Impact Finance Fund

Société en commandite par actions qualifying as a
société d'investissement à capital variable - Fonds d'investissement spécialisé

Impact Report 2023
Including SFDR Report and SDG Report as at 31/12/23

R.C.S. Luxembourg B 162.030

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Organization and administration

Registered Office	5, allée Scheffer L-2520 Luxembourg Grand Duchy of Luxembourg
General Partner of the Fund	Impact Finance Investment S.à r.l. 5, allée Scheffer L-2520 Luxembourg Grand Duchy of Luxembourg
Board of Managers of the General Partner of the Fund	Cédric Lombard Chairman of the Board of Managers Impact Finance Management S.A. Benjamin Firmenich Vice Chairman of the Board of Managers Impact Finance Management S.A. Melchior de Muralt Manager - Independent Member of the Board of Managers Nicolas Muller Manager - Independent Member of the Board of Managers Roberto Navas Manager - Independent Member of the Board of Managers
Initiator and Investment Advisor	Impact Finance Management S.A. 6, Chemin de la Gravière CH-1227 Geneva, Switzerland
Administration Agent and Depositary	CACEIS Bank, Luxembourg Branch 5, allée Scheffer L-2520 Luxembourg, Grand Duchy of Luxembourg
Cabinet de révision agréé	Deloitte Audit Société à responsabilité limitée 20, boulevard de Kockelscheuer L-1821 Luxembourg, Grand Duchy of Luxembourg
Legal Counsel	Arendt & Medernach 41A, Avenue J-F Kennedy L-2082 Luxembourg, Grand Duchy of Luxembourg
Investor relations	Benjamin Firmenich Impact Finance Investment S.à r.l. 5, allée Scheffer L-2520 Luxembourg, Grand Duchy of Luxembourg

Introduction from the Executive Directors

In 2023, as we advanced our mission of financing regenerative businesses in Latin America, the year was marked by a blend of growth and caution. The Fund closed the year with USD 73 million in assets under management (AUM), reflecting a 35% increase compared to 2022. This growth was primarily driven by a USD 15 million subscription from a single-family office, which joined the Fund in June. However, caution prevailed due to a challenging economic environment and turbulent weather conditions. These factors prompted us to adopt a more selective approach in onboarding new investees and renewing existing financing.

This report is structured into three key sections:

- **Investment Activity**, highlighting changes across verticals and sectors;
- **"Avoid Harm" Reporting**, primarily based on data required by EU regulations;
- **The Fund's Positive Impact**, demonstrated through its contributions to the Sustainable Development Goals (SDGs).

Our Lead Impact Officer conducted a meticulous analysis of the changes in metrics compared to the previous year. His insights form the foundation of this report, offering a thoughtful interpretation of the data's evolution.

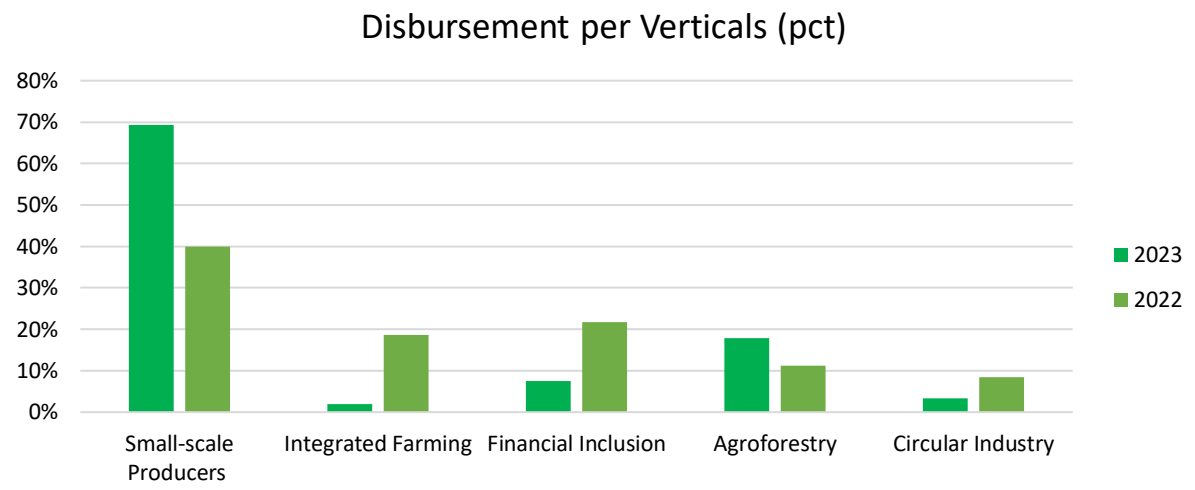
At the core of our vision is the belief that every investor should understand the impact of their savings. For this reason, we consider the relative importance of our investments to portfolio companies as a key factor in our calculations. The metrics reported are based on the impact per million dollars invested in the Fund, which is intended to help investors better understand and appreciate the tangible effects of their contributions.

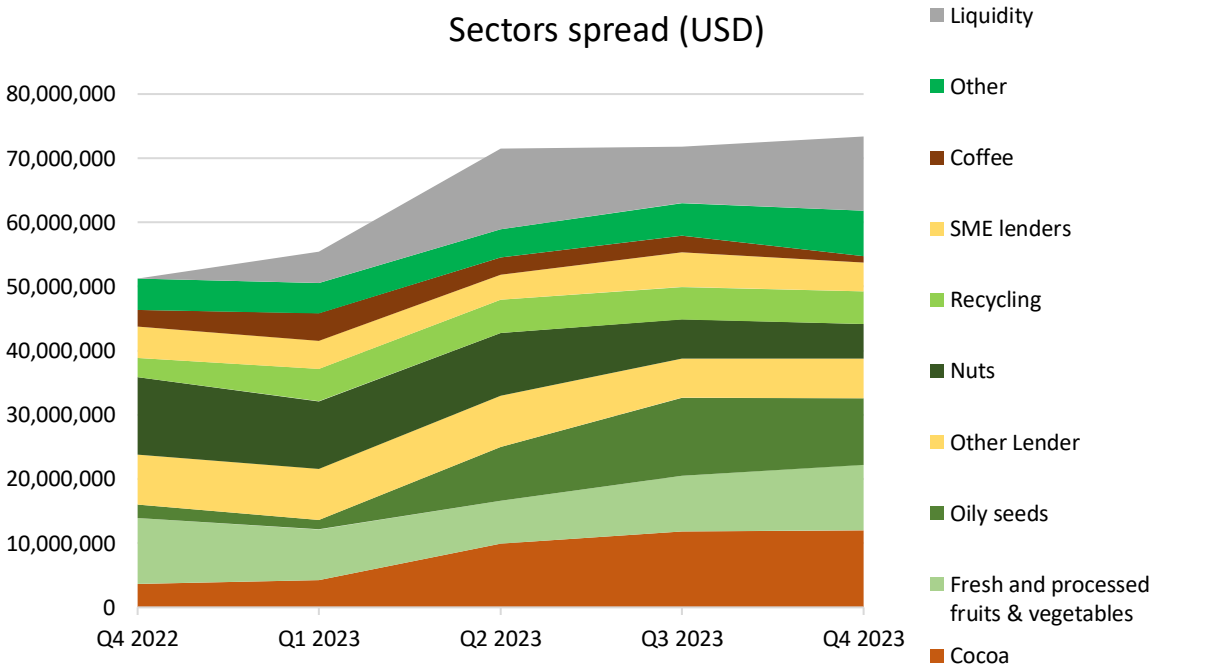
We encourage you to explore the insights, explanations, and data presented in this report, and we hope it inspires a deeper understanding of how your investments contribute to meaningful change.

