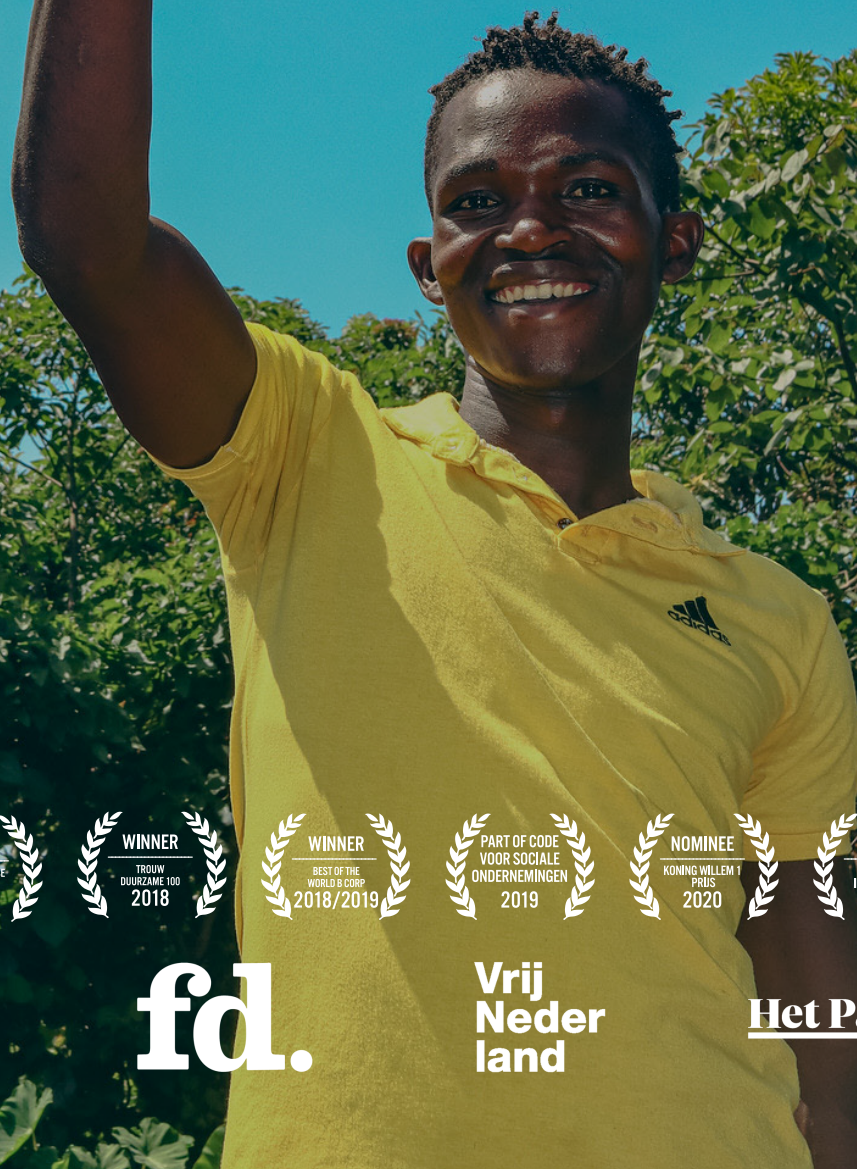




MOYEE'S DUE DILIGENCE REPORT 2022 OUR COMMITMENT TO RESPECTING PEOPLE AND NATURE FROM CROP TO CUP



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MOYEE'S COMMITMENT TO RESPECTING HUMAN RIGHTS AND THE ENVIRONMENT

According to the Food and Agriculture Organisation (FAO) of the United Nations (UN), coffee is one of the most widely consumed beverages and one of the most traded commodities in the world. Its production has increased by more than 60% since the 1990s. Although that is promising to the industry, the ramp-up in production has put more pressure on our sustainability goals, as often this increase in production comes at the expense of the environment and society, especially the workers and farmers.

