spent on paperwork and more time dedicated to enhancing workplace safety. With EHS Insight, we can quickly identify and address risks, helping to prevent incidents before they occur and significantly improving safety performance across all sites.

In addition to its robust tracking and reporting capabilities, EHS Insight integrates a comprehensive library of health and safety training modules. These training sessions are mandatory for every employee, from senior management to shop floor staff, ensuring that safety protocols are consistently understood and followed throughout the organization. The training equips our workforce with the knowledge they need to maintain a safe working environment,

reducing operational risks and fostering a culture of safety.

One of the key elements behind the success of EHS Insight is the role of our over 90 EHS site champions. Our champions, representing multiple sites and countries, act as safety ambassadors, facilitating training, overseeing safe working conditions, conducting regular site inspections, and ensuring full compliance with local and international regulations. They work closely with the group's EHS teams, ensuring the highest safety standards are upheld and continuously improved.

Our commitment to safety is unwavering, and with EHS Insight, we are better positioned to safeguard the health and safety of everyone involved in our organization. By adopting this state-of-the-art system, we are enhancing our organizational resilience, reducing risks, and ensuring a safer, more efficient working environment for all.



► **Deneshree George**
EHS Lead

Health & Safety

Excellence in environmental, health, and safety (EHS) hinges upon the ability of individuals throughout the Group - from the CEO to frontline employees - to contribute to building and sustaining a culture where EHS is given the same priority as business performance.

At ETG, achieving and maintaining EHS excellence is a process of continuous improvement. We provide extensive training focusing on IFC Performance Standards and World Bank Safety Guidelines, and online training covering 180 EHS topics.

Our EHS Management System, EHS Insight, which covers both employees and contractors, ensures that we continually prioritize our commitment to health and safety.

Health and Safety Performance

	2023-24
First Aid Cases	35
Minor Injuries	11
Lost Time Injuries	4
Total Hours Worked	23,427,190
Total Injury Frequency Rate (TIFR)	0.13
Lost Time Injury Frequency Rate (LTIFR)	0.03



Environment, Health and Safety

Our EHS team oversees the environmental, social and food safety regulations in our warehouses and processing facilities.

The team directly supports the vertical teams globally to strengthen standards in our factory operations.

Internal trainings and workshops take place on a monthly basis, and the EHS team conducts internal audits with all processing sites being inspected at least once every six months for corrective measures.

In addition, third-party standard and audit schemes take place through:

- **Good Manufacturing Practice System** - GMP+ Certificate
- **Food Safety Management System (FSMS)** - ISO 22000/ FSSC 22000/BRC
- **Environment Management System (EMS)** - ISO 14001:2015
- **Occupational Health & Safety Management System** - ISO 45001:2018
- **Certification for Fertilizer Operations IFA** - Protect & Sustain
- **Quality Management System (QMS)** - ISO 9001: 2015
- **The Chain of Custody standard by Rainforest Alliance**
- **BRC Certification.**



338

EHS Audits Conducted



18

Certification Audits Conducted

Enriching Communities through Recycling

Waste from our manufacturing processes is being transformed and monetized by local communities.

Candlex, our manufacturer of hygiene, personal, and home care products in Malawi, is now recycling much of its on-site waste. In the past months, the factory has recycled or reused over 15 tonnes of plastic, paper, and cardboard.

Local women purchase plastic waste from our bottle molding facility and sell it to companies that make air vents commonly used in homes and buildings. Last year, they bought 3,700 kg of plastic waste.

In the past year, 2,335 kg of cardboard and paper waste from the factory has been sold to a company that produces egg trays.

Employees are also encouraged to bring in their plastic waste from home. This plastic is being used by a group of environmentally conscious youth who mix it with sand to create durable paving stones for sale on local markets.

These efforts show that protecting the environment and using resources wisely can go hand-in-hand with creating jobs and income for our partners and local communities.



2,335 kg
of cardboard &
paper recycled



3,700 kg
of plastic recycled



Strengthening Women's Entrepreneurial Skills

Challenging the gender gap in access to finance and liberating women's entrepreneurial capacity in Africa.