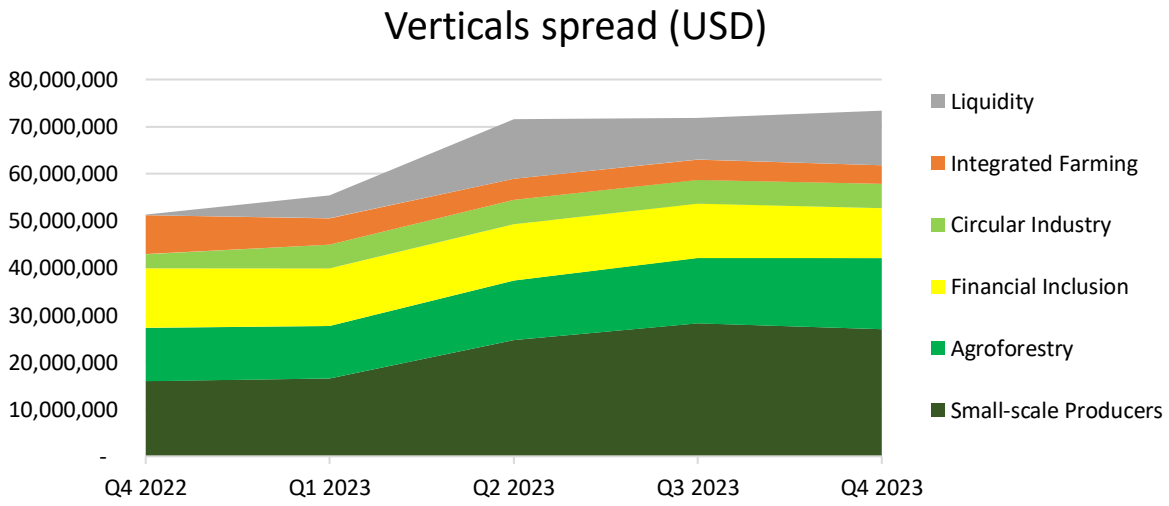
Cédric Lombard
Chairman of the Board of Managers
Impact Finance S.à r.l.

Benjamin Firmenich
Vice-Chairman of the Board of Managers
Impact Finance Investment S.à r.l.

Investment activity







Lead Impact Officer's Comment

Avoid harm - SFDR Reporting

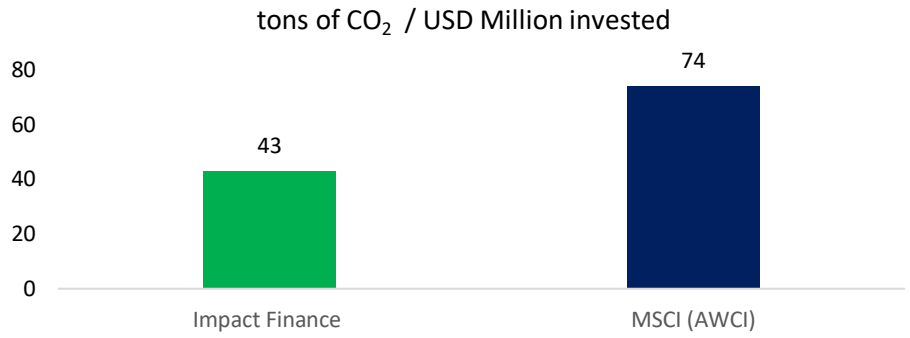
In addition to the 52 Principal Adverse Impact Indicators (PAI) mentioned in annex 1 of SFDR, we use 17 additional indicators with our proprietary impact monitoring system Kharmax to establish a sustainability rating for each company. We classify the PAI and the additional indicators according to the categories of the Global Reporting Initiative (GRI). Our Kharmax tool has been standardized to provide scores between 0 and 3, in which zero is the lowest value achieved and 3 the highest possible score.

Area	Category	# Indicators	Score 2023	Score 2022
Total		**72**	**2.24**	**2.20**
Environment		**29**	**2.37**	**2.37**
	GHG Emissions	8	2.64	2.72
	Energy performance	3	2.45	2.43
	Biodiversity	2	2.24	2.19
	Water usage	5	1.52	1.52
	Waste and materials	6	2.65	2.60
	Land Use	5	2.75	2.75
Labor Practices		**12**	**2.16**	**2.12**
	Diversity & Equality	3	1.78	1.91
	Health and safety	4	2.20	2.05
	Discrimination and complaints	5	2.51	2.41
Human Rights		**12**	**2.46**	**2.41**
	Respect of HR	8	2.08	2.02
	Corruption	4	2.84	2.81
Governance		**5**	**2.21**	**2.17**
	Transparency and accountability	2	2.54	2.54
	Diversity & representativity	3	1.89	1.79
Product Responsibility		**8**	**2.57**	**2.46**
	Product Transparency	4	2.71	2.60
	Product Quality	4	2.43	2.33
Economics		**6**	**1.65**	**1.69**
	Sustainability	4	1.88	1.95
	Profit sharing	2	1.41	1.43

Environment

In our environmental area, there is no significant variation overall, as the decrease in one category is offset by gains in others. In 2023, a slight deterioration in Green House Gas (GHG) emissions can be observed. This is explained by changes in verticals, for instance, one of our companies in agroforestry repaid a large portion of its loan. Additionally, the increase in outstanding loans in the circular industry vertical, driven by high sales volumes, also led to a rise in emissions. However, it's important to note that circular industry vertical is the sole contributor to CO_2 avoidance, a key positive impact metric. Therefore, an increase in GHG emissions is compensated by other categories, such as biodiversity, thanks to new investees. One of these investees has an interesting biodiversity project in Colombia, while others in agroforestry are involved in projects that protect large areas of forest, which positively impacts this metric.

Morgan Stanley Capital International publishes the ACWI (All Country World Index)[1], which combines both developed and developing market countries. Within this index, there is a metric to measure GHG emissions within an investment portfolio. This indicator only considers Scope 1 and Scope 2 emissions. Therefore, we have accounted for our Scope 1 and Scope 2 emissions attributable to our investments and divided them by our assets under management to estimate a comparable ratio with this benchmark. As a result, it can be observed that our emissions in these scopes are less than 40% of the companies in the portfolio benchmark.



Labor Practices

Labor practices have shown a mild improvement, primarily driven by the "health and safety" category. This improvement is explained by the inclusion of new investees in the cocoa, avocado, and oil palm sectors. A distinguishing feature of these companies is the quality of their operations, supported by their certifications. Similarly, an increase in our exposure to companies with highly industrialized processes has also contributed to better performance in this area.

On the other hand, "Diversity & Equality" has declined. This is attributed to changes in the "unadjusted pay gap," which often depends on the number of women in leadership positions. Impact Finance strongly advocates for equality, but this can be challenging to manage. However, there are some positive trends: for instance, our new artisanal mining company is led by a woman, in an industry traditionally dominated by men.