Coffee production has always been associated with various sustainability issues, including but not limited to: child labour, deforestation, greenhouse gas emission, etc. With those legitimate concerns in mind, as Moyee, we recognise the importance of respecting human rights and the environment within our operations and supply chain, as we have stated in our [Corporate Sustainability Due Diligence Policy](#).

We are committed to conducting our business in a responsible and sustainable manner, including respecting the human rights of all individuals involved and achieving environmental sustainability in our operations and supply chain. As part of this commitment, we have implemented a robust corporate sustainability and human rights due diligence process in accordance with the Organisation for Economic Co-operation and Development (OECD) Guidelines, the United Nations Guiding Principles on Business and Human Rights (UNGPs) and the proposal for a directive of the European Parliament and Council on corporate sustainability due diligence, to ensure that we are upholding our values, meeting our obligations, and preventing or mitigating any negative impacts on human rights and the environment.

At Moyee, we believe in doing more than what is legally required for coffee production in terms of human rights and environmental sustainability, but at the same time we do not neglect our responsibility to abide by any standards, laws and regulations, from either the producing countries or consuming countries. We have taken and will be taking appropriate measures to be fully compliant with the new due diligence directive, while continuing our journey to bring positive impact to the society and the environment by turning negative externalities into positive externalities:

- We have integrated due diligence into our policies and practices;
- We have identified actual or potential adverse human rights and environmental risks in our supply chain;
- We have created an action plan to prevent or mitigate these potential risks;
- We have started to bring to an end or minimise actual impacts;
- We have established a complaints procedure;
- We have been monitoring the effectiveness of the due diligence policy and measures.

In this report we aim to share our approach towards due diligence and report on the actions in our process mentioned above.





IMPACT ASSESSMENT

To identify any actual or potential adverse human rights and environmental risks, we have conducted various impact assessments for our entire supply chain. This process included on-site visits, interviews and surveys from multiple stakeholders and responsible staff and workers involved in our supply chain: starting from our warehouse in Amsterdam, the Netherlands, to our direct suppliers in Ethiopia and Kenya, where our coffee is roasted and packaged. The green coffee beans arriving at these roasteries are mainly sourced from smallholder coffee farmers from Ethiopia and Kenya. Together with our local partners we have conducted a thorough risk assessment among these farmers.

The table below lists out the identified risk themes (see [Annex](#) for the definitions) in our supply chain, and label them low, medium, or high depending on the impact and prevalence of each risk. These themes are based on OECD Guidelines, UNGPs, and International Labour Organisation (ILO).

RISK	SUPPLY CHAIN	
	ETHIOPIA	KENYA
Corruption	●	●
Conflict & security	●	●
Freedom of association & workers' rights	●	●
Labour conditions (contracts, working hours)	●	●
Child labour	●	●
Discrimination & gender	●	●
Wage & remuneration	●	●
Health & safety at work	●	●
Climate & Energy	●	●
Biodiversity & Deforestation	●	●
Water use & Water availability	●	●
Air pollution	●	●
Soil & Water contamination	●	●
Environment & Waste	●	●

● Low ● Medium ● High ○ N/A








ACTION PLAN - PREVENTION & MITIGATION






Based on the impact assessment of our supply chains, we have created an action plan outlining several planned interventions to prevent and mitigate the identified risks. In our journey to zero negative impact, we have decided to primarily focus on the human rights and environmental issues that were ranked as “high”, as we believe those to be salient. Nevertheless, we still keep close track of the “low” and “medium” impact risks and implement suitable practices where possible.






As our company grows, we will be continuously working on tackling as many risks as possible, taking into consideration the fact that some risks are more difficult or require more investments than others.






This table shows our action plan for various previously identified risks. It includes an assessment of the situation, as well as the results and targets of our implemented actions.

