

# ETG Group Sustainability Report

| 2022-23



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## Introduction

**ETG strives to provide quality products sustainably, and, in so doing, uplift the surrounding communities.**



# Introduction

## A New Strategy

We are developing innovative solutions, products and services and looking for new opportunities to positively contribute to the environment and society. As part of our net positive journey we are launching our Sustainability Strategy, which incorporates three guiding principles and associated performance criteria (see page 14).

## Nature

At ETG, we are committed to aligning all our operations with the 1.5 °C target. To reduce our Scope I and II emissions, we are adopting cleaner technologies and renewable energy sources, promoting good agricultural practices and rehabilitating forests.

In parallel, the new European Union's deforestation regulations aim to combat deforestation (see page 19) and protect vital ecosystems. We are working to eliminate deforestation across our supply chain, mitigate climate change and ensure a sustainable future.

## People

ETG aims to foster positive social impact across our supply chains. One dimension of this is unlocking opportunities for women. Through gender-specific training, ETG is promoting equality, empowering women to participate in economic activities and supporting social progress.

Our child labour monitoring (see page 37), helps to ensure that our supply chains are free from child exploitation, enabling children to pursue education and a brighter future.

We strive to safeguard the safety and rights of our employees, support their well-being, and provide opportunities for skill development. Ensuring a diverse and inclusive workplace fosters the innovation and creativity essential for our business.

## Business

Sustainable business practices encompass a holistic approach that extends beyond profits, emphasising integrity, ethical business conduct, social responsibility and environmental stewardship.

We are improving farmer livelihoods and enhancing agricultural productivity by providing access to inputs, high-quality seed, resources, training, and markets. By demonstrating that profitability and sustainability can coexist, we endeavour to be catalysts for positive change, collectively forging a path towards a more sustainable world.

## About this Report

This sustainability report provides an overview of our performance and activities from April 2022 to March 2023. The report follows our new sustainability strategy (see page 14) and showcases key projects and initiatives which demonstrate our commitment to being nature, people and business positive.

# Sustainability Dashboard



**600,000+**

Hybrid Cocoa, Coffee and Cashew Seedlings distributed



**359,420**

Farmers Reached through Farm Extension Services



**1.6 MT**

Fertilizer products distributed at farmer level



**59 MWh**

Electricity Consumption



**730,000+**

Multipurpose trees distributed to farmers and communities



**86,568**

Farmers on-boarded in our Deforestation Risk Model for improved traceability



**3,000+ t**

Improved seeds distributed



**176,127 MT**

Carbon Dioxide Equivalent Emitted (CO<sub>2</sub>-e)



**1,500+**

Farmer demonstration plots established



**40,000+**

Farmers enrolled on ETG One Stop Solution app



**22,100+**

EHS Training Hours



**289 MI**

of water consumed



**50,000+**

Households covered by Child Labour Monitoring and Remediation System



**3,642**

Clean cookstoves distributed



**39 MI**

of water discharged

# CEO Letter

ETG's Vision and Purpose have been developed with a strong emphasis on two core desires, to create a positive impact in the lives of all our partners and to adapt and grow responsibly while ensuring a sustainable future for all our stakeholders.

These desires come to life every day through our carefully crafted initiatives. These initiatives tackle important social or environmental concerns, such as addressing child labour in the cocoa and coffee supply chains in West Africa, combating deforestation in various regions, and dealing with the aftermath of geopolitical unrest, natural disasters, or climate change.

One of our significant accomplishments was the establishment of Climate Solutions in 2021, which successfully launched the African Emerging Farmer Carbon Abatement Project (AEFCAP) at COP27. In December 2022, we marked a milestone with the listing of a large-scale agroforestry project in Zambia under the Verified Carbon Standard as part of AEFCAP.

ETG takes immense pride in the recognition we received, ranking 13th on the Chocolate Scorecard and being the highest-performing large cocoa trader. Partnering with Beyond Beans, we have launched several initiatives designed to uplift cocoa farmers, particularly female farmers, by eradicating child labour, addressing deforestation, and promoting sustainable farming practices.

Through a collaboration with the International Finance Corporation and supported by our affiliated company, Empowering Farmers Foundation, we are embarking on a new three-year initiative aimed at developing smallholder farmers across our maize, soya bean, and groundnut supply chains. The primary objective is to enhance productivity and address food security in four countries across sub-Saharan Africa by providing increased access to critical agricultural inputs and training services.

ETG remains steadfast in its commitment to overcome distribution obstacles and enhance infrastructure across the African continent. We have strategically established distribution centres near farm gate levels to help farmers reduce crop wastage due to a lack of storage and transport and to provide them with access to quality and affordable input products.

As part of Sustain Africa, ETG has pledged its support to mitigate the adverse effects of volatile prices on fertilizer distribution and its impact on African Farmers.

ETG is resolute in its pursuit of positive impact and sustainability and will continue to address pressing challenges facing our communities and the environment. With a continued focus on responsible growth and a commitment to the well-being of our partners, we strive to create a better, more sustainable future for all.



▶ **Birju Patel**  
ETG CEO

# From the Sustainability Desk

At ETG, sustainability is our commitment to future-proofing our company, ensuring its resilience in the face of environmental, social, and political challenges that lie ahead. Our approach is rooted in aligning our business practices with the carrying capacity of the Earth and adhering to the principles set out in the Paris Agreement.

For us, sustainability means more than just meeting environmental targets. It is also about ensuring the well-being and sustainable livelihoods of all those who work with and for us. We are dedicated to preparing ourselves to thrive in a rapidly evolving world, one that will undoubtedly differ significantly from the present.

Our sustainability journey is influenced by a mix of external and internal factors. Externally, we acknowledge the uncertainty that the future holds, as unforeseen events like the recent pandemic and geopolitical conflicts have demonstrated. Climate change and other global changes add to this unpredictability. Internally, we face the challenge of balancing short-term commercial objectives with long-term sustainability goals. Striking this balance requires careful investment decisions to future-proof our operations effectively.

To guide our sustainability strategy, we have recently launched the ETG Sustainability Framework (see page 14). It encompasses three pillars and twelve thematic areas that define what we stand for, guide us in our sustainability commitments and provide a roadmap to making meaningful impacts.

Our approach to sustainability is built on the idea of net-positivity: the idea that we can make a positive contribution to all people, all ecosystems and all other organisations with which we interact. Transforming our business to a net-positive company will be a process. It is a collective responsibility that requires everyone's buy-in, passion, entrepreneurial spirit and creativity to drive the necessary transformations and embrace new opportunities.

In this report, we are excited to share with you our sustainability achievements during the past year and our path forward.



▶ **Christof Walter**  
Chief Sustainability Officer



## About ETG

**When sustainable practices are adopted in our lives and our businesses, we actively participate in creating a positive global impact.**





## 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 optimisation, digital transformation, and energy.

At ETG, we fulfil 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: Fertiliser and Agri Inputs, Pulses, ETG Commodities, Vamara Group (Consumer Brands Business), ETG Logistics, and Nutrisco (nuts, rice, sesame, and cocoa). Over the past five decades, ETG has played a fundamental role in contributing to food security across 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 endeavour to uplift farming communities through agricultural growth, development, and sustainable initiatives aimed at community development.

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



# 56

Years in Business



# 470

Warehouses



# 600+

Fleets Managed



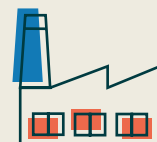
# 8,570

Employees



# 48

Countries



# 120

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 endeavour 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 honour 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 organisation'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, fertiliser and grain handling, cleaning and bagging, and transportation services.

