### AFRICAN COFFEE ROASTERS

### 2024 Sustainability Report



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- ACR's core values
- Message from our CEO
- Highlights 2024
- **Our Approach to Sustainability**
- **Value Edition and Job Creation**
- **Environmental Responsibility**
- **Our Cooperatives and Farmer Partners**





Over the past three years, we have consistently tracked and documented our sustainability impact. This fourth version of the report is a testament to our unwavering commitment to sustainability and driving impactful change.

Throughout this report, you will see how we are transforming our business and value chain to be more sustainable. It summarizes our achievements and progress over the past year.

It also serves as an inspiration to others to integrate environmental management systems, social responsibility, and economic resilience into their operations.

This report covers ACR's sustainability activities between 1 January 2024 and 31 December 2024.

### Introduction

### **About Us**

#### African Coffee Roasters (ACR)

- Founded: 2015
- Production Began: 2016



**Location:** Export Processing Zone, Athi River, Kenya



Volumes: 1,085 tons of roasted coffee in 2024 (1,291 tons of green coffee)



**Export Countries:** 7 Countries across 4 continents



Shelf-Ready Products Produced in 2024: 2.41 million units



Coffee Certifications: Rainforest (RFA), Fairtrade (FT), Organic(EU)



Food Safety Certification: FSSC 22000 Version 6



Memberships: SEDEX (SMETA 4 Pillars), UN Global Compact





















ACR specializes in understanding the dynamics and demands of grocery stores, supermarkets, retailers, and B2B customers. Our owner (and customer), Coop Danmark AS, is a major retailer with 1000 grocery stores under different formats in Denmark.

We currently supply private label products to more than 2000 stores in Europe and have an annual capacity of 2200 metric tons of roasted coffee.



**Private Label:** We manufacture custom made products according to the client's specific designs and taste preferences

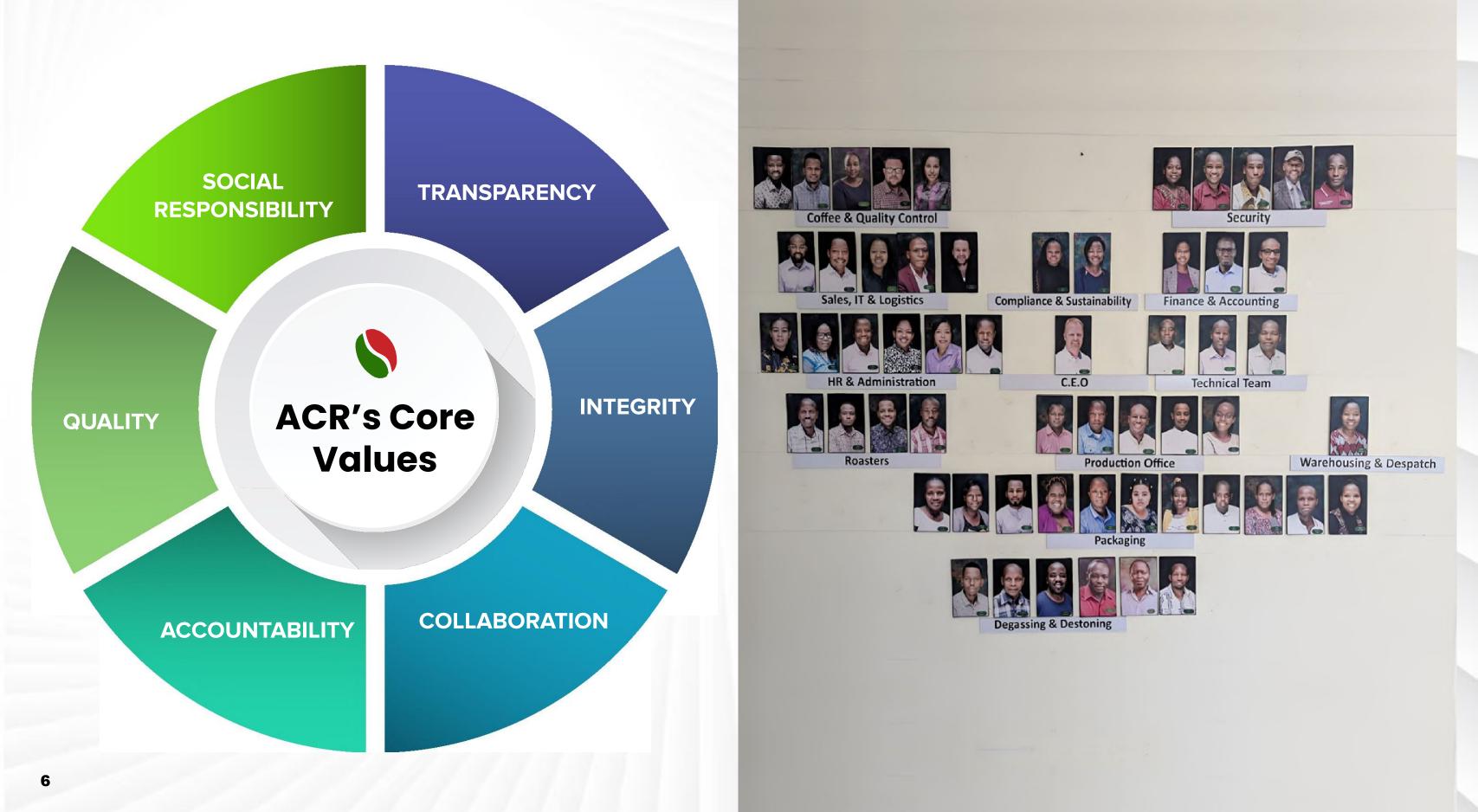


White Label: Clients have the option to choose from our extensive selection of 20+ blends and single origins.



**Toll Roasting:** Clients provide their own green coffee, and together we determine the desired roast profile.

### **Our Services**



### Message from our CEO

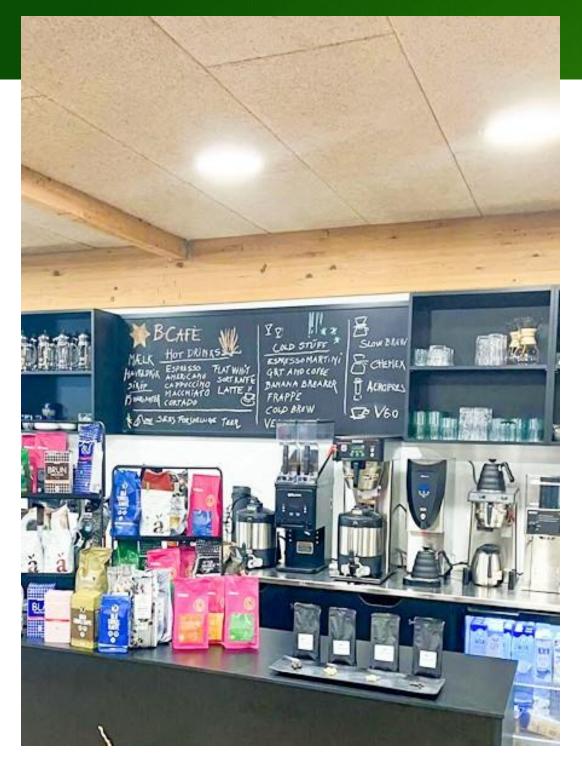
At ACR, our mission has always been to foster a sustainable and