 RISK	 ASSESSMENT OF RISK	 ACTION ARISING FROM ASSESSMENT	 RESULTS 2022	 TARGETS 2023
Wage & Remuneration	A high number of farmers live in poverty and they are not paid a wage or income to support their basic needs.	We have started a Living Income Reference Price (LIRP) Program.	We are paying a LIRP for our coffee coming from farmers in five areas in Kenya and Ethiopia.	We aim to pay a LIRP for 90% of our coffee and set up a (local) partnership to further develop the LIRP tool to ensure we can do rapid LIRP calculations for all regions.
Wage & Remuneration Soil & Water contamination	A high number of farmers live in poverty and they are not paid a wage or income to support their basic needs. After coffee berries are pulped, the berries are often dumped in the river, contaminating the water	We will launch a pilot to create a soft drink from cascara leaves and berries.	We have selected two potential soft drink producers.	We will create the first prototype of soft drink together with a local partner, allowing coffee farmers to increase their income.

 RISK	 ASSESSMENT OF RISK	 ACTION ARISING FROM ASSESSMENT	 RESULTS 2022	 TARGETS 2023
Wage & Remuneration Gender Discrimination	<p>Majority of farmers do not have a bank account or access to reliable banking systems, especially women.</p>	<p>Opening bank accounts, digital wallets & establishment of Fairchain Blockchain</p>	<p>We opened 317 new bank accounts for farmers, 93 of those were for women.</p> <p>Over 570 farmers had access to digital wallets, giving female farmers ownership over their own accounts.</p> <p>Currently, Moyee's fans are contributing directly to the farmers' digital wallets without having to go through a middle man, including us, through blockchain technology.</p>	<p>We will digitalise at least 5000 wallets for coffee farmers.</p>
Wage & Remuneration Gender Discrimination Labour Conditions	<p>Traditionally, wet mills are owned by wealthy farmers or coops who in turn keep most of the profits.</p>	<p>Opening of Fairchain wet mills.</p>	<p>We invested in the first Fairchain wet mill, generating more income for the farmers as profits were shared with the local farmer community. At the same time, it created 118 seasonal jobs, the majority of which went to women.</p>	<p>We will have our second wet mill in Ethiopia up and running for the harvest season of 2023.</p>

 RISK	 ASSESSMENT OF RISK	 ACTION ARISING FROM ASSESSMENT	 RESULTS 2022	 TARGETS 2023
Climate & Energy Wage & Remuneration Biodiversity & Deforestation	<p>Coffee production has a high carbon footprint. Indeed, ours is 5.4 kg CO₂ for every 1kg bag of packaged coffee.</p> <p>Farmers in Kenya use synthetic fertilisers, which depend on natural gas combustion.</p>	<p>Fairchain Farming program focusing on helping farmers to become carbon neutral.</p>	<p>We introduced sustainable composting to the first 2,600 Kenyan farmers and built together the first facility that produces bio-compost and bio-fertilisers.</p> <p>Not only does this create jobs, but it also lowers the cost of production for farmers and increases their income, enhances soil fertility, improves the health of coffee plants and restores biodiversity.</p>	<p>We aim to add 1000 more farmers to the Fairchain program.</p>
Climate & Energy Wage & Remuneration Biodiversity & Deforestation	<p>Poverty and deforestation go hand in hand. When coffee production revenue is too low to support farming families, farmers swap their semi-agroforestry coffee production for cattle or food production so they can feed their children.</p>	<p>We have launched our 1 Million Tree Planting campaign.</p> <p>The new trees could potentially double the income of our farmers on average, combat deforestation, and absorb a substantial amount of CO₂.</p>	<p>We invested heavily in 2 nurseries to be able to supply our farmers with 400,000 seedlings a year.</p>	<p>We aim to reach the planting of 800,000 trees by the end of 2023.</p>