## ▶ Nutrisco

Nutrisco 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 optimises 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 maximised 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 utilised 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



## 2012-2018

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

## 2019-2023

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

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

Integration of ETG with COCOANECT to increase its presence in the cocoa sector



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.**



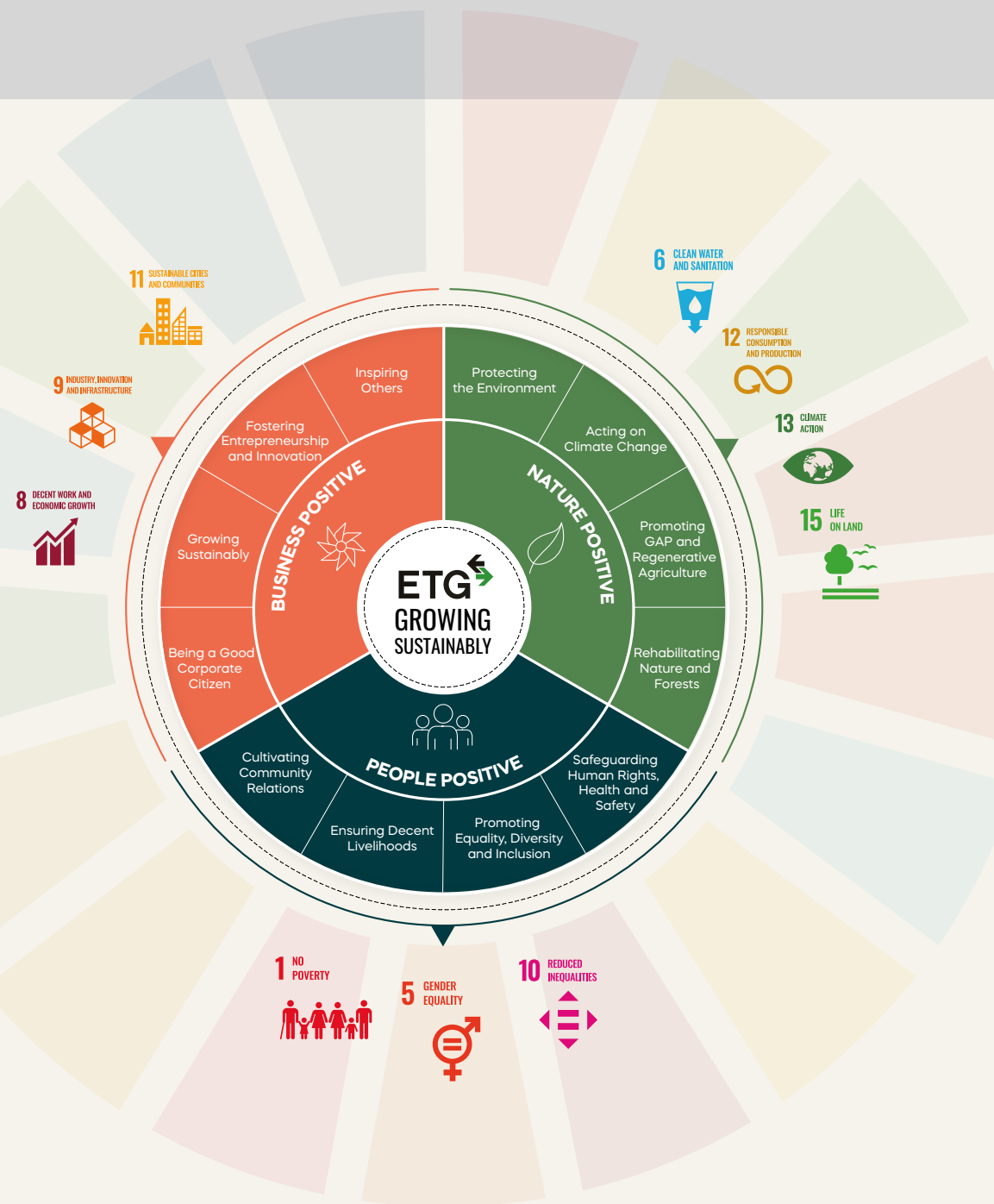
# Sustainability Strategy

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.<sup>1</sup> 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.<sup>2</sup>

At ETG, our ambition is to fully transform into a net positive business. We realise that this is a journey and that this journey is not without its challenges, set-backs and conflicting objectives. We also realise 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 comprising three principles and twelve criteria (see opposite). The framework sets 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,<sup>3</sup> the IFC Performance Standards,<sup>4</sup> ILO Declarations and Conventions,<sup>5</sup> and the principles of the United Nations Global Compact.<sup>6</sup>







**Nature Positive**

# Nature Positive

ETG realises 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.<sup>7</sup> 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.

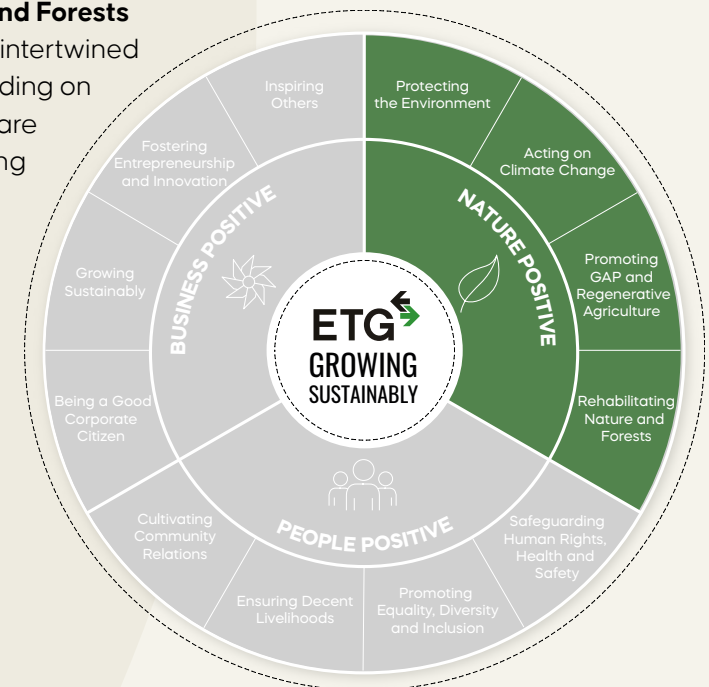
## Promoting Good Agricultural Practices and Regenerative Agriculture

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 professionalising 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 by 2030.



## Water & Waste

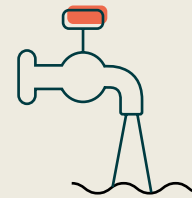
**We are working on reducing our ecological footprint by minimising waste and conserving water.**

We report our water usage and discharge information across all our locations as part of our commitment to monitor our environmental footprint.

As our operations are not water-intensive, our water usage throughout the year is limited. We are implementing water efficiency measures as a part of the water management process to reduce water consumption and reuse wastewater for our gardens, sanitary systems, and other viable uses.

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

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 trash to landfills and maximise internal recycling. Our Sustainability Team has launched several initiatives, such as the segregation of waste and the phaseout of single-use plastic.



**289 MI**  
of water consumed



**39 MI**  
of water discharged



**873 MT**  
total waste produced



**3 MT**  
hazardous waste

# Emissions

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

Following our operational growth, ETG's total GHG emissions for Scope 1 increased slightly from 135,536 (CO<sub>2</sub>-e) in 2021-22 to 140,309 in 2022-23 (3.5%). Scope 2 emissions also increased slightly from 34,668 (CO<sub>2</sub>-e) in 2021-22 to 35,818 in 2022-23 (3.3%).

ETG is working on a carbon reduction strategy to align with the UN Paris Agreement and become carbon neutral by 2050. For our Scope 3 emissions, which we expect to contribute to more than 85% of our footprint, we have started to map our footprint across all our commodity supply chains and plan to report the baseline in our next report.