Together with Empowering Farmers Foundation (EFF), we are working on the African Development Bank's *Affirmative Finance Action for Women in Africa* (AFAWA) project to increase the overall efficiency of women-led businesses by providing solutions that enhance their knowledge and business skills and promote entrepreneurship. By 2028, the project aims to develop an entrepreneurial mindset and upskill women employed in ETG's business operations across Mozambique, Tanzania, Zambia, and Zimbabwe.

The project targets women cooperatives, women-owned or led small and medium enterprises participating in ETG's agribusiness operations as suppliers, in product transformation, logistics, and other technical services, as well as women employees in our agribusiness operations and supply chains. The project will design and conduct a comprehensive gender diagnostic assessment to map the gender landscape across all four countries, select the women target groups, define their skills, identify efficiency gaps, and determine the project's scope.

The ultimate goal is to devise and implement capacity-building strategies and interventions aimed at enhancing productivity and increasing the overall efficiency of the target groups. By focusing on these objectives, the project aims to lead to economic empowerment, create direct and indirect job opportunities, and contribute to economic growth.



Village Savings & Loan Associations (VSLAs)

VSLAs can help to build financial capacity, empower women, increase income generating activities and improve child well-being.

The equal involvement of women in leadership and decision-making positively impacts social, economic, and environmental development. In Côte d'Ivoire, we used VSLA-GALS groups to promote women's empowerment and shared household decision-making within cocoa-producing communities.

VSLAs are community-based groups made up of 15-30 individuals who come together to collectively save a small portion of their incomes. Group savings provide access to small loans that members of the group can use to invest in their farms and side businesses, leading to diversified incomes.

Given VSLA groups' potential to create grassroots impact, our adapted version of CARE International's GALS methodology was developed to train both men and women on gender equality as well as financial capacity building through the creation of group and household development plans. GALS training emphasizes women's empowerment and the importance of shared household decision-making, as fostering gender equality is a crucial building block towards tackling child labor. Moreover, the GALS method is highly interactive and visual, making it accessible to everyone regardless of their level of literacy.

We have now facilitated the development of more than 550 VSLAs in Côte d'Ivoire, Ghana and Nigeria, with over 10,000 women members.



550
VSLA Groups



10,745
Members



Child Labor Remediation

ETG is committed to addressing the root causes of child labor and preventing the abuse and exploitation of children.

The causes of child labor are multi-faceted. A lack of access to quality education, discrimination, conflict, and natural disasters are just some of the underlying causes. Poverty, however, remains the key driver. When farmer families are not able to earn a decent living, and youth lack decent employment opportunities, child labor remains hard to eliminate.

To address child labor, we are empowering women in rural areas through village savings and loan associations and income-generating activities, renovating schools, and increasing and diversifying farmer incomes through the implementation of good agricultural practices and agroforestry.

We also provide transportation, school credits, school kits, support with ID cards and community sensitization sessions with dedicated trainers. These sessions raise awareness of dangerous practices for children and foster discussion on how families can protect their children and support them in going to school.

Besides awareness-raising sessions, remediation interventions are tailored to the community and individual cases. Children involved in hazardous work are also surveyed regularly to track whether their case is (and stays) resolved. We are using this Child Labor Monitoring Tool (CLMT) to cover more than 50,000 households in Ghana, Côte d'Ivoire, and Nigeria. The CLMT raises awareness of the negative effects of child labor and remediates existing child labor cases at the community and individual levels.



50,000+
households
covered by CLMT





Business Positive



Business Positive

As a global company, we believe that our entrepreneurial spirit and conducting our business with integrity will not only determine our own success but set a precedent for others. Business how we envisage it is lean, agile and efficient while contributing to a more connected, interdependent and value-driven culture.

Being a Good Corporate Citizen

ETG is committed to fulfilling its commercial, fiscal, legal, social and environmental obligations, acting transparently in the spirit of fair competition, and making philanthropic contributions.