Human Rights

Our improvement in this area is driven by two factors. The first relates to new investees, some of which belong to large groups or are highly committed to human rights processes. This means these companies have robust due diligence processes, as they are certified by international organizations that evaluate aspects related to human rights, such as the prevention of children or forced labor. The second factor is that, in 2023, we increased our assets under management, which allowed us to allocate more funding to some companies in our portfolio. These investees are characterized by having strong metrics in this area.

Governance

Governance has shown a slight improvement, primarily driven by diversity and representation. This improvement is attributed to new investees, which are characterized by strong governance systems, as some of them are part of larger companies. As a result, these companies have integrated more developed systems and reporting structures. Additionally, our outstanding investments in companies from our Financial Inclusion sub-strategy increased by 17.0% compared to the previous year. Given that our Kharmax scores are built on a weighted average basis, this also contributed to the improvement, as these companies tend to have robust governance systems characterized by the presence of independent board members.

[1] https://www.msci.com/documents/1296102/34270843/Climate-Indexes-Report.pdf

Product Responsibility

This area holds the highest score in our portfolio, as our companies demonstrate strong performance, reflected in their commitment to providing high-quality products with significant impact for their stakeholders. For instance, 57% of our companies hold relevant certifications related to best practices. Among the typical certifications from our investees are BRC, HACCP, RSPO, Organic USAID, SBG, and Fair Trade.

This area has improved this year, as new companies joined with all the certifications and natural exporting practices in place, ensuring high standards in their processes to serve international markets. Additionally, the funded companies have evolved to meet such standards, and we have increased our outstanding investments in the most promising companies. One example is the approval of increasing loan term credit line compared to 2022 for an investee in the chia segment, which supplies Costco Wholesale and is known for conducting rigorous due diligence and maintaining high standards with its suppliers.

Economics

The economic area is one of the few that did not show improvement this year. The slight decline was driven by macroeconomic factors of certain regions. Many Latin American countries have faced economic challenges: Bolivia has been struggling with a significant USD currency deficit, while Chile is recovering from deficits accumulated during the pandemic. Additionally, most countries have faced high interest rates due to rising inflation.

Climate change has also played a significant role, with some sectors affected by severe droughts or floods, resulting in sales decreases in many cases. However, this impact has been partially offset by the strong performance of new investees, which have shown good sales growth and profitability.

Positive Impact - SDG indicators

A regenerative business combines measurable positive outcomes on people and planet. We focus on 5 Sustainable Development Goals (SDG) to classify these outcomes. For each of the 32 indicators that we track, we strive to identify the outcomes of each portfolio company that can be attributed to the Fund cascading to the attribution an investment of USD 1M in the Fund. This is a way for the data to be comparable for the investor between one fund and another. Surprisingly, out of the 20 Impact Reports we reviewed we found only one other considering attribution: the impact report of our Geneva-based peer, Symbiotics Group.

SDG 8 / Decent work and economic growth

	2023 Per USD 1M invested	2022 Per USD 1M invested
Direct employees	13	100
Net direct jobs created	-3	2
Total employees of our investee's borrowers	68	88
Total employees of our investee's supplier	216	120
Indirect net jobs created	86	14

Creation of quality employment is the main element we look at when considering SDG 8. There is a significant drop in the number of direct employees. This is explained by the reduced exposure to companies active in the production of berries, which suffered from market shocks. Those companies employed many seasonal staff during campaigns.

Total employed from investees' borrowers had a mild decline due to Bolivian companies selling part of portfolio to cope with the exchange rate effect and maintain good financial ratios. On the contrary, total employed from investees' suppliers augmented increased thanks to an increased exposure in Paraguay, Guatemala and in Ecuador in sectors such as: cocoa, coffee, chia and sesame. These products tend to be labor intensive: for instance, sesame crops require at least three employees per hectare due to the labor-intensive and manual method to extract seeds. Coffee can also require between one to three workers per hectare, depending on the country. Coffee and sesame explain the important increase in the indirect employees in 2023, as well as cocoa. The net effect of indirect resulted in a favorable number as it increased 7x the value seen prior year. Driven mainly by indirect employment coming from suppliers in the Smallcale Producers vertical.

Comparing our attribution results with those of our peers investment attributions, Symbiotics Group, their total indirect employment figure was 421,000 compared with our figure of 13,300. And when assessing the number of indirect jobs per million invested, 153 compared with our figure of 284, which is 85% higher. This illustrates the strength of financing SMEs directly and in particular anchor enterprises that work with small scale suppliers.

SDG 10/ Reduced inequalities

	2023 Per USD 1M invested	2022 Per USD 1M invested
Woman employees of our investee's suppliers	35	46
Direct woman employees	6	55
Woman employees of our investee's borrowers	33	46
Employees living in rural areas	6	58
Woman employees living in rural areas	4	n/a
Number of small-scale producers	44	42
Number of investee's borrowers	59	72
Number of small-scale producers that received technical assistance	20	10
Premium in paid USD due to the increase in yield vs average local standard	45,299	11,184

The number of woman employees have decreased this year as well as the indirect women employed. Most of our investees have a hard time estimating the total number of women working indirectly with them. To obtain a more consistent indicator, we opted to use a standard metric of woman employed in agriculture per country,

this modification had an important impact on the reporting 2023 compared to 2022. As for direct woman employees, the decrease is parallel to the one witnessed in the SDG 8, with direct employment. It is mainly due to weather and market conditions sales in berries' companies decreased, considering that these companies used to hire a lot of seasonal woman workers during campaign, the indicator diminished by this effect. Woman employees by investee's borrower also experienced a decrease driven by Bolivian companies, some of them reduced portfolio as a strategy to maintain healthy ratios during the economic outlook and reported less borrowers, in turn, less indirect employment coming from the less funded companies.

Another indicator, employees living in rural areas had a significant reduction, basically as the main contributors of this type of worker came from berries companies, nonetheless, 60% of the employees living in rural areas are woman. Despite the decrease in the above-mentioned indicators, other increases, like the number of small-scale producers, driven by a new client in cocoa, similarly, we include coffee clients and cardamon, which were not included in the last report. The small-scales producer that receives technical assistance doubled; the main reason is that those new clients provide technical assistance with at least 80% of their smallholders. Finally, the productivity yield increases due to several factors, there are more ha compared to prior year, and this calculation is based also on the amount of land.

SDG 12/ Responsible consumption and production

	2023 Per USD 1M invested	2022 Per USD 1M invested
tons of waste used to produce energy	1,468	186
kWh of energy produced out of recuperated waste	2,230,806	359,874

The increase in the amount of recuperated waste can be attributed to two factors. First, the investee involved in the sawdust market did not fully utilize its outstanding amount in 2022. Whereas in 2023, the credit line was fully obtained, leading to an increase in our attribution. Additionally, a new investee managing a zero-deforestation palm oil plantation contributed to this metric as it uses the palm fruit after oil extraction to generate energy in a giant biodigester.

Energy produced from recuperated waste increased by 7x. This was primarily driven by a higher attribution due to greater outstanding amounts compared to assets. Palm fruit waste also contributed significantly, as the energy potential of this resource, particularly from shells and fibers, is approximately 2.5 times higher than that of sawdust. For further details on calculation, please refer to the notes 31,32 and 33.