Scope 1	Scope 2	Total
140,309 MT CO <sub>2</sub> -e	35,818 MT CO <sub>2</sub> -e	176,127 MT CO <sub>2</sub> -e

	Scope 1 Emission (MT CO <sub>2</sub> -e)	
	2021-22	2022-23
Diesel	11,813	10,629
Petrol	1,632	1,020
Natural Gas	140	78
Paraffin	154.9	109
Coal	83,227	91,342
LPG	118.7	240
Firewood	7,368.1	7,355
Refrigeration	2,469.1	1,224
Waste Oil	303	0
Extrapolated Emissions	28,310	28,312
Total Emissions	135,536	140,309

	Scope 2 Emission (MT CO <sub>2</sub> -e)	
	2021-22	2022-23
Actual Emissions	28,432	27,517
Extrapolated Emissions	6,236	8,301
Total Emissions	34,668	35,818



# Deforestation Risk Assessments

One of ETG's key strategies in helping to facilitate sustainable ecosystems is protecting forests. To understand which areas are most vulnerable to deforestation, we use Deforestation Risk Assessments (DRAs).

A DRA is an assessment of both past exposure to deforestation in current sourcing areas and exposure to future deforestation risk in current and potential future sourcing areas. A focus on past, current, and future deforestation risks allows suitable interventions to be designed. A range of different interventions may be appropriate, including reforestation, community-based forest protection schemes, income diversification schemes and farmer sensitisation. However, these should be matched based on the type of deforestation and in consultation with the community.

In our high-risk supply chains, we collect GPS farm coordinates on a sample basis. We overlay the Farm Polygons against a mapping layer, which contains the boundaries of all protected areas. We also add a 2 km buffer zone to protected areas. If there is any overlap with protected areas (including the buffer), then we consider that farm to be at risk of contributing to deforestation.

ETG follows the industry's disposition to contribute and use the Random Forest model developed specifically for the cocoa

sector by the World Resource Institute using maps provided by the cocoa industry.

ETG assesses cooperatives, farms, or other areas of interest according to deforestation risk assessed via polygon mapping. Based on how farms score on these indicators, we have a few options. If deforestation is present in more than 1% of farmer land, we will attempt remediation. This usually includes offering sensitisation to farmers on deforestation and providing shade trees to reforest previously deforested areas. If this fails, we ultimately remove the farmer from the supply chain. However, this is a last resort, as this makes it harder to remediate, ultimately leading to worse outcomes.

We cannot make meaningful progress without understanding where we are. Deforestation Risk Assessments are allowing ETG, in collaboration with our farmers, to encourage farming best practices, protect at-risk landscapes, and create more sustainable supply chains.



# Mapping our Supply Chain

## A message from Alvaro Cubillos, our cocoa deforestation specialist.

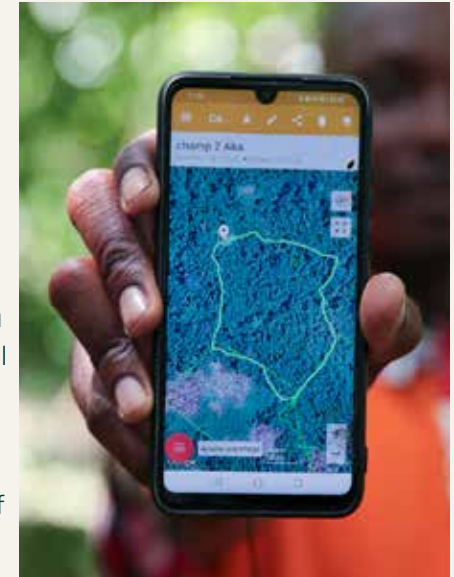
Tracing commodities back to a farm level to ensure they comply with sustainability requirements and fair-trade standards, as well as making sure there is no double accountancy being made on the land, requires rigorous farm data. It is particularly challenging to get this data within the tropical commodities sector, where around 75% of crops are grown by smallholder farmers.

As part of our standard practice, every productive unit of each of the farmers in our supply chain is digitally mapped by our field staff. This is done through digital platforms that allow the collection of GPS waypoints around the farm area by physically walking around its edges while using the device. These waypoints are connected to create a polygon - a digital representation of the farm.

Our Monitoring and Evaluation team carries out deforestation risk assessments by cross-checking the polygon information of the farms with third-party data from Global Forest Watch to address the land use changes and government data to account for protected areas.

The land use monitoring process follows different methodologies, depending on the purpose of the information. The Rainforest

Alliance certification considers a cut-off date from 2014 and uses the definition of forest set by the European Space Agency through the Copernicus program, which has classified the world's forests into multiple categories. By combining this data with the forest loss data provided by Global Forest Watch, we can get an estimation of how much forest could have been lost on each farm. This data is transformed into a category of risk depending on the extent of the farm and the deforestation event.



The EU Regulation on Deforestation-Free Products (EUDR), which covers cocoa, coffee and soy, considers a cut-off date of 2021 and uses a definition of forest based on the Food and Agriculture Organization (FAO) definition, modifying certain crop trees that are considered forests under the FAO definition.

To prepare for the EUDR implementation, our team has tested multiple tools, methodologies and data sources to better adjust to the definitions and purposes that the legislation is aiming towards in terms of deforestation monitoring and reporting as well as the certifications and documentation required for compliance.

▶ **Alvaro Cubillos**  
GIS Specialist



## ETG Climate Solutions

During the past year, ETG Climate Desk has actively explored opportunities within the carbon and circular economy space. To achieve our ambitious goals, we have boosted the teams significantly and restructured the activities into a separate entity called ETG Climate Solutions.

We continue to work towards large-scale deployment of our African Emerging Farmer Carbon Abatement program, which I unveiled together with Fernando Barreiro, Regional Head - Europe & Global head - Cash products, at the Africa Carbon Markets Initiative (ACMI) launch event at COP 27.

The program focuses on the introduction of climate-smart solutions to Africa, such as improved cookstoves and green fertilizers. This will enable ETG to reduce carbon emissions in agricultural systems, which can be certified to generate and trade carbon credits while bringing a positive impact to the environment and farmer communities. With the first agroforestry-related credits expected to arrive in the first half of 2024, this program is actively expanding both in terms of participants and geographies.

We are also actively researching the potential of designing a similar program for commercial farmers, as well as developing other circular economy opportunities, such as biomass valorisation and plastic recycling, with pilot projects already operating.



Our goal is to complete all proof of concepts and program designs by the end of the first quarter of 2024 and align the necessary funding and partners to scale up in the coming years.

ETG Climate Solutions is actively engaging all relevant stakeholders, including local and federal authorities, to ensure that the programs implemented are sustainable, fair and operating with the full support of relevant authorities, systematically delivering the promised community benefits.



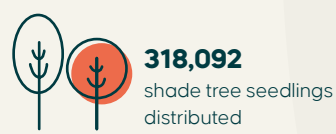
▶ **Ilya Tyuvildin**  
Head ETG Climate Desk

# Accessible Soils And Sustainable Environments

**The Accessible Soils And Sustainable Environments (ASASE) is building climate resilience for cocoa farmers in Ghana.**

The ASASE project was launched by ETG in 2020 with the support of The Netherlands Enterprise Agency (RVO). This project offers a model with six different interventions at both cocoa farm and off-farm levels, thereby creating a holistic landscape approach. The activities include land titling and shade tree registration, the distribution and planting of more than 500,000 multipurpose tree seedlings, and the reforestation of 10 hectares of degraded lands like illegal 'galamsey' gold mining sites. In this way, we aim for a bottom-up approach with a tangible, direct benefit for our farmers and the environment.

In the third year of the project, 4,577 farmers were trained in good agricultural practices (GAP) and climate-smart cocoa (CSC) farming practices, giving a cumulative total of 14,308 farmers (5,527 women). GAP and CSC trainings help tackle the declining productivity among farmers and the effects of climate change on cocoa. A total of 1,078,077 cocoa seedlings were distributed (170% of the project target), and 318,092 shade tree seedlings were distributed (58% of the total target). Our partner, Meridia, has mapped the cocoa plots and agroforestry trees of 3,387 farmers, of which 1,767 farmers have signed up to receive LandSeal and TreeSeal titling documents.