Growing Sustainably

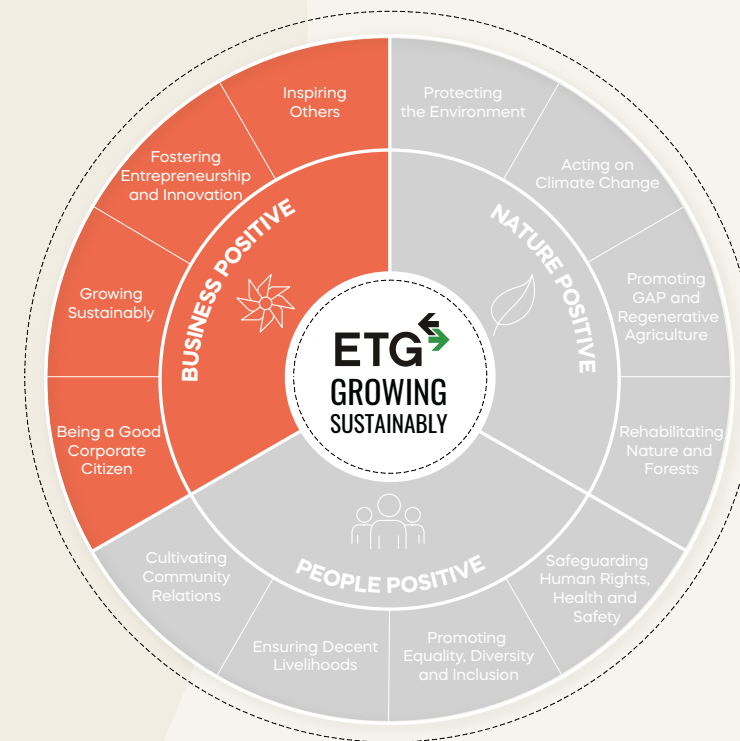
ETG’s business is growing, and we recognize the imperative to do so within the planetary boundaries and respecting the dignity and rights of all people we interact with. Where we are involved in sectors that are not yet fully aligned with this imperative, we will develop sustainability transition strategies.

Fostering Entrepreneurship and Innovation

Entrepreneurship and innovation are the centerpiece of ETG’s purpose and values. We are committed to adapting and growing responsibly as a diversified enterprise, creating a sustainable impact for all our stakeholders.

Inspiring Others

ETG is a leader in many of sectors it is involved in. We embrace our responsibility to be an example and to motivate our suppliers, business partners and peers to adopt good business practices and work in sustainable ways.



Boosting Climate Resilience in Malawi and Zambia

In Zambia and Malawi, ETG aims to enhance smallholder farmers' resilience and incomes through sustainable agricultural practices and climate-friendly training.

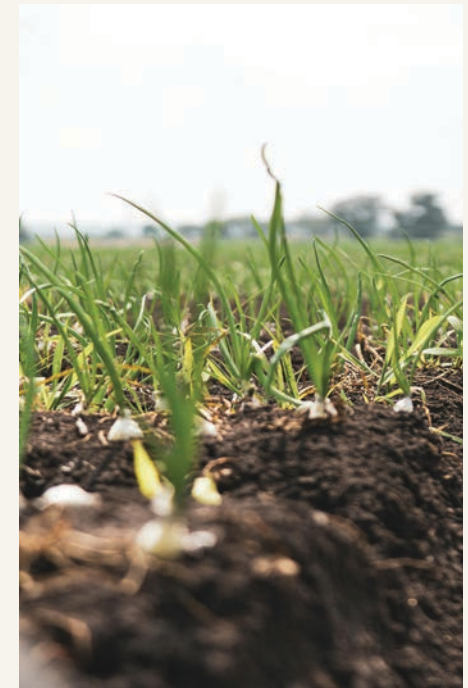
Smallholder farmers in Africa are crucial to global food security but face challenges such as poor soil quality and the wide-ranging effects of climate change. A joint venture between ETG and Parrogate Ginneries LTD and DEG (German Development Bank) in Zambia and Malawi, aims to teach farmers sustainable agricultural practices and promote the use of improved seeds, thereby making the supply chains for both companies more resilient and increasing the farmers' yields.

Through the develoPPP program, funded by the German Federal Ministry for Economic Cooperation and Development (BMZ), over 50,000 farmers are receiving training on climate-friendly methods on model farms.