SDG 13 / Climate action

	2023 Per USD 1M invested	2022 Per USD 1M invested
tons of CO_2 sequestrated in the protected portions of forest and in the plantations	86,705	110,250
tons of CO_2 sequestrated during the period	1,230	1,691
tons of CO_2 avoided during the period	2,329	411

In 2023, two new companies entered our agroforestry portfolio, leading to an increase in the value reported by our investees. Additionally, we refined our carbon stock and sequestration methodology based on the age and location of biomass (above ground and below ground). See the notes 31 and 32 for further detail. These two factors altogether resulted in higher reported values; however, in terms of attribution, there was a clear decrease. The main reason for these decreases is that one of the companies in our portfolio, which was permitting to protect an important area of Amazon forest, repaid our loan, affecting our attribution. This explains why there are 13,261 fewer tons than the previous year in terms of carbon sequestration. The same effect was seen in CO_2 stock as the repaying company was the one with large carbons reservoirs. On the other hand, a contrary effect is seen in tons of CO_2 avoided, where our attribution increased sevenfold, driven by the rise in Impact Finance's outstanding investment in the circular industry.

Vertical	Total CO_2 emitted	CO_2 Sequestrated	CO_2 Avoided	Net CO_2emissions
Agroforestry	6,780	-72,653		-65,873
Circular Industry	18,694		-140,738	-122,044
Financial Inclusion	86			+86
Integrated Farming	5,564			+5,564
Small Scale prod.	19,591	-1,660		+17,931
Grand Total	**50,715**	**-74,313**	**-140,738**	**-164,336**

Note that our calculations in SFDR reporting did not include the potential of sequestrated carbon and CO_2 avoided. An interesting aspect is that circular industry comprises more than 50% of our emissions due to the large volume sold, however, using sawdust instead of coal avoids 140,738 tons, compensating for their significant emissions. Additionally, the CO_2 sequestrated by our agroforestry investees would compensate for the total emissions.

SDG 15/ Life on land

	2023 Per USD 1M invested	2022 Per USD 1M invested
Planted ha with productive trees under investee´s management	179	127
ha of protected forest by the investee	98	152
ha planted using regenerative agriculture techniques	27	16
ha with organic certification or similar third-party environmental certification planted with financed crops	87	85
kg of mercury not used (gold companies)	6.8	5.4
Technified ha managed by investees	2	16

The main cause of the growth in hectares this year is due to new clients, most notably our cocoa client, which operates plantations in two countries. Similarly, our Fund's outstanding position places Impact Finance as one of the top financiers, contributing significantly to the hectares attributed to the Fund. Additionally, the coffee and cardamom companies also contributed to this report. The hectares of protected forest declined due to the repayment by one of our clients in the Brazil nut segment in 2023, which held significant areas of protected Amazon forest.

Regarding regenerative agriculture plantations, the area doubled thanks to the new cocoa client, which has part of its plantations dedicated to regenerative agriculture. The number of hectares with organic certification also increased. Some clients in the chia segment, selling organic products, experienced significant sales growth, leading to more hectares of land being used to meet the demand for chia. Additionally, the tons of mercury avoided increased in 2023 as a new Peruvian gold company was added to our portfolio. Finally, the number of technical hectares decreased due to the shrinkage in berry producers, resulting in fewer hectares being utilized.

Christian Narvaez
Lead Impact Officer
Impact Finance Colombia S.A.S.

SFDR complete report

Indicator	Note	Result
Cumulated company value	1	USD 828,911,562
Portfolio value	2	USD 58,993,649
Cumulated company income	3	USD 399,372,065

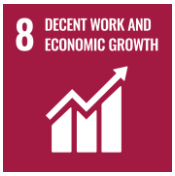
SFDR Number	Category	Area	Status	Indicator	Note	Result
1	Environment	GHG Emissions	Mandatory	Scope 1 GHG emissions	4	2,215 tons of CO_2
1	Environment	GHG Emissions	Mandatory	Scope 2 GHG emissions	4	321 tons of CO_2
1	Environment	GHG Emissions	Mandatory	Scope 3 GHG emissions	4	48,179 tons of CO_2
1	Environment	GHG Emissions	Mandatory	GHG Emissions Total	4	50,715 tons of CO_2
2	Environment	GHG Emissions	Mandatory	Carbon Footprint	5	930 tons CO_2/€ Million
3	Environment	GHG Emissions	Mandatory	GHG Intensity	6	1,510 tons CO_2/€ Million
4	Environment	GHG Emissions	Mandatory	Investment in companies in the fossil fuel industry		None
5	Environment	Energy performance	Mandatory	Share of non-renewable energy consumption and production	7	49%
6	Environment	Energy performance	Mandatory	Energy consumption intensity per high impact climate sector	8	1.7 GWh/€ Million
7	Environment	Biodiversity	Mandatory	Activities negatively affecting biodiversity-sensitive areas	9	86% of the portfolio [24 companies] have a low potential for direct or indirect negative impact on biodiversity sensitive areas, due to small scale and environmentally friendly agricultural activities;20% of the portfolio [6 companies] focus on improving biodiversity or have a no direct or indirect negative impact on biodiversity-sensitive areas
8	Environment	Water usage	Mandatory	Emissions to water	10	Very limited emissions to water given the high production standards of portfolio companies.
9	Environment	Waste and materials	Mandatory	Hazardous waste	11	No hazardous waste generated.
10	Labor Practices	Diversity & Equality	Mandatory	Violations of UN Global compact principles (Principles 3-6)	12	100% of the portfolio [30 companies] have experienced no violation of principle 3 to 6 of the Global Compact but have not signed the Global Compact. Their size permits having a satisfactory internal control
10	Human Rights	Respect of HR	Mandatory	Violations of UN Global compact principles (Principles 1, 2 and 10)	13	100% of the portfolio [30 companies] have experienced no violation of the principle 1, 2 and 10 of the Global Compact but have not signed the Global Compact. Their size allows a satisfactory internal control
10	Environment	Waste and materials	Mandatory	Violations of UN Global compact principles (Principles 7-9)	14	100% of the portfolio [30 companies] have experienced no violation of principle 7 to 9 of the Global Compact but have not signed the Global Compact. Their size permits to have a satisfactory internal control
11	Labor Practices	Diversity & Equality	Mandatory	Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles (Principles 3 and 6)		100% of the companies in the portfolio are conscious of their obligations regarding principles 3 to 6 of the Global Compact. However, 77% of portfolio [23 companies] ensure adequate supervision and internal controls.
11	Human Rights	Respect of HR	Mandatory	Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles (Principles 1, 2 and 10)		100% of the companies in the portfolio are conscious of their obligations regarding the principles 1, 2 and 10 of the Global Compact. However, 80% of portfolio [24 companies] ensure adequate supervision and internal controls