# Solar-Powered Pulses

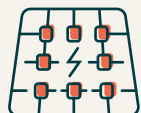
**ETG India has achieved a significant sustainability milestone by installing a rooftop solar array at its pulses processing plant in Khopoli.**

This move towards sustainability aligns with our commitment to reduce our environmental impact, cut costs, and enhance energy independence and reliability within our production and processing facilities.

Following the successful pilot of installing solar panels on our smaller pulses facility Dubai, this solar project has a capacity of 1.2 MW for power generation, with a deployment of 2,200 panels. This initiative sets a precedent in the pulses processing sector and is projected to yield roughly 140,000 kWh per month, covering around 35 per cent of the plant's energy consumption. The substantial environmental impact becomes evident as the project's life cycle is expected to mitigate nearly 30,000 tonnes of CO<sub>2</sub> emissions. Furthermore, surplus power generated is fed back into the grid through net metering. In the coming year solar panels will be installed on two other pulses facilities in India.



**1.2 MW**  
capacity



**2,200**  
panels



**140,000 kWh**  
generated  
per month



**30,000**  
tonnes of CO<sub>2</sub>  
mitigated



# Cocoa and Forest 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 97 hectares of land with over 105,000 multipurpose trees of 8 different endemic species in Côte d'Ivoire on behalf of our clients.

Cocoaching is ETG | Beyond Beans' Farm Development Plan (FDP) methodology, providing individualised coaching to farmers to help them achieve higher yields through more sustainable agricultural practices. This year, we have individually coached around 900 farmers in Ghana.





# Harvesting Sunshine

**ZimGold Oil Industries (Pvt) Ltd, a subsidiary of ETG, has launched a ground-breaking development initiative in Zimbabwe.**

ZimGold specialises in the extraction of edible oil from soybeans and sunflower seeds for use in ZimGold Cooking Oil. In response to rising import prices for crude sunflower oil, the company has partnered with Agri Value Chain Zimbabwe (Pvt) Ltd and Parrogate Zimbabwe (Pvt) Ltd to launch a large-scale sunflower farming project. This initiative is designed to bolster sunflower cultivation among Zimbabwean farmers.

This initiative will make use of the vast tracts of arable land within the country and support over 65,000 farmers farming 112,000 hectares of sunflowers. ZimGold has provided free seed to encourage farmers to start growing this crop, and the project is expected to contribute to the growth of the country's economy and promote sustainable farming practices that benefit farmers across the country.



**65,000**  
farmers



**112,000**  
hectares of  
sunflowers



# Towards Sustainable Fertilizers

**The International Fertilizer Association's (IFA) Protect & Sustain initiative facilitates the fertilizer industry's transition to more sustainable operations.**

ETG Inputs Holdco Limited (EIHL) distributes soil and crop-specific fertilizers, vegetable and crop seeds, farm tools, and crop protections. EIHL's more than 350 depots and container shops optimise the accessibility of quality inputs at affordable prices and offer a one-stop-shop solution, including agronomic services, training centres, and R&D centres to innovate better quality crop-specific fertilizers for farmers.

The development and implementation of sustainable business management processes across the fertilizer life cycle are needed to take greater responsibility not only for how our products are produced but also for how they are developed, sourced, stored, transported, and used.

In 2022, ETG was awarded an Industry Stewardship Champion label, which is presented to fertilizer companies that have participated in all of IFA's most recent Safety Performance, Environmental Performance, and Energy Efficiency & CO2 Emissions benchmarks and have valid international certifications that are the building blocks of IFA the Protect & Sustain certification.

We are working towards full IFA certification across all our fertilizer operations and are on track for completion by mid-2024.





# A Cashew Revolution

ETG has launched an initiative to revitalise the Mozambican cashew sector. The project will benefit around 5,000 smallholder farmers, plant trees to sequester carbon and explore ways in which farmers can share the benefits via carbon trading.

Under this initiative, Korosho, a subsidiary of ETG, is working towards improving cashew tree productivity and increasing farmer income. The sourcing model is designed to mitigate climate risks such as desertification and increase climate resilience. By integrating of adapted, high-performance farm management systems, introducing high-yielding cashew varieties, and providing continuous farmer training, the productivity of cashew trees is expected to improve significantly.

ETG is partnering with Rainforest Alliance (RA) to obtain the first RA certification for cashew worldwide. Under this project, we are collaborating with local farmers and experts on activities, such as farmer training and development programs on Good Agricultural Practices, digital farmer data collection and mapping, establishing demo plots and tree nurseries, as well as providing technical support and extension services.

ETG anticipates increasing farmer participation to 10,000 farmers by 2024 and rolling it out in 9 districts, with a target of 6,000 MT of sustainable raw cashew.

”

Thanks to the training from ETG | Beyond Beans experts, I have increased my output, which has had an impact on my income.

Employing the good agricultural practices learned makes my plantation look great. It now serves as a demonstration site where other producers can see the benefits of good farming practices.

I am no longer looking for more land because I learned that I could use the same land to grow more crops, such as beans, soya or yams.

Thanks to all the knowledge I acquired, I was able to improve the performance of my farm. This allowed me to have the means to hire a few workers during the peak season. It also allowed me to purchase pesticides and easily transport my nuts for sale.

The project has turned my life around. I used to struggle to make ends meet, but now I am thriving. I can send my children to school, I have bought a motorcycle, and I even started building a house, all things that I was previously unable to do.



▶ **Diabaté Drissa**  
Cashew Farmer, Côte d'Ivoire



**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

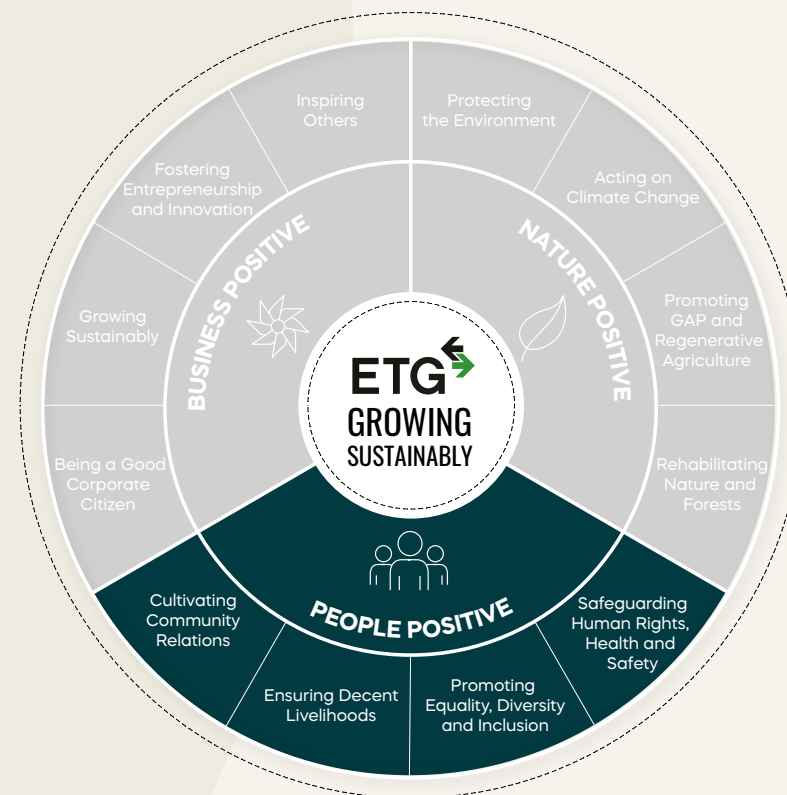
ETG is a global company working across continents, countries and cultures. We are committed to treating every individual in our supply chains with equal respect, reward based on merit and creating a diverse and inclusive workspace for our people, free from discrimination, intimidation or harassment.