In Malawi, the focus is also on improving cooperative management to provide farmers better access to information, tools, and services, reducing the risk of supply chain disruptions.

Zambia, currently facing severe droughts due to El Niño and climate change, is receiving additional support to help farmers improve soil quality and water retention, making them more resilient to these challenges. Agroforestry areas are also being established as carbon sinks, helping store carbon and providing an extra income stream for farmers through the sale of carbon credits.

The project ultimately aims to improve smallholder farmers' incomes by increasing crop yields and enabling them to sell carbon credits. At the same time, the partner companies benefit from a more resilient supply chain.



"Thanks to the advice and develoPPP funding from DEG Impulse, we are achieving better yields, improving climate resilience, and boosting the incomes of around 65,000 farmers."



► **Carole Sorreau**

Corporate Director - Institutional Business and Sustainability

Rainforest Alliance Certified cashew

ETG | Beyond Beans recently introduced the world's first Rainforest Alliance certified cashew.

Over the last year, ETG has collaborated closely with Rainforest Alliance (RA), AATIF, & ProCashew (USDA), and farmer groups to develop and introduce the world's first RA-certified cashew.

Smallholder farmer groups in Côte d'Ivoire, Benin and Mozambique have achieved Rainforest Alliance certification by successfully incorporating good agricultural practices, such as agroforestry, soil conservation techniques, and a zero-deforestation system.

While coffee and cocoa markets have already embraced sustainability standards to promote improved agricultural practices, the cashew market still lags behind. Until today, no widely recognized certification standards have advocated for more favorable production of this crop, even though cashew farmers in Africa are situated in the driest and poorest regions, with incomes of less than three USD per day, lower than those in most cocoa and coffee-producing areas.

In these arid regions, cashew is one of the few cash crops suitable for cultivation, offering a potential source of substantial income for households. Beyond its economic impact, planting cashew trees holds promise from an environmental perspective, with the

potential to combat desertification, address micro-climate change, and contribute to soil regeneration.

With RA and other partners, ETG is introducing a sustainable alternative to consumer markets to improve the livelihoods of rural farmers. Over the next five years, ETG aims to reach 50,000 cashew farmer households in sub-Saharan Africa with technical support, increased access to high-yield varieties, safer use of agri-inputs, and reforestation initiatives.

In close collaboration with European private label manufacturers and the Sustainable Nut Initiative, ETG has initiated the promotion of RA-certified cashew in the retail and consumer markets. By establishing dedicated off take agreements, we are pursuing sustained access to premium markets for our cashew farmers. This not only ensures ongoing agri-technical support, improved yields, and increased incomes but also secures better pricing.



Nuts About Nuts

Ouedraogo Ousmane, a husband and father of eight, lives in a small village of 800 inhabitants called Toutouma, in the Haut-Sassandra region of Côte d'Ivoire. His cashew plantation, covering around 4 hectares, is located just 3km outside the village and is surrounded by forest and other farms.

Like many small-scale farmers, Ousmane struggled with poor agricultural practices. He planted his cashew saplings too densely, which led to low yields and unhealthy trees. In addition, labor was expensive and the part-time workers he could afford were often unreliable. The cost of equipment, reliable transport and agri-inputs only added to his problems.

RA Certification

Things took a turn for the better when Ousmane became involved with our Rainforest Alliance (RA) certification programme. This programme helps farmers increase their cashew production by implementing sustainable and regenerative farming and providing safe and fair conditions for their workers. They also receive a premium from companies that prioritize sustainably sourced products.

Ousmane credits the programme with transforming his farming methods. He learned the importance of spacing his trees properly, which has allowed his cashew trees to flourish and means he no longer has to expand into new areas and cut down virgin forest.

Reaching Stability

Today, Ouedraogo Ousmane's farm is thriving. The project not only boosted his yields three-fold but also improved the overall appearance and health of his farm. His cashew trees now provide him and his family with a steady income, and has been able to take out loans, secure in the knowledge that his higher yields would enable him to repay any debts.

He no longer worries about sending his children to school and has made enough money to buy a motorcycle and build a house. He now plans to expand beyond cashew farming and will use his RA premium to help his wife start a new income-generating activity producing attié é, a staple food made from cassava.