 RISK	 ASSESSMENT OF RISK	 ACTION ARISING FROM ASSESSMENT	 RESULTS 2022	 TARGETS 2023
Child Labour Wage & Remuneration	<p>Child labour is prevalent in the area that we source coffee: Limmu, Mizan, and Kericho (73%, 66%, and 37% respectively).</p> <p>It is necessary to tackle the root cause of child labour: poverty, instead of forcing a stop to current practices.</p>	<p>We will launch a child labour partnership program containing different interventions in Ethiopia and Kenya.</p> <p>The series of interventions should address the root causes of child labour (poverty and awareness) through collaboration with local communities, NGOs, and the government.</p>	<p>We have conducted elaborate research on the prevalence and causes of child labour.</p> <p>We have co-created multiple interventions together with coffee farmers, to be implemented from 2023-2025.</p>	<p>We aim at:</p> <p>Child labour reduction > 20%</p> <p>Perceived ability to pay for food housing, education improved by > 5%</p> <p>School attendance improved > 4%</p> <p>We aim to design a robust monitoring and evaluation system on child labour.</p>
Climate & Energy	<p>Farmers across the tropics employ agroforestry practices that sequester carbon dioxide, however, only large scale projects have had access to carbon markets.</p>	<p>Carbon removal accreditation for smallholder farmers - Ethiopia.</p> <p>This initiative incentivizes carbon sequestration and rewards more resilient farming practices.</p>	<p>We are working with partners in Ethiopia and Rabobank to organise access to the voluntary carbon market for smallholder Ethiopian farmers who practise agroforestry.</p>	<p>We aim to launch a carbon removal accreditation pilot program in Ethiopia for 20 farmers.</p>

 RISK	 ASSESSMENT OF RISK	 ACTION ARISING FROM ASSESSMENT	 RESULTS 2022	 TARGETS 2023
Climate & Energy Air Pollution	<p>Coffee industry is linked to various climate change and emission issues.</p> <p>Moyee has always focused primarily on the farmers, however, to address climate change we need to look methodically at all our activities to understand where we can reduce emissions the most.</p>	<p>Commitment to reducing our own CO₂ emissions.</p>	<p>We have committed to understanding the carbon footprint of our entire supply chain, reducing emissions where possible and actively communicating this to the public.</p>	<p>We have started using the CO₂ performance ladder framework, for which we are aiming to be certified level 5 by the end of 2023.</p>
Biodiversity & Deforestation Climate & Energy	<p>Farms are often disorganised with low performance, and deforested land is left empty.</p>	<p>We aim to improve the farm design in both Kenya and Ethiopia.</p> <p>Designing a smart farm can increase the resiliency of a farm to climate change, decrease the amount of land needed to grow coffee, and decrease the demand for finite resources. Converting deforested land into biodiverse agroforestry systems that rely on native or localised species can help reduce land-use pressure, sequester carbon, and protect vulnerable species.</p>	<p>In collaboration with ReNature and Agriterro, Moyee helped to design a model agroforestry system geared towards coffee production in Kenya.</p>	<p>After the useful results in Kenya, Moyee will develop a similar system that is adapted to the tropical lowland systems in Bench Sheko, Ethiopia by the end of 2023.</p>



COMPLAINTS PROCEDURE

We recognise that no matter how thorough our assessments are done and how extensive our action plan is, it is impossible to guarantee that there will be no violations of human rights or the environment within our supply chain. Hence, we have developed a grievance mechanism for anyone to report any case of misconduct at every stage of our coffee production. This grievance mechanism is an important aspect of offering access to remedy those who have experienced harm as a (in)direct result of our operations.

We already have a detailed code of conduct policy and complaints procedure in place in our roastery in Kenya. With experience gained from this practice, we are planning to expand and integrate this policy and procedure into other levels of our supply chain and in Ethiopia.

Additionally, we will set up an independent and confidential committee at every level in our supply chain, who will anonymously collect and file these complaints to the relevant stakeholders, and take appropriate action to resolve the issues. Moreover, they will be actively involved in shaping and creating plans to prevent any issues from happening in the future.