## 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.



# Our People

We have found strength in diversity, with people from across the world joining hands to create one team that propels the company forward. For the benefit of both the individual and the organisation, our workplace culture encourages and supports talent development.

Operational Excellence workshops are organised to increase awareness and train ETG employees on different topics and skills, including sustainability and EHS. The workshops are organised once or twice per month through a web call, and employees can join to learn from an experienced colleague from a specific field.

Building motivation and engagement requires motivating our people and establishing trust. To make ETG a knowledge-centric organisation, the company's Learning and Development team have been actively encouraging learning as a part of the work culture. It has helped organise various training programmes for interested employees, such as soft skills enhancement, creating a learning culture, and providing case study sessions. Our continuous training programs cover ETGMS, ISO standards, risk assessment, environmental management, policies and procedures, reporting and monitoring, and auditing, among other topics.





# Environment, Health & Safety

As we continue our efforts to establish a zero-harm safety culture, we are pleased to report that the year concluded with minimal EHS-related incidents and injuries. Our proactive approach, including training sessions, inspections, toolbox talks, and active participation in the EHSS Conference, significantly increased awareness and engagement within the ETG EHS community.

We are proud to announce that our Pulses facilities in India and Bangladesh have achieved successful certification in ISO 9001, ISO 14001, and ISO 45001. Similarly, our facilities in Malawi and Dubai have attained FSSC 22000 certification. Additionally, our Vamara and Nutrisco facilities have been certified in BRC & FSSC 22000, while our traders in Spain, the Netherlands, and Singapore have obtained GMP+ ISSC certification. Looking ahead, our goal within the EHL vertical is to have all blending facilities in East Africa (spanning five countries) certified in IFA during the upcoming year.

Furthermore, our lenders conduct annual audits, selecting two countries to monitor compliance with Environmental and Social (E&S) standards. This year's audits in Mozambique and Tanzania resulted in the successful closure of 80% of identified non-conformances.

Currently, we have 89 EHS site champions across ETG, and we are committed to increasing this number in the coming

years. The dedication, leadership, and unwavering support of these champions have yielded positive results. I extend my sincere gratitude for all the efforts made over the past year and am confident that we will continue to make progress in this direction.

Looking ahead to the new year, we anticipate the introduction of our newly developed EHS Software. This system will empower all site EHS Champions to capture real-time information on incidents, sustainability measures, licenses, permits, corrective and preventive measures, and more. This tool will enhance the group's ability to monitor and stay updated on happenings within the ETG world, enabling a broader understanding of events across the organisation.

In conclusion, I extend my heartfelt appreciation to each and every one of you for your ongoing efforts in shaping our safety culture and for your unwavering commitment. Together, we strive to ensure the safe return of all our colleagues to their families every day. Thank you for embodying the spirit of teamwork and dedication; together, everyone achieves more.



► **Deneshree George**  
EHS Lead

## Health & Safety

Improving safety makes us a more productive company. We strive to create a culture of 'zero' accidents and harm to employees by ensuring safe and healthy working conditions and avoiding negative environmental effects in all ETG activities.

We have established standard health and safety policies and procedures, work instructions and guidelines, instruction on how to use personal protective equipment, and continuous monitoring of our health and safety metrics by our Group Sustainability Team in collaboration with local worksite EHS champions as part of our efforts to create a safe workplace. We make sure that all incidents are recorded, discrepancies are examined, data is maintained and analysed, and improvement projects are pursued regularly as part of our incident management system.



We made a decision to designate a route specifically for forklifts so they could drive safely and without blind spots by installing convoy mirrors and blind spot blocks.

Working in a safe environment becomes second nature once you get used to it. To make sure I prevent accidents wherever I go, I roll EHS out everywhere, and I speak my mind.



► **Michael Murray**  
Plant Manager  
Kynoch, South Africa





# Environment, Health and Safety Team

**The EHS team covers 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.

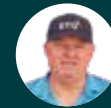
Internal trainings and workshops take place on a monthly basis, and the EHS team conducts internal audits with all processing sites being inspected at least once every six months for corrective measures.

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 Fertiliser Operations IFA** - Protect & Sustain
- **Quality Management System (QMS)** - ISO 9001: 2015
- **The Chain of Custody standard by Rainforest Alliance**
- **BRC Certification**



For years, waste was being burned as Blantyre has poor waste management systems. We have tried different solutions, but some waste was still being burned. From the 1st of August 2023, we are now recycling all this waste. Paper and cardboard waste are used to produce egg trays, and plastics are being used to produce sheets and pellets for the plastic industry.



► **Stephen Jewkes**  
Operations Manager  
Candlex Limited, Malawi



## 162

EHS Audits Conducted



## 99

Certification Audits  
Conducted

# Improving Coffee Farmer Livelihoods

**The Midjo project in Togo, pioneers economic justice for coffee farming women and prevents child labour.**

In Togo, coffee and cocoa farmers face two mutually reinforcing crises: declining yields and climate change. Not only this, but these farmers also operate in a context with little to no support. To help address these urgent issues, the Midjo project was launched in 2022 with the support of Strauss Coffee and the Netherlands Enterprise Agency (RVO).

Midjo supports 1,500 cocoa and coffee farmers in Togo, aiming to improve their livelihoods, prevent child labour by addressing some underlying drivers of poverty, empower women in coffee production and increase income diversification.

Coffee farmer Appari Morenu is the president of the local women's group, which, amongst other things, transforms the husk of the coffee cherry into soap and turns cocoa into oil and Louga, a local sweet made with roasted and crushed cocoa and sugar. Under the project, ETG is creating more women's savings associations (VSLAs), and the group will demonstrate techniques for launching successful businesses to these newly established VSLA groups.



**Supporting 1,500 cocoa and coffee farmers**



”

Midjo is supporting me with individual coaching to help me achieve higher yields through more sustainable agricultural practices, as well as coffee and shade tree seedlings to help set up a coffee agroforestry system.



▶ **Appari Morenu**  
Coffee Farmer

# EnRoute

**The EnRoute project in aims to develop and pilot different strategies to improve the income of farmer households and to reduce child labour.**

ETG has partnered with the Dutch Government (RVO), Oxfam Novib, and KIT Royal Tropical Institute to launch a Living Income project called EnRoute. The program evaluates the best balance of agri-services and financial cash support to farmers to close the Living Income Gap (The difference between a household's current income and what they would need to earn to have a Living Income.)

In 2022, smallholder farmers were surveyed to understand their baseline household economics and to design the best set of interventions, comparing the following:

1. Service package focusing on yield increase and income diversification:
  - Individual coaching (Cocoaching)
  - Village Savings and Loans Associations
  - Income Generating Activity support
  - Subsidised Pruning support
2. Unconditional cash support to boost entrepreneurship and income diversification. With this package, households receive 200 EUR per year for two years.
3. A cash + services combo package.

To test the most effective approach, the interventions are being provided on a sample basis in Côte d'Ivoire and Togo (50-200 households per group) and compared to a control group.





# 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 emphasises women's empowerment and the importance of shared household decision-making, as fostering gender equality is a crucial building block towards tackling child labour. Moreover, the GALS method is highly interactive and visual, making it accessible to everyone regardless of their level of literacy.





# Child Labour Remediation

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

The causes of child labour 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 labour remains hard to eliminate.