The Future

Looking ahead, Ousmane dreams of becoming a modern, innovative supply chain farmer. He knows that continuous education is key to reaching his goals and hopes to keep increasing his knowledge. He also knows that mechanizing his farming processes will help him improve efficiency, so he plans to invest in machinery to reduce the cost of labor and improve yields.

"I am very happy to be part of this programme and proud of my cashew plantation, I'd like everyone to come and visit my farm, because there's so much to learn."



▶ **Ouedraogo Ousmane**

Cashew Farmer

High-Tech Harvest

PACSys, a pioneering force in agricultural drone technology, is transforming the landscape of farming in Africa

In 2024, ETG bought a controlling interest in PACSys (Precision Agricultural Systems), who research, develop and distribute precision agricultural drones, tailored to increase the efficiency of farming.

Drones are transforming agriculture and PACSys agricultural drones represent a paradigm shift in how modern farming is conducted.

One of the primary benefits of PACSys drones is their precision. Using aircraft, tractors and mechanical booms to apply agri-inputs and chemicals is often hit-and-miss and can lead to overuse. Equipped with advanced GPS, sensors, and data-driven technology, drones can target specific areas of farms that need treatment. This precision application not only conserves resources but also minimizes environmental impact, protecting local ecosystems from overexposure to harmful chemicals.

Repeatedly driving tractors over fields compacts the soil, reducing its ability to absorb water and nutrients, which can lead to poor crop yields and increased erosion. As drones are aerial, they do not disturb the soil, preserving its structure and fertility over time.

Drones also offer a clear advantage in terms of labor and cost efficiency. A drone takes five minutes per hectare to do what would normally take hours or days with traditional equipment. Drones also offer up to 80% fuel savings compared to aircraft and tractor methods and can easily cover terrains where tractors cannot operate.

PACSys agricultural drones are a leap forward in both farming technology and environmental conservation and are setting new standards for sustainable and efficient agricultural practices.



Featured Partnerships

ETG's growing network of farmer extension services and environmental projects would not have been possible without the many partners that support our mission towards positive Nature, People and Business.

2023-24 brought many new collaborations and platforms which are allowing us to exchange expertise and innovation, bring solutions to scale and serve more than 400,000 smallholder farmers.

Here we highlight a few important new partnerships on top of the many presented in this report.



Swiss Platform for Sustainable Cocoa

ETG Joins SWISSCO

In September 2023, ETG joined the Swiss Platform for Sustainable Cocoa (SWISSCO), an association created to share knowledge and find common solutions, involving stakeholders from across the Swiss cocoa industry.

As partnerships are essential to optimize impact, the platform will allow ETG to exchange knowledge, build alliances, and continue its journey in innovation and impact at scale.



Upgrading Supply Chain Risk Monitoring Tools

With FinDev Canada, ETG partnered to develop new social and environmental risk surveys for our commodity supply chains, and develop a more advanced deforestation monitoring systems using global satellite data.

The project will run until mid 2025, by which time our new system will be scaled across our high-risk supply chains.



Netherlands Enterprise Agency

ADVANS

The EmpowHER project

With the Netherlands Enterprise Agency (RVO) and Advans Group, ETG launched a project to develop a new financial product for women savings groups in rural areas and Micro-Finance Institutions.

The project aims to increase accessibility to loans for groups with strong financial track records, thereby boosting women entrepreneurship.



Netherlands Enterprise Agency

ESP¹

Entrepreneurial Solutions Partners

KUMASI

LONO

TheRockGroup

SPAAK

Impact Clusters

The impact cluster is an RVO grant implemented together with SPAAK and Kumasi, with LONO, TheRockGroup and ESP.

This 2-year project has three main goals, testing the logistics of collecting waste cocoa pods, trialling production at scale of pigments, sweeteners and fibers derived from the pods, and training local entrepreneurs to be a part of the processing or to use the products in their businesses.