Workers and staff can talk and file complaints to a committee representative, or contact the committee directly through a hotline. We will ensure that the committee members are independent, operate with integrity and confidentiality and will be trained prior to their functioning. Moreover, it will be ensured that the committees are composed of both men and women.

With a complaints procedure and grievance mechanism in place, we are committed to address any issues that could arise from our supply chain and offer access to remedy those experiencing harm from our operations.



CONCLUDING REMARKS

Moyee is committed to upholding both human rights and environmental standards. Our due diligence process is an ongoing journey, and we recognize the need to continually assess and improve our practices. To demonstrate this commitment, we will be issuing annual reports on our progress in this area.

We also encourage other organisations to join us in this important work and to integrate human rights and environmental due diligence into their own operations. Only then we can enjoy our coffee without a bitter aftertaste.



Now let's get to work.

We look forward to reporting on our progress in our next publication!



Corporate Sustainability Responsibility Themes



Risk themes and definitions are based on the CSR Risk Check tool, developed and owned by MVO Nederland. More information can be found on this website: <https://www.mvorisicochecker.nl/en>.

 RISK	 DEFINITION & ISSUE
CORRUPTION	<p>Corruption entails enterprises' involvement, directly or indirectly, with offering, promising, giving, or demanding a bribe or other undue advantage to obtain or retain business or other improper advantages.</p> <p>Propriety, integrity and transparency in both the public and private domains are key concepts in the fight against bribery, bribe solicitation and extortion.</p>
CONFLICTS & SECURITY	<p>The theme conflicts and security is about the possible impact of the business operations on the conflict. For example, human rights violations by rebel groups.</p>
FREEDOM OF ASSOCIATION	<p>Freedom of association is about the right of workers and employers to form and join organisations of their own choosing. Collective bargaining is a key means through which employers and their organisations and trade unions can establish fair wages and working conditions. It also provides the basis for sound labour relations.</p>
FORCED LABOUR	<p>Forced labour can be understood as work that is performed involuntarily and under the menace of any penalty. It refers to situations in which persons are coerced to work through the use of violence or intimidation, or by more subtle means such as manipulated debt (also known as debt-bondage), retention of identity papers or threats of denunciation to immigration authorities. This refers to slave-like practices and servitude.</p>



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 RISK	 DEFINITION & ISSUE
LABOUR CONDITIONS (CONTRACTS, WORKING HOURS)	<p>The conventions of the International Labour Organization (ILO) provide a framework for offering fair and transparent labour contracts and labour conditions for all employees. Recommendations come down to max. 48 hours per week, limited overtime, sufficient rest time, holidays, sick leave, and the right to earn a living wage.</p>
CHILD LABOUR	<p>Not all children's work is considered Child Labour. ILO's definition of child labour is work that is mentally, physically, socially or morally dangerous and harmful to children and/or interferes with their schooling. In its most extreme forms, child labour involves children being enslaved, separated from their families, exposed to serious hazards and illnesses and/or left to fend for themselves on the streets of large cities – often at a very early age.</p>
DISCRIMINATION & GENDER	<p>Discrimination and gender are about the principle of equality of employment opportunities and equal treatment, and not distinguishing between workers on the basis of race, colour, sex, religion, political opinion, nationality, social background or another status.</p>
WAGE & REMUNERATION	<p>A living wage (or living income for the self-employed) is a wage that is sufficient to supply the employee and his/her family's basic needs. Basic needs, for instance, are food, clothing, shelter, schooling and medical assistance. Usually, a little extra is added for unexpected expenses.</p>
HEALTH AND SAFETY AT WORK	<p>This theme is about the health and safety of employees in a company. Companies have the responsibility to protect the health and safety of employees and suppliers. This also includes preventing psychosocial stress at work, e.g., work-related stress, bullying and sexual harassment.</p>