11	Environment	Waste and materials	Mandatory	Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles (Principles 7 and 9)		100% of the companies of the portfolio are conscious of their obligations regarding the principles 7 to 9 of the Global Compact. However, 80% of portfolio [24 companies] ensure adequate supervision and internal controls
12	Labor Practices	Diversity & Equality	Mandatory	Unadjusted gender pay gap	15	Women employees of the companies are paid 17% Less on average than men
13	Governance	Diversity & representativity	Mandatory	Board gender diversity		On average 18% of the companies' board members are women
14	Product Responsibility	Product Quality	Mandatory	Exposure to controversial weapons (manufacture or sales of weapons)		No companies of the portfolio manufacture of sell any weapons
1A	Environment	Waste and materials	Additional	Inorganic pollutants		0.7 tons /€ Million
2A	Environment	Waste and materials	Additional	Air pollutants		-
3A	Environment	Waste and materials	Additional	Ozone depletion substances		-
4A	Environment	GHG Emissions	Additional	Investment in companies without carbon emission reduction initiatives		73% of the portfolio [22 companies] are reducing their emissions yet have no clear emission reduction targets; 20% of the portfolio [6 companies] manifest interest in reducing their emissions reductions but with no clear emissions reductions targets; 7% of the portfolio [2 companies] are reducing its emissions with clear reduction objectives and the remaining
5A	Environment	Energy performance	Additional	Breakdown of energy consumption by type of non-renewable sources of energy	16	Not applicable
6A	Environment	Water usage	Additional	Water usage	17	29,196 m3 /€ Million
6A	Environment	Water usage	Additional	Water recycled and reused		27% of the portfolio (8 companies) reused their water
7A	Environment	Water usage	Additional	Share of investments without water management policies		50 % of the portfolio [15 companies] monitors and records the usage of water with no specific reduction targets. 37% of the portfolio [11 companies] monitors and records the usage of water with specific reduction targets; 10% [3 companies] do not monitor or record usage 3 % [1 company] met its specific reduction target
8A	Environment	Water usage	Additional	Exposure to areas of high-water stress	18	63% of the portfolio [19 companies] are not exposed to high water stressed areas, 17% of the portfolio [5 companies] are located in high water stressed areas and with no monitor water usage; 10% of the portfolio (3 companies) are exposed to high stressed areas with monitor usage but without metrics and 10% of portfolio (3 companies) are located in high stress water and monitor the water usage with metrics.
9A	Product Responsibility	Product Quality	Additional	Investment in companies producing chemicals		0% of the companies of the portfolio are producing chemical products
10A	Environment	Land Use	Additional	Share of investments in companies that are actively contributing to soil degradation, desertification and soil sealing		0% of the companies of the portfolio or their suppliers have activities causing land degradation, desertification or soil sealing
11A	Environment	Land Use	Additional	Share of investment in companies without sustainable land/agriculture practices		63% of the companies in the portfolio are following sustainable agriculture practices and their suppliers are following these practices. The remaining 37% don´t belong to the agro-industrial sector.
12A	Environment	Land Use	Additional	Share of companies without sustainable ocean/sea practices		0% of the companies of the portfolio have direct or indirect risk since none of them are working with products related to oceans/seas
13A	Environment	Land Use	Additional	Non-recycled waste ratio		0.0 ton/€ Million

14A	Environment	Biodiversity	Additional	Share of investment whose operations affects threatened / endangered species		50% of the portfolio (15 companies) have a low potential direct or indirect negative impact on endangered species. 40% of the portfolio (12 companies) have no direct or indirect negative impact on endangered species. 10% (3 companies) have a high potential direct or indirect negative impact on endangered species.	
14A2	Environment	Biodiversity	Additional	Share of investment without biodiversity protection policy		0% of the companies in the portfolio have a biodiversity protection policy; 7% of the portfolio (2 companies) are focused on the reintroduction of endemic species or in forest conservation.	
15A	Environment	Land Use	Additional	Share of investments in investee companies without a policy to address deforestation		53% of the portfolio (16 companies) have activities with potential deforestation risks yet have effective controls to avoid deforestation; 47% of the portfolio (14 companies) have no direct or indirect deforestation risk related activities or their activity engages with reforestation and forest preservation and 0% of the portfolio companies have an explicit policy to address deforestation.	
1AS	Labor Practices	Health and safety	Additional	Investments in companies without workplace accident prevention policy		63% of the portfolio (19 companies) have effective systems and controls in place to ensure a safe workplace environment. 30% of the portfolio (9 companies) have basic systems and workers face relatively low levels of pollution, changes in temperatures or reduced lighting conditions; 7% of the portfolio (2 companies) have efficient systems to ensure a safe workplace environment but without further monitoring controls.	
2AS	Labor Practices	Health and safety	Additional	Rate of Accidents	19		17.61
3AS	Labor Practices	Health and safety	Additional	Numbers of days lost due to injuries, accidents, illness	20		106.4
4AS	Labor Practices	Discrimination and complaints	Additional	Lack of a supplier code of conduct		63% of the portfolio (19 companies) proceed with a systematic evaluation on human rights of key suppliers with informal reporting; 27% of the portfolio (8 companies) proceed with a random evaluation of key suppliers on human rights with minimal reporting; 10% of the portfolio (3 companies) has the evaluation on human rights of key suppliers by way of procedures and written agreements.	
5AS	Labor Practices	Discrimination and complaints	Additional	Lack of grievance / complaints handling mechanism related to employee matters		63% of the portfolio (19 companies) have transparent handling mechanisms for employee grievances / complaints. 37% of the portfolio (11 companies) have informal handling mechanisms for employee grievances / complaints	
6AS	Labor Practices	Discrimination and complaints	Additional	Lack of whistleblower protection policy		63% of the portfolio (19 companies) have a formal whistleblower policy. 37% of the portfolio (11 companies) have an informal whistleblower policy with a dedicated channel for complaints.	
7AS	Labor Practices	Discrimination and complaints	Additional	Incidents of discrimination		0 discrimination incidents	
7AS	Labor Practices	Discrimination and complaints	Additional	Incidents of discrimination		Not applicable	
8AS	Economics	Profit Sharing	Additional	Excessive CEO pay ratio		The CEOs of portfolio companies have on average 7.56 times higher compensation than the median employee compensation	
9AHR	Human Rights	Respect of HR	Additional	Lack of human rights policy		57% of the portfolio (17 companies), due to their sizes don´t justify the setup of a policy for human right, yet they have a strong compromise to create a nice working environment and respect the local law; 43% of the portfolio (13 companies) have a human rights policy including formal due diligence and remediation processes.	
10AHR	Human Rights	Respect of HR	Additional	Lack of due diligence on human rights		70% of the portfolio (21 companies) due to their sizes don´t perform a due diligence on human rights, yet the CEO and HR manager conduct evaluation measures; 20% of the portfolio (6 companies) perform a due diligence on human rights with implementation process; 10% of the portfolio (3 companies) perform a due diligence on human rights with no implementation process.	
11AHR	Human Rights	Respect of HR	Additional	Lack of processes and measures for preventing trafficking in human beings		83% of the portfolio (25 companies) have no process or measures for preventing trafficking in human beings, yet they respect local labor law and have the compromise to avoid working with suppliers that might be involved in human trafficking. 17% of the portfolio (5 companies) have a clear Human Right policy in place permitting to avoid human trafficking.	