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

We also provide school credits, school kits, support with ID cards and community sensitisation 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 Labour 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 labour and remediates existing child labour 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

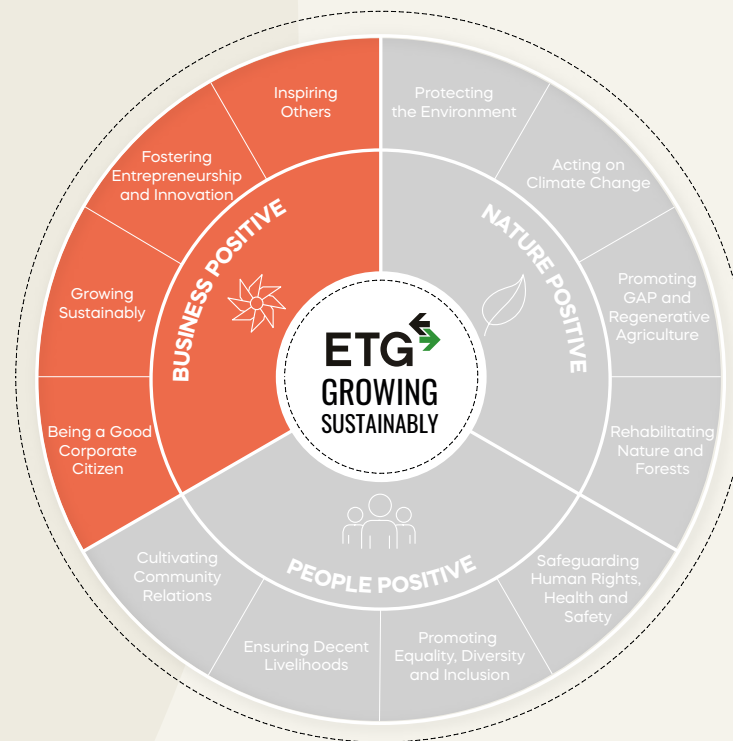
ETG's business is growing, and we recognise the imperative to do so within the planetary boundaries and respecting the dignity and rights of all the people we collaborate with. Where we are involved in sectors that are not yet fully aligned with this imperative, we will develop sustainability transition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

## Fostering Entrepreneurship and Innovation

Entrepreneurship and innovation are the centrepiece 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.





## Entrepreneurial Spirit is alive at ETG

Our entrepreneurial ethos is the fuel behind ETG's desire to turn opportunity into prosperity. During the last financial year, ETG made strategic acquisitions and expansions across its supply chain. ETG's Agri Inputs business acquired Curechem, a leading supplier of high-quality chemicals, and our ETG Commodities business, in partnership with Mitsui, kickstarted a steel project in Mozambique. The coffee business acquired Ibericafe and launched its brand, 'Ibericafe by ETG', catering to the full palette of coffee lovers in the Spanish and Portuguese markets. Innovation and entrepreneurship led to Farmers 360 Link, a traceability program across the cotton supply chain – from seed planted by the African farmer to the garment bought by the consumer in Japan. Agri Value Chain, an ETG subsidiary in Zimbabwe, acquired David Whitehead, a textile manufacturing company, creating job opportunities for thousands of local people.

During the year, ETG's Learning and Development Department introduced 'Catalyst', a programme for emerging leaders within ETG, encompassing a series of training modules developed to enhance leadership, innovation, strategic thinking, and building an inclusive culture. Every week, our in-house training series, Pursuit of Excellence, tackles specific topics – from Open and Transparent Communication to Achieving Success through Performance Management – and is available to all ETG staff.

The entrepreneurial spirit thriving at ETG continues to drive growth, innovation, and positive impact, solidifying our commitment to prosperity and excellence in all our endeavours.





# One-Stop-Solution App

**The ETG One Stop Solution app serves as a comprehensive resource for farmers, offering them convenient access to expert guidance.**

This innovative platform has garnered the trust of over 40,000 farmers who rely on it for prompt assistance from seasoned crop doctors and agronomists. The app grants them access to a rich repository of agricultural knowledge, depot services, precise weather forecasts, and continuous support throughout the cropping season.

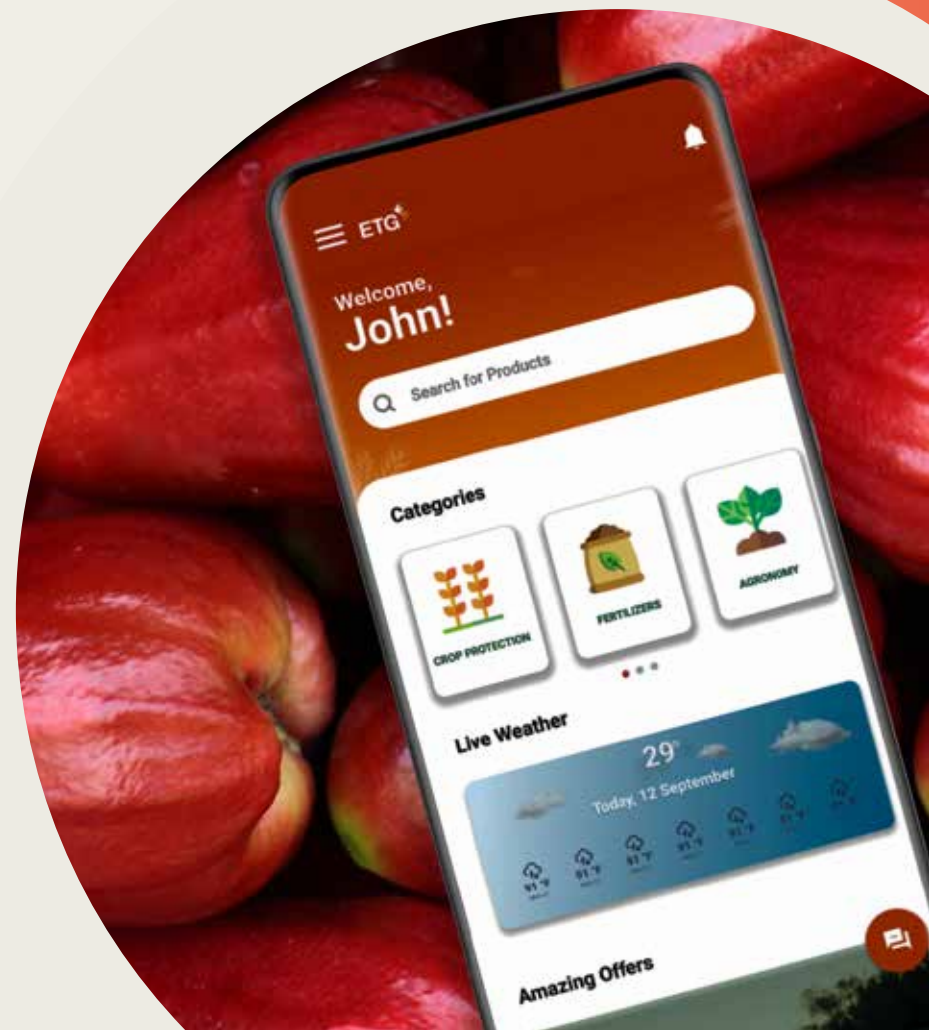
One of the app's stand-out features is its provision of real-time weather forecasts tailored to specific villages, encompassing vital meteorological parameters such as temperature, relative humidity, wind speed, and precipitation. Additionally, the app streamlines the procurement of essential farming resources, including fertilizers and other commodities, making it even more useful for our farmers.

The ETG One Stop Solution app empowers farmers by helping them make informed decisions through personalised, agriculturally relevant information to suit their individual needs. In doing so, it has played a pivotal role in safeguarding farmer livelihoods and delivering substantial boosts in crop yields.



**40,000+**

farmers enrolled  
on ETG One Stop  
Solution app



## Strategic Partnerships

Companies work beyond their core operations to address critical socio-economic and environmental challenges. These include pressing issues such as deforestation, climate change, child labour, and gender inequality. Expanding our scope and shouldering these added responsibilities is not without its hurdles, particularly when operating in developing economies, which often lack the infrastructure conducive to sustainable activities.

For ETG, this means we are not only responsible for our 120 large sites, 470 warehouses, and 8,570 employees but also striving to enhance the prospects of more than five million farmers, their families, their communities, and the natural resources on which we all depend. These are significant and complicated projects, and it is only through collaborative efforts with suppliers, governments, and civil society organisations that we can realise positive change at scale.