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 RISK	 DEFINITION & ISSUE
CLIMATE & ENERGY	Continuous climate change will have destructive consequences and it can exacerbate many of the existing CSR risks (think of water scarcity or social unrest). Moreover, the impact is generally unevenly distributed and larger for vulnerable groups and developing countries.
BIODIVERSITY & DEFORESTATION	Biodiversity is defined in the Convention on Biological Diversity as the diversity of all living organisms in different ecosystems. A threat to biodiversity can occur if the activities of companies have a negative impact on flora and fauna, or if they break down nature reserves, through for example harmful soil change. Deforestation is the conversion of forested areas to non-forest land use such as arable land, urban use, logged area or wasteland.
WATER USE & WATER AVAILABILITY	Every company has a water footprint. This footprint depends on two components: how much water is used in the supply chain and where the product(s) come from.
AIR POLLUTION	Air pollution is the release of polluting gases, such as carbon monoxide and particulate matter. This is harmful to public health and the environment.
SOIL & (GROUND) WATER CONTAMINATION	Soil and (ground)water pollution can have a negative impact on the drinking water supply of local communities, on local arable farmland, and on livestock production. Harmful soil change (for people and planet) falls under this category.
ENVIRONMENT & WASTE (GENERAL)	Environment & waste is about general environmental protection, and (the effects of) waste production and management.

CORPORATE SUSTAINABILITY DUE DILIGENCE POLICY STATEMENT

At Moyee, we are committed to conducting our business in a responsible and sustainable manner, including respecting the environment and human rights of all individuals involved in our operations and supply chain. As part of this commitment, we have implemented a robust corporate sustainability and human rights due diligence process in accordance with the Organisation for Economic Co-operation and Development (OECD) Guidelines, the United Nations Guiding Principles on Business and Human Rights (UNGPs) and other relevant international standards, to ensure that we are upholding our values, meeting our obligations, and mitigating any negative impacts on human rights and the environment.

SCOPE

This policy applies to all activities and operations of Moyee, including our own operations and those of our suppliers, contractors, and other business partners. It covers all human rights and environmental issues, including but not limited to:

- Forced labour and modern slavery
- Child labour
- Harassment and discrimination
- Health and safety
- Freedom of association and collective bargaining
- Environmental impacts

Supplier assessment: We conduct assessments of our suppliers to ensure that they are complying with our sustainability and human rights standards. These assessments may include on-site visits, interviews with workers, and review of relevant documentation.

- **Risk assessment:** We conduct risk assessments to identify, assess, and prioritise any potential or actual negative impacts on human rights and the environment that may be linked to our operations and supply chain.
 - Adapted to the laws and regulations of the countries with which we import/export.
- **Action plan:** Based on our risk assessment, we develop and implement an action plan to address and prevent any negative human rights and environmental impacts.
- **Supplier assessment:** We conduct assessments of our suppliers to ensure that they are complying with our sustainability and human rights standards. These assessments may include on-site visits, interviews with workers, and review of relevant documentation.
- **Communication and engagement:** We communicate our expectations and policies on human rights to our employees, business partners, and suppliers, and encourage them to adopt similar practices. We also engage with relevant stakeholders, including workers, communities, and civil society organisations, to better understand and address any human rights and environmental impacts and risks.
- **Training and communication:** We provide training to our employees and business partners on sustainability and human rights, including the provisions of this policy. We also communicate our expectations to our suppliers and encourage them to adopt similar policies and practices.
- **Corrective action:** If we identify any issues with a supplier's sustainability or human rights practices, we will work with them to develop a plan to address and remediate the issues. If a supplier is unable or unwilling to take corrective action, we will consider ending our partnership.
- **Monitoring and review:** We regularly monitor and review our corporate sustainability due diligence performance. We report on our progress and any challenges in meeting our commitments through our annual due diligence report.



THANK YOU!

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