12AHR	Human Rights	Respect of HR	Additional	Operations and suppliers at significant risk of incidents of child labor	53% of the portfolio (16 companies) have working contracts and ID controls to avoid incidents of child labor. 47% of the portfolio (14 companies) perform and evaluate suppliers regarding child labor and they are randomly controlled.
13AHR	Human Rights	Respect of HR	Additional	Operations and suppliers at significant risk of incidents of forced or compulsory labor	73% of the portfolio (22 companies) have working contracts and ID controls to avoid incidents of forced and compulsory labor. 27% of the portfolio (8 companies) have no systematic evaluation but perform random evaluations of suppliers to avoid forced or compulsory labor.
14AHR	Human Rights	Respect of HR	Additional	Number and nature of identified cases of severe human rights issues and incidents	0 incidents
15AHR	Human Rights	Corruption	Additional	Lack of anti-corruption and anti-bribery policies	50% of the portfolio (15 companies) have a comprehensive internal control system described in written procedures. 40% of the portfolio (12 companies) have a comprehensive internal control system described in written procedures, verified by an independent party and controlled at the Board level. 10% of the portfolio (3 companies) have an informal internal control system with no written procedures.
16AHR	Human Rights	Corruption	Additional	Cases of insufficient actions taken to address breaches of standards of anti-corruption and anti- bribery	0 cases
17AHR	Human Rights	Corruption	Additional	Number of convictions for violation of anti-corruption and anti-bribery laws	0 incidents
17AHR	Human Rights	Corruption	Additional	Amount of fines for violation of anti-corruption and anti-bribery laws	Not applicable

SDG complete report



	Cumulated amount reported by investees	Fund Attribution	USD 1M investment Attribution	Notes	# Respondents
Indirect net jobs created	30,117	5,170	86	21	19
Net direct jobs created	-5,694	-159	-3		30
Total employees of our investee's borrowers	79,919	4,136	68	22	6
Total employees of our investee's supplier	135,203	13,068	216	23	14
Direct employees	13,298	763	13	24	30
Total salary paid to direct employees on period	USD 47,022,191	USD 4,338,979	USD 71,809		30
Amount paid to suppliers on period	USD 180,694,449	USD 17,636,500	USD 291,880	25	14
Total amount disbursed to investee's borrowers on period	USD 311,750,381	USD 9,598,717	USD 158,856		7

	Cumulated amount reported by investees	Fund Attribution	USD 1M investment Attribution	Notes	# Respondents
Woman employees of our investee's suppliers	28,448	2,086	35	26	13
Direct woman employees	7,661	382	6		30
Woman employees of our investee's borrowers	43,110	1,995	33		6
Number of hours that take the credit line process	131	n/a	n/a		7
Employees Living in rural areas	6,139	351	6	27	24
Woman employees Living in rural areas	4,194	212	4		22
Number of days on which suppliers are paid	15	n/a	n/a	28	14
Number of small-scale producers	26,426	2,669	44		14
Number of investee's borrowers	72,912	3,537	59		7
Number of small-scale producers that received technical assistance	7,635	1,186	20		11

Premium in USD paid due to the increase in yield vs average local standard	USD 44,264,710	USD 2,737,149	USD 45,299	29	12
% Premium our investees paid to their suppliers	8.3%	n/a	n/a		15

	Cumulated amount reported by investees	**Fund Attribution**	**USD 1M investment Attribution**	**Notes**	**# Respondents**
tons of waste used to produce energy	332,434	88,729	1,468		3
kWh of energy produced out of recuperated waste	603,461,042	134,793,981	2,230,806	30	2

	Cumulated amount reported by investees	**Fund Attribution**	**USD 1M investment Attribution**	**Notes**	**# Respondents**
tons of CO_2 sequestrated in the protected portions of forest and in the plantation	150,232,149	5,239,054	86,705	31	5
tons of CO_2 sequestrated during the period from protected portions of forest and in the plantations	1,833,958	72,653	1,202	32	5
tons of CO_2 sequestrated during the period from regenerative agriculture plantations	24,459	1,660	27	33	3
tons of CO_2 avoided during the period	480,868	140,738	2,329	34	1

	Cumulated amount reported by investees	Fund Attribution	USD 1M investment Attribution	Notes	# Respondents
Planted ha with productive trees under investee´s management	93,714	10,829	179	35	18
ha of protected forest by the investee	163,415	5,903	98		8
ha planted using regenerative agriculture techniques	11,424	1,631	27	36	9
ha with organic certification or similar third-party environmental certification planted with financed crops	81,307	5,264	87		13
kg of mercury not used (gold companies)	2,700	413	6.8	37	2
Technified ha managed by the investee	487	117	2		3

Reporting principles

The analysis of our impact will be based on the attribution of our Fund. To infer the Fund's impact, we calculate the percentage based on the average outstanding investment in the company during the year relative to the company's average total assets, as represented in the following formula:

$$\boldsymbol{Fund\ attribution}: \sum_{n}^{i}\left(\frac{current\ value\ of\ investment_i}{investee\ company's\ asset\ value_i} \times investee\ company's\ amount\ reported_i\right)$$

By doing this, we can estimate the real impact of our investments. A similar metric is calculated to assess the impact generated by our Fund's investors; specifically how much impact one million dollars invested creates in our investees. This is explained in the following formula:

$$\boldsymbol{USD\ 1M\ investment\ Attribution} = \frac{Fund\ attribution}{Asset\ under\ mangament\ in\ USD\ Millions}$$

Additionally, for some SDGs, we have expanded the number of indicators reported this year to better capture the impact of each SDG in relation to its associated targets. Regarding SDG 8, the net jobs created, and total jobs reported, whether indirect or direct, contribute to Target 8.3, which focuses on job creation. Similarly, the indicators related to the amounts paid to employers or suppliers contribute to Target 8.5, which is concerned with decent work, as these metrics help measure the economic value received by employees.

In the case of SDG 10, we have implemented a list of indicators that provide solid standards for evaluating our impact based on the targets outlined in the SDG. The number of women, small-scale producers, and rural employees aims to gauge Target 10.3, which focuses on Equal Opportunity and Reduced Inequalities, as these segments represent key parts of the population. Similarly, the premiums obtained from prices paid or productivity are linked to Target 10.1, which addresses the reduction of income inequality. Target 10.a, related to special treatment, is measured by the number of days taken to pay suppliers and the hours required to obtain a loan from our financial inclusion investees. Lastly, Target 10.b, which encourages development assistance and investment in least developed countries, is assessed through the provision of technical assistance.

In SDG 12, our two indicators—the one related to recovered waste—are associated with Target 12.5, which aims to "Substantially Reduce Waste Generation." The energy generated through this waste management aligns with Target 12.2, focused on the "Sustainable Management and Use of Natural Resources." On the other hand, for SDG 13, our metrics related to carbon dioxide sequestration, avoidance, and storage reflect our contribution to Target 13.1, which seeks to "Strengthen Resilience and Adaptive Capacity to Climate Hazards." Additionally, by reporting our results, we contribute to Target 13.3, which focuses on creating awareness; we report our total emissions in the SFDR framework while also detailing how our investments contribute to climate resilience in the SDG tables.

As for SDG 15, our indicators related to hectares of protected forest contribute to Targets 15.2 and 15.5, which focus on ending deforestation and conserving biodiversity. The remaining indicators are linked to Target 15.b, which incentivizes and finances sustainable management practices. This includes the presence of hectares with organic certification or regenerative agriculture practices. Additionally, for gold companies, we ensure that they do not use mercury in their processes to protect soil health.

On the other hand, our Kharmax methodology which include 72 indicators grouped in 6 areas and 17 categories all of them include the SFDR such as: Greenhouse Gas (GHG) Emissions, Water Usage, Energy, Biodiversity and Natural Resources, Waste Management, Labor Conditions and Human), Social Performance (job creation and social equity impact), Investment in Clean Technologies, Risks and Opportunities, and Regulatory Compliance (compliance with environmental and social laws), therefore, our Kharmax score is an important tool to assess our impact from the SDFR perspective.