With a corporate legacy spanning more than half a century, ETG has created numerous fruitful partnerships to help us achieve our goals. Each year, we work to expand our network and amplify our impact. In the 2022/23 season, we were proud to welcome several new stakeholders to join us in this mission, some of which are highlighted on the following page. We extend our heartfelt



gratitude to the 100+ other companies, investors, governments, and civil society entities with whom we have collaborated, and we look forward to continuing this journey together.



▶ **André van den Beld**  
Head Sustainability

## Featured Partnerships



### African Development Bank (AfdB)

AfdB approved a \$1.4 million technical assistance grant to ETG for the funding of women-owned businesses in three countries in sub-Saharan Africa. The project aims to increase the efficiency of targeted women-owned and led small and medium-sized enterprises in ETG's commodity supply chains in Mozambique, Tanzania and Zambia. ([Read more here](#))



### Deutsche Investitions- und Entwicklungsgesellschaft

DEG-DeveloPPP, ETG, and Parrogate have signed an agreement to strengthen the local soya industries of Zambia and Malawi by scaling local processing and introducing good agricultural practices for soil conservation and increased yields to more than 70,000 beneficiaries, mainly smallholder farmers.



Netherlands Enterprise Agency

### The Dutch Enterprise Agency (RVO)

RVO is a long-time partner of ETG for testing innovations at scale, with various projects such as converting household waste into compost, commercialisation of cocoa juice to increase farmer incomes (see page 46), the development of rural savings groups to combat child labour (see page 37), and the EnRoute project (see page 35) where the different types of farmer extension services and commodity pricing mechanisms are being compared.



### Empowering Farmers Foundation (EFF)

Collaboration with EFF dates back to 2013, and the Foundation has shown a strong development in 2022 by expanding its farmer extension services to Mozambique. As a result, more than 5,000 smallholder farmers will benefit from new projects in the coming months, and we expect a long-lasting and fruitful collaboration in this country that is facing increasing climatic issues and where reliable local development partners are critical for success. (see page 51).



### Sustain Africa

ETG has joined forces with international and continentally-based commercial and social enterprises to form Sustain Africa, an initiative to address product supply deficit and the rising cost crises in Africa. ETG has pledged to supply fertilizer at discounted levels, with a discounted amount of US\$ 5 Million ([Read more here](#))

# Tailored Extension Services

**Tailored farmer extension services provide customised guidance and support to farmers, helping them address their own specific challenges.**

Poverty, low yields and price volatility are undermining farmer's capacity to invest, and financial and technical support are essential to minimise risks and overcome this vicious poverty cycle. ETG is providing farmer extension services across many of its day-to-day operations. Scaling Good Agricultural Practices (GAP) such as agroforestry, integrated pest management, and the use of protective equipment are key in our efforts to restore soils, increase crop yields, improve farmer livelihoods, and protect natural resources. In 2022-2023, ETG reached around 359,420 farmer households with technical or financial support.

With climate change further increasing farmers' vulnerability, the need for tailored solutions becomes even more important. As a result, ETG is scaling individual coaching with rural smallholder farmers, both in the field and at the household level, through customised development plans. In 2022-2023, around 30,000 farmer households benefited from these services through:

**1. Cocoaching** - Individualised farmer training to help them achieve higher yields through more environmentally beneficial practices.

**2. ETG's One Stop Solution App** (see page 42)

**3. Individual training sessions**



**359,420**

farmer households  
reached with  
technical or  
financial support





# Digital Solutions

We are in a decade of technological revolutions. Introducing and scaling digital tools are essential to reach more farmers, develop tailored services, and monitor the impact of our interventions.

ETG has already onboarded around 72% of its farmers to digital platforms such as Mergdata, FarmForce, Farmer's Link, OmAgri, ETG's One Stop Solution app or Excel-based platforms. These platforms not only increase farmers' access to weather reports and market information but also allow the scaling of savings accounts, digital transactions, and other financial solutions. Over the coming years, we aim to onboard 100% of our project farmers to digital platforms and expand our portfolio of digital services.



## 72%

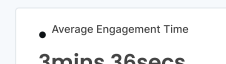
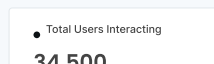
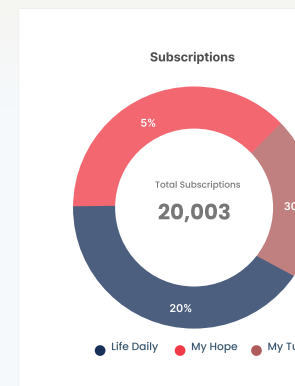
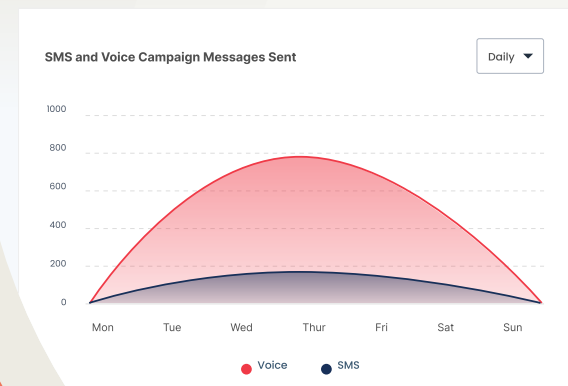
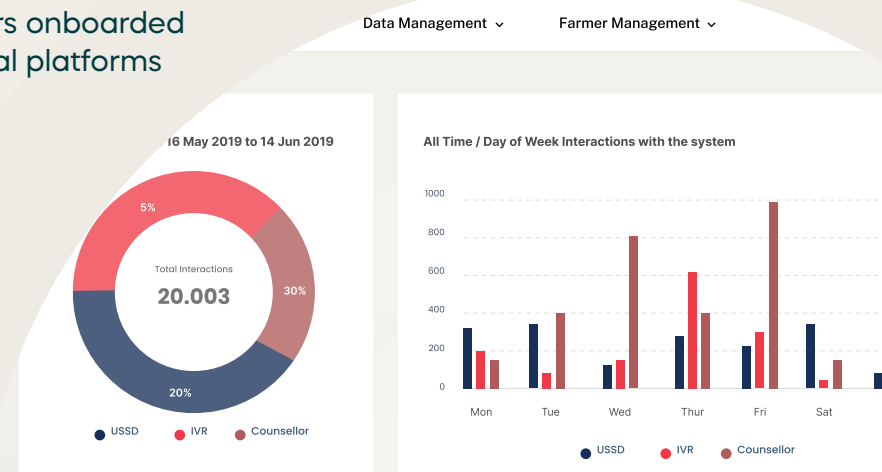
### of farmers onboarded to digital platforms

Full Digital Services

No Digital Interventions



Digital Monitoring



# Pilot Projects

ETG has also launched pilot projects to test new socio-economic and environmental solutions at scale. These include the expansion of our Ghana cocoa juice pilot to Côte d'Ivoire with the support of Kumasi Drinks and the Dutch Enterprise Agency (RVO) and the testing of biochar-based compost and fertilizers to regenerate soils in grains, cocoa, coffee and cashew in Zambia, Mozambique, Côte d'Ivoire and Uganda with partners including NMBU, IDH, Lono, Rabobank and Agri3. The first outcomes will be published in 2024.

## Biochar

ETG is investing in the development of facilities that will produce biochar. Biochar is a form of "carbon insetting," a nature-based solution that prevents the release of Scope 3 carbon emissions whilst serving as an excellent fertiliser, especially when combined with traditional composts, making cocoa farms more productive and de-incentivising destructive slash-and-burn agriculture.

ETG has conducted an extensive review together with the Norwegian Geotechnical Institute (NGI) for biochar application as a strategy for soil conservation and water retention in other African countries and aims to bring optimal blends between biochar and traditional fertiliser to the Ivorian market.