Governance

Governance

ETG's Group Sustainability Department coordinates the group's sustainability efforts. The team's responsibilities fall into four areas:

- 1. Sustainable Business Development** develops partnerships, opportunities and joint projects with customers, suppliers, lenders and other stakeholders to support the sustainability initiatives of our business verticals.
- 2. Environment, Health and Safety (EHS)** is in charge of the environmental management, health and safety policies, structures and capabilities and supports our warehouse and production facilities in implementation.
- 3. Environmental, Social and Governance (ESG) Compliance** ensures compliance with legal sustainability and reporting obligations of our lenders, shareholders, and customers.
- 4. Strategy and Policy Development** develops the overall sustainability strategies and direction for the group.

The team works closely with sustainability teams in ETG's operational business verticals with other corporate functions – such as human resources, legal compliance and treasury – and with external partners such as the Empowering Farmers Foundation (EFF) (see page 50).

The team is led by our Chief Sustainability Officer, who reports to the group CEO, and three heads of department (Sustainable Business Development, EHS and ESG Compliance). A group

sustainability committee provides strategic input, including the heads of the operational business units and the functional heads of human resources, legal compliance and treasury.

Partnerships

Partnerships are central to most of ETG's sustainability efforts (see page 46).

Environmental and health and safety monitoring

All ETG's EHS management, monitoring and reporting is housed in EHS Insight, enabling us to centrally manage and report on EHS performance across the group (see page 35).

Alignment with external standards and frameworks

Our sustainability work aligns with several external standards and frameworks:

- ILO Declaration on Fundamental Principles and Rights at Work and ILO core conventions⁵
- The IFC Performance Standards⁴
- The United Nations Global Compact⁶
- The World Bank Environmental, Health, and Safety (EHS) Guidelines⁹
- African Development Bank Group's Integrated Safeguards System¹⁰
- The United Nations Sustainable Development Goals.³



EFF

**Reducing poverty by
empowering smallholder
farmers in sub-Saharan
Africa**

Empowering Farmers Foundation

Since its establishment in 2013, the Empowering Farmers Foundation (EFF), an affiliate of ETG, has supported rural communities across Kenya, Mozambique, Tanzania, and Zambia to improve livelihoods, enhance food security, and mitigate the impacts of climate change. During the reporting period, EFF worked together with ETG Climate Solutions, EIHL and Food & Food Ingredients to implement various agricultural and agroforestry initiatives, with a focus on cashew value chain development through both production and certification.



Environmental Stewardship & Climate Change Mitigation

In Zambia, EFF selected 34 farmers in Chipata, Petauke, and Sinda districts to plant 2,000 cashew nut trees with chicken pellets. In Kenya, EFF distributed 150 neem seedlings sourced from the Kenya Forestry Research Institute (KEFRI) to lead farmers, Community Health Volunteers, and youth who are part of its beekeeping project.

As part of the Tukuze Kilifi project, supported by ETG Climate Solutions (see page 22), EFF is expanding its agroforestry model across five additional wards in Kilifi County and distributing 500,000 cashew and 500,000 moringa seedlings.



Supporting Market Access & Food Security

From October to December 2023, EFF involved ETG in its USAID ATI-funded food security project in Zambia. Fifteen farm input road shows were held across Eastern and Central Provinces and 20 demonstration plots with essential inputs, such as maize and soybean seeds, fertilizers, and pesticides were established. Over the course of the year, 4,500 MT of crops were successfully traded in these agri-hubs, generating sales exceeding \$1.6 million. The project reached over 7,500 farmers and engaged with 74 private-sector enterprises, emphasizing gender and youth inclusivity by involving 50% women and 25% youth farmers. Collaboration with seed companies resulted in ten additional demonstration plots, all promoting Climate-Smart Agriculture technologies.

Strengthening Cashew Sector & Agri-Input Supply Chains

EFF and ETG Korosho Mozambique Ltd. (Korosho) have been actively involved in a Smart Cashew Project to revitalize the cashew supply chain in Nampula Province, Mozambique and enable smallholder farmers to increase their income and become more climate resilient. Notable achievements include securing the first Rainforest Alliance Certification for 5,000 farmers and Korosho in March 2024. EFF assisted in the Rainforest Alliance audit in December 2023 and liaised with the ETG | Beyond Beans Traceability Expert, providing support throughout the cashew procurement season. The team also prepared proposals for the setup of nine community cashew nurseries and the distribution of 255,000 seedlings in the next season. Moreover, EFF designed a Training of Trainers program for 90 lead farmers on safety, pest management, and GAP.