Finally, the number of companies included in this report increased to 30 compared to 25 in the prior year. Additionally, 67% of the companies provided us with information. The remaining companies that did not report either experienced staff changes affecting their ability to provide information or were companies that repaid us in 2023 and were no longer part of our portfolio in 2024. For these cases, we used the information provided in 2023 and made assumptions as necessary.

Notes to SFDR and SDG reports

1 Portfolio value: Cumulated company value: Sum of assets of all the portfolio companies as of the end of December 2023.

2 Sum of the average outstanding loans.

3 Cumulated company income: Sum of the cumulated sales of all the portfolio companies as of the end of December 2023.

4 Some companies of the portfolio were able to provide data on Scope 1 and Scope 2 emissions; for non-reporting companies, data was inferred from peer companies that belonged to the same industry. In this report, we have refined our methodology by considering the different fuels used by our companies in their processes, such as diesel, gasoline, propane, petrol, coal, biomass, bioethanol, biodiesel, and natural gas. Based on the type of fuel reported by the companies, we applied the corresponding ratios. (source: https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2023) to estimate their emissions.)

For Scope 2 emissions we applied an annual proxy of 1,891 kWh per employee (excluding heating consumption considering the weather of the countries in which portfolio investees operate) for companies that did not have activity data and didn´t belong to any agro-industrial sector (sources: https://www.mdpi.com/2071-1050/13/21/11586 https://www.sciencedirect.com/science/article/pii/S187770581731696X)

To convert that into CO_2 emissions, we used the "carbon intensity of energy production" of each country (source: https://ourworldindata.org/co2-and-greenhouse-gas-emissions).

For Scope 3 emissions we used two different approaches depending on if company´s activity has the potential or not to sequestrate carbon emissions:

For sequestrating companies: For each product, the data was inferred from the literature regarding emissions coming from farming processes, transportation (fossil fuel consumption of land transportation from investee´s location to port of origin and then fossil fuel consumption of sea transportation to port of destination, and then to investee´s warehouse or facility); and retailer using different ratios for each type of product, storage type and final consumption.

For non-sequestrating companies: For each product, the data (life cycle ratios) on Scope 3 emissions was inferred from the literature. The specific amount of Scope 3 emissions was then calculated according to the volume of products sold.

In line with European standards, the formula used to calculate Scope 1, 2 and 3 emissions are the following:

$$\sum_{n}^{i}\left(\frac{current\ value\ of\ investment_i}{investee\ company's\ enterprise\ value_i}\times investee\ company's\ Scope(x)\ GHG\ emissions_i\right)$$

5 $$\frac{\sum_{n}^{i}\left(\frac{current\ value\ of\ investment_i}{investee\ company's\ enterprise\ value_i}\times investee\ company's\ Scope\ 1,2\ and\ 3\ GHG\ emissions_i\right)}{current\ value\ of\ all\ investments\ (€M)}$$

6 $$\sum_{n}^{i}\left(\frac{current\ value\ of\ investment_i}{current\ value\ of\ all\ investments\ (€M)}\times\frac{investee\ company's\ Scope\ 1,2\ and\ 3\ GHG\ emissions_i}{investee\ company's\ €M\ revenue_i}\right)$$

7 The portfolio companies were unable to provide this data. As a proxy, we used for each investee the country's "renewable share in final energy consumption (source: https://www.iea.org/data-and-statistics/data-product/electricity-information) . The result is the weighted average of all 30 portfolio companies.

8 For this period we reviewed several sources such as the statistical classification of economic activities NACE and https://www.spglobal.com/spdji/en/documents/additional-material/trucost-climate-impact-sectors-classification.pdf to determine the high impact climate sectors in which portfolio companies have operations.

9 Activities negatively affecting biodiversity-sensitive areas: We use a scale from 0 to 3 that enable us to obtain more value to the binary SFDR question. Impact Finance visits all companies in order to

physically see the operational activities and gain.

10 This metric tracks the mass of certain pollutants, such as nitrates and pesticides, released into bodies of water by companies over the last calendar year. In our portfolio, these emissions tend to be very limited, as companies in the agriculture sector generally employ sustainable practices, avoiding the use of these pollutants, especially in water sources used for irrigation. Additionally, companies with more industrialized processes have water management systems in place. For instance, gold companies store amalgam in pools away from water bodies to treat it appropriately.

11 The only companies that could be considered as generating hazardous waste are our gold processors in Nicaragua and Perú. However, in Nicaragua its tailings are being processed by a third party following the highest standards of the industry and in the case of Peru those wastes are storaged in sludge ponds while the cyanide residues Those tailings are reported as inorganic pollutants under indicator 1A.

12 Violations of UN Global compact principles (Principles 3-6): The UN Global compact principles related to 'Labor' are: Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining; Principle 4: Businesses should advocate the elimination of all forms of forced or compulsory labor; Principle 5: Businesses should advocate for the effective abolition of child labor; Principle 6: Businesses should advocate the elimination of discrimination with respect to employment and occupation.

13 Violations of UN Global compact principles (Principles 1, 2 and 10): The UN Global compact principles related to 'Human Rights' are: Principle 1: Businesses should support and respect the protection of internationally declared human rights; Principle 2: Companies should ensure that they are not participants in human rights violations; Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

14 Violations of UN Global compact principles (Principles 7-9): The UN Global compact principles related to 'Environment' are: Principle 7: Businesses should support a precautionary approach to environmental challenges; Principle 8: Companies should undertake initiatives to encourage greater environmental responsibility; Principle 9: Businesses should promote the development and diffusion of environmentally friendly technologies.

15 Salaries are divided into two categories: employees with undergraduate studies; and employees without undergraduate studies. Despite the data collected, it is difficult to obtain a clear picture on gender-related salary distributions.

16 As mentioned in Note 8, to determine the use of non-renewable energy we use the data provided by the IEA. This breakdown could not be provided by portfolio companies. However, the main non-renewable energy source of portfolio companies is the diesel and gasoline.

17 We applied a daily proxy of 50 liters of water consumption per employee equivalent to 13 M3 on yearly basis. (source: https://www.south-staffs-water.co.uk/media/1509/waterusebusiness.pdf) for companies which consumption relies only in offices and for those ones that reported only their industrial usage and not their office´s consumption. For non reporting companies we applied water footprint ratios according to the type of product (source: https://www.waterfootprint.org/resources/Report64-WaterFootprintBenchmarks-CropProduction.pdf)

18 We reviewed the water risk atlas in order to determine water stress areas in which our portfolio companies have operations (source: https://www.wri.org/applications/aqueduct/water-risk-atlas/#/?advanced=false&basemap=hydro&indicator=w_awr_def_tot_cat&lat=30&lng=-80&mapMode=view&month=1&opacity=0.5&ponderation=DEF&predefined=false&projection=absolute&scenario=optimistic&scope=baseline&threshold&timeScale=annual&year=baseline&zoom=3)

19 The rate of accidents is calculated by multiplying the number of yearly accidents by 200,000, divided by the number of employee hours worked. https://www.osha.gov/laws-regs/standardinterpretations/2016-08-23

20 The lost time injury rate is calculated by multiplying the hours of lost time injuries by 200,000, divided by the number of employee hours worked. The value in days is obtained by dividing the result by 9.