We are conducting pilot projects to test the applicability of biochar in live field sites. Our goal is to expand this project to circularise

coffee projects in Uganda, cashew projects in Mozambique, and cocoa projects in Côte d'Ivoire, thereby reducing waste, providing carbon insetting, and minimising the environmental impact of the agricultural sector. Biochar is a bold and innovative project which has the potential to drive real change. We can't wait to get started.

## Cocoa Juice

Our cocoa juice pilot is working to turn the juice from the cocoa fruit – the white pulp surrounding unprocessed cocoa beans – into a commercially viable product that can help rural farming communities generate an additional income stream. The project is already raising participating farmers' incomes by 10%, with the potential to reach 30% once the project is fully upscaled. In collaboration with the Dutch social enterprise Kumasi, cocoa juice is being sold throughout the Netherlands and West African markets.

In Ghana and Côte d'Ivoire, we empower women to become collectors, processors and marketers of this new cocoa juice. This encourages women to take on leading, paid roles, generating independent income that also increases their decision-making power over household finances. Together with international non-profit Solidaridad, we are exploring a co-ownership model through which women farmer groups gain shareholder status, meaning farmers directly share in cocoa juice profits.



## 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 like the Empowering Farmers Foundation (EFF) (see page 51)

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 43)

## Environmental and health and safety monitoring

During this financial year, ETG has migrated all its EHS management, monitoring and reporting to a single system, enabling us to centrally manage and report on EHS performance across the group. (see page 31)

## 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 conventions<sup>5</sup>
- The IFC Performance Standards<sup>4</sup>
- The United Nations Global Compact<sup>6</sup>
- The World Bank Environmental, Health, and Safety (EHS) Guidelines<sup>8</sup>
- The United Nations Sustainable Development Goals.<sup>3</sup>



# Supply Chain Risk Assessments

ETG follows a stepwise and risk-based approach to identify social and environmental risks across its supply chains. Based on the outcome of this model, remediation activities are developed with industry stakeholders, governments, and civil society organisations.

1. The first step consists of a macro-level assessment, where GMAP<sup>9</sup> is used to attribute social and environmental risk scores to supply chains with an overall medium or high score (>80). Additional variables like business contribution (turnover), ETG infrastructure (direct supply chains and/or factory supply) and field observations are taken into account to prioritise supply chains for monitoring and intervention.
2. Secondly, an in-country assessment is conducted to prioritise regions or communities and consists of (sample-based) interviews with farmers and community members. The social and environmental risk surveys vary across countries and commodities and are sometimes combined with certification processes such as Rainforest Alliance, Fairtrade or BIO/Organic. In cocoa communities, a more elaborate child and forced labour monitoring scheme is applied on top of this. In addition, farm GPS coordinates are collected on a sample basis for deforestation risk assessments using Global Forest Watch.<sup>10</sup>



In 2022-2023, in-country risk surveys were mostly conducted for cocoa and cotton and are now being scaled to other supply chains. For deforestation risk assessments, all high-risk supply chains were evaluated.

To address social and environmental risks, ETG builds partnerships with international and local industry stakeholders to build farmer extension services. As of 2022-2023, a total of 359,420 farmers are receiving additional support around good agricultural practices (GAP), reforestation, child labour remediation, community savings groups, income diversification, and gender empowerment.



**EFF**

**Reducing poverty by  
empowering smallholder  
farmers through sustainable  
and climate-smart  
programmes.**



## Empowering Farmers Foundation

The Empowering Farmers Foundation (EFF) is an affiliate of ETG and acts as a catalyst for positive change in agricultural communities across Kenya, Mozambique, Tanzania, and Zambia. Established in 2013,

EFF partners with ETG for social and environmental projects, designing and implementing over 24 projects. These initiatives engage over 100,000 smallholder households, enhancing yields, capacity, and prosperity.



## Carbon Abatement Programme

EFF's bond with ETG's Climate Desk grew stronger. Collaborating on Tanzanian and Mozambican initiatives, the teams share resources for better coordination. ETG's Climate Desk's African Emerging Farmer Carbon Abatement Programme seeks climate adaptation and mitigation benefits for communities. EFF worked with the Climate Desk on a survey of 3,000 households in Western Province, Zambia. The survey will allow for a better understanding of areas where specific interventions could benefit quality of life in these communities - such as better infrastructure, training or market linkages. Ultimately, this information will feed into the 'co-benefits' aspect of the Climate Solutions carbon programme in the region.



## Fortifying Rural Linkages for Agricultural Supplies

EFF, ETG and the International Finance Corporation (IFC) collaborated to enhance maize, soybean, and groundnut supply chains in Malawi, Mozambique, Tanzania, and Zambia. The project aids 200 agro-dealers, 200 Village-Based Agents, and 60 farmer organisations across these countries, aiming to streamline access to supplies and markets. Our focus is on empowering smallholder farmers and promoting good agricultural practices. EFF and ETG prioritise sustainability and socio-economic growth, with IFC offering vital technical support, funding, and guidance.

## Sharing, Strategizing, and Synchronising

EFF held its annual Strategy Meet in Johannesburg in September 2022. The 2-day event brought together 35 participants from EFF and ETG. This was the first such engagement between the Group and the Foundation, and the meeting facilitated a better understanding of how to continue working together towards mutual goals of people, planet, and profit.

EFF management participated in the Beyond Beans annual conference in Accra, Ghana, in June 2022, the first formal interaction between the two entities. Various sessions were conducted, ranging from country presentations to programmatic updates, concluding with a field trip to cocoa plantations and interactions with farmers.

In October 2022, EFF attended ETG Zambia's 5th Annual EHSS meeting with 31 colleagues from all over the world. To offset the carbon emissions from flights taken by participants, a tree plantation drive was initiated at the ETG's fertiliser plant. EFF planted 250 additional cashew and neem (margosa) trees in Zambia and Kenya.



ETG and EFF participated in the annual African Green Revolution Forum in Kigali in September 2022. There, we shared insights on business models and approaches adopted by buyers, traders, and value chain development organisations towards enhancing sourcing in Africa.

In November 2022, ETG and EFF were present at the UN's Climate Change Conference (COP-27) in Sharm-El Sheikh, Egypt, where they made inroads into the global carbon arena.

## LPG prospects explored in Zambia

EFF supported ETG's Energy and Climate Desks to develop a concept for a feasibility study on the potential adoption of LPG by urban and peri-urban consumers in Lusaka, Zambia. Charcoal is currently the most widely used cooking fuel, but it has a significant environmental impact as it is mainly produced through deforestation. The study aims to understand consumer bases, devise strategies to increase LPG adoption and quantify carbon emission reductions from LPG household cookstoves distributed by Falcon Gas Ltd at subsidised rates. Meanwhile, EFF has guided the LPG Falcon Gas team in Zambia to secure grant funding for a project focusing on setting up refilling stations and distributing LPG cylinders with grills and burners to 6,000 households.





## Data-Driven Agriculture

HiFarm is a data-driven agricultural intensification project with 60 selected maize, coffee, and tea farmers across Kenya aimed at improving their productivity. The pilot is funded by the Eco-Business II Sub-Fund Development Facility and carried out by FutureWater, HiView, Holland Greentech and ThirdEye Kenya, with ETG and EFF.

Paul Rono is the owner of an 18-acre rain-fed farm, of which 5.5 acres are now used to grow maize. Planting is done in March, and at harvest time, he hires people from the community to help. The maize is sold on the local markets and used for cattle.

Last year, his farm was visited three times, and this year, five times so far. Apart from drone flights, soil samples were taken. Using this information, the right type of fertilizer was recommended. He used NPK fertilizer in the demo plot, and it performed better than the control field despite serious droughts last season. "The recommendations after the soil sampling made a lot of impact because I was able to use the right fertilizer," says Paul, "The training from the HiFarm team was very useful and our production improved."



The HiFarm program is very encouraging, we acquire knowledge and boost our production.



▶ **Paul Rono**  
Maize Farmer, Kenya

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## Report Methodology

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.

## 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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