The ETG-IFC Agribusiness Advisory Project, initiated in June 2022, which aims to enhance maize and soybean supply chains through the last-mile delivery of inputs, kicked off its implementation phase in Malawi and Zambia by organizing training sessions for ETG field staff and project target groups. In May 2023, four senior trainers and nine field trainers from ETG's country teams were trained in an intensive one-month Training of Trainers. These trainers subsequently organized five-day workshops for 100 agro-dealers, 100 Village-Based Agents, and 90 leaders from 30 farmer organizations, ensuring at least 30% female participation and translating materials into local languages. The project also initiated coaching sessions that started in December 2023, to enhance business skills of the selected enterprises through the practical application of knowledge gained during the training.



Partnerships and Advocacy

The Africa Food Systems Forum 2023, held in Dar es Salaam, Tanzania, served as a pivotal platform for discussing the future of global food systems. Mr. Mahesh Patel, Chairman of ETG and EFF, emphasized the critical role of private sector engagement in agricultural development as a panelist in the discussion on Trade Finance and Investment. His insights highlighted the necessity of public-private partnerships to drive sustainable growth. The forum underscored the importance of collaborative efforts between governments, businesses, and non-governmental organizations, to create resilient and equitable food systems. By fostering these partnerships, ETG and EFF not only advocate for innovative solutions but also demonstrate a commitment to addressing global food security and sustainability challenges.



Report Methodology

This report was published on 30th of September 2024. We publish reports on an annual basis.

Sustainability is key to ETG's operations, and we aim to continue to build transparency and equity into our strategy and reporting. The data in this report is a fair and transparent account of our business and its related sustainability actions.

We strive to maintain the quality of the report to ensure that the information presented is accurate, comprehensive, and unbiased. Throughout this report, we aim to hold ourselves accountable for the sustainability commitments we have made, both to ourselves and our stakeholders. As such, we have developed our monitoring framework in consultation and coordination with our partner institutions.

ETG continues to grow and expand into new categories and markets, through organic growth and the acquisition of new businesses and brands. As we welcome more brands, we review our sustainability commitments to ensure that they continue to remain relevant given that some acquired brands are at a different stage in their sustainability journey, and it often takes time to bring them into historical levels of sustainability performance.

It is our belief that our sustainability commitments should be both ambitious as well as realistic and achievable. We are therefore setting overarching commitments which encompass both the growth of our historical business and the acquisition of new brands and businesses.

Data Collection

We collect and analyze social and environmental data from our operating sites monthly via a digital platform called EHS Insight. This tool allows us to manage, quality control, analyze and report on our environmental and social data, to define and follow corrective actions and undertake audits and inspections.

Standards and Methodologies

Our **carbon footprint** is calculated in accordance with the GHG Protocol Corporate Standard, revised edition. The footprint includes Scope 1 emissions (direct GHG emissions from sources that are owned or controlled by the company), Scope 2 emissions (indirect GHG emissions from the generation of purchased electricity consumed by the company) and emissions from the combustion of biomass. Emissions are based on recorded monthly activity data (purchases) of around 120 large facilities (food processing facilities, fertilizer and chemical blending plants, large warehouses, main offices). Emissions from around 400 smaller sites, such as depots, small warehouses and small offices are estimated, based on their floor area and staff head count.

High-risk supply chains for deforestation are defined by allocating deforestation risk scores to commodity-country pairs. We use the Global Map of Environmental & Social Risk in Agro-commodity Production (GMAP)¹¹ tool to allocate supply chain risk scores and categorized scores higher than 80 points as high risk. From the results, ETG has excluded supply chains with insignificant operational volumes and increased risk-scoring for strategic origins for future growth or local processing.

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Credits

This report was made possible by many people. We would like to thank all of them for their contributions, their dedication and the collaborative spirit that brought this report to life.

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