21 This number includes both the indirect jobs from our investee's borrowers and investee's suppliers.

22 For those cases where the company did not report a number,the number of indirect employees was inferred from a country level company stratification coupled with a ratio analysis (debt ratio and asset turnover) (source: https://www.readyratios.com/sec/industry/) , assuming that the average loan is all the debt for an average client, we inferred its income in order to related with a potential number of workers based on mentioned stratification. (sources: https://www.cilea.info/public/File/12%20Seminario%20Bolivia/1%20-

%20RUBIN%20060625%20completo.pdf - http://gbconsulting.com.mx/la-clasificacion-las-empresas-en-mexico/)

23 For companies not able to provide data regarding indirect employees, we assumed the number of indirect workers per hectare based on peer companies and also reports for each crop depending of the country.

24 This indicator coniders temporal or seasonal employees and permanents or fixed employees.

25 This information was provided by almost all investees, in certain cases, when it was not possoble to obtained it, we calculated based on financial estaments, considering the amount sold and inventories, with the cost of raw material.

26 This information tend to be tricky to obtain for some companies , therefore, for this year we opted to use a database from Worldbank which consider the percentage of woman emplyed in agricultre. (Source : https://data.worldbank.org/indicator/SL.AGR.EMPL.FE.ZS)

27 This information was provided by the investees, however, in those cases in which it was not report, based on the location and the criteria of each country to define weather a zone is rural or urban was applied.

28 This information was estimated by Payable days, or Days Payable Outstanding (DPO), is a financial metric that shows the average number of days a company takes to pay its suppliers after receiving goods or services. It's a measure of a company's efficiency in managing its payables and liquidity. 29

29 This premium measures how productivity could translate into more sources of income, the way Impact Finance calculates the premium is as follows:

$$Premium = [(Ha) * (Yield_C - Yield_I)] * [(Pr_C * Pur) + (Pr_{CI} * (1 - Pur)]$$

$Ha = Number\ of\ hectares\ of\ investee's\ suppliers$
$Yield_C$= yield of investee's suppliers
$Yield_I$= Standard yield of industry
$Pr_C = priced\ paid\ to\ suppliers\ by\ investee$
$Pr_I = standard\ priced\ paid\ to\ suppliers\ in\ industry$
$Pur = \%\ of\ purchased\ by\ investee\ to\ suppliers$

Note that based on the abovementioned formula,we are also considering the portion which is not purchased by the investee, but in many cases, our investees provide technical assistance, those inisights are applied to all the hectares owened by smallholders, not only the ones purchaed by our investees, therefore, by producing more than standard, that excedent could be used to sell to other companies, representing an extra soruce of income.

30 1 kg of sawdust generates 1.93 kWh (source: https://ijsea.com/archive/volume10/issue2/IJSEA10021002.pdf) and for oil palm wastes such as fibrer(5.23kwh per kg) and shells(4.88kwh per kg) i (source: https://publicaciones.fedepalma.org/index.php/palmas/article/view/13997)

31 Carbon stock: Carbon stock has been refined this year under three characteristics: 1) type of crop, 2) age, and 3) tree sequestration (above the ground & below the ground).

Estimation of Trees:

Above the ground: For this case, we used this model from the following journal to identify the carbon storage potential of trees per hectare. This study was conducted in the Victoria region of Australia, and we estimated it in another parallel study carried out in the same region, where tree density could vary. For this study, 500 trees per hectare were considered (https://www.agriculture.gov.au/sites/default/files/sitecollectiondocuments/rfa/regions/vic-west/regional-assessment/volume-1/vic-west-rfa-cra-report-vol-1.pdf). Additionally, this model provides the result in tons of carbon (source: https://esajournals.onlinelibrary.wiley.com/doi/10.1890/ES14-00051.1), so the obtained amount is multiplied by 44/12 to estimate the absorbed CO_2. Finally, this value is divided by the 500 trees, allowing us to estimate the potential for carbon sequestration and CO_2 storage of a tree depending on its age.

$$AGB = 620\ x\ (1 - \exp\ (-0.00065x\ A))^{0.75}$$

- AGB: Tc per-Ha
- A= Age of trees.

Below the ground: For this case, we estimated a relationship between the carbon storage capacity in 'above the ground.' In this instance, based on studies, we have estimated this storage as two related variables. For this case, the same process is carried out to convert carbon into carbon dioxide (source: https://cdnsciencepub.com/doi/10.1139/cjfr-2013-0446)

$$BGB = 3.2549 * AGB^{0.4008}$$

- BGB: Tc per Ha.
- Carbon stock from trees =BGB+BGA

Palm trees for oil production: In this case, given that palm trees have a useful life of up to 30 years, since their height can affect the way the product is harvested, these trees need to be replaced with new ones. This requires a different type of modeling, more of a parabolic type. Under this approach, a journal managed to model the accumulated carbon in these plantations. The study was conducted on hectares with tree densities of 150 per hectare (source: https://onlinelibrary.wiley.com/doi/abs/10.1111/sjtg.12100)

$$Cs = \text{-}0.1039(A)^2 + 3.7750\ (A)$$

Cs: Carbon stock including (AGB & BGB)
A: age of plantation.

32 The carbon sequestration for trees is calculated as follows :

$$\text{Carbon sequestration}_t = \text{Carbon Stock}_t + \text{Carbon Stock}_{t-1}$$

We added the CO_2 sequestration calculated for 3 portfolio companies that contribute to this indicator due to their regenerative agriculture practices; for these cases we applied a ratio of 5.5 tons of CO_2 per planted ha (source: https://link.springer.com/article/10.1023/b:agfo.0000029005.92691.79)

34 We applied a ratio of 0,01053 Kg CO_2 /Kwh for this calculation based on the following source (https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2022), additionally, to calculate the specific CO_2emissions of producing saw dust. According to Chile´s energy matrix (source: https://obtienearchivo.bcn.cl/obtienearchivo?id=repositorio/10221/32492/1/BCN_Matriz_energetica_electrica_en_Chile.pdf) , the substitute energy source for saw dust is coal. The equivalent amount of coal for producing the same energy out of waste is calculated by applying a ratio of 0,51 kg de coal/kwh (source:https://www.eia.gov/tools/faqs/faq.php?id=667&t=6#:~:text=Coal%E2%80%931.12%20pounds%2FkWh,Petroleum%20liquids%E2%80%930.08%20gallons%2FkWh) ; then we calculated the amount of CO_2 emissions of that equivalent coal based on a ratio of 2,270 kg of CO_2 per tons of coal (source: https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2022) The net tons of CO_2 avoided is calculated based on the difference between coal and saw dust emissions

35 This indicator takes into account not only their own plantations but also the total plantations of the suppliers our companies work with, as smallholders are motivated to maintain specific plantations based on what companies are willing to pay for them.

36 Regenerative Agriculture: Refers to refers to the act of taking a land with poor life sources or degradation and with the help of organic materials, to regenerate / preserve an ecosystem. By these types of techniques various outcomes can be achieved: Provide climate control, have more nutrients from leaf litter, attract pollinators, have weed and erosion control, fix nitrogen in soil etc.

37 According to the literature, artisanal miners can release in average 2.6g of mercury per gram of gold produced (source: https://link.springer.com/article/10.1007/s40831-021-00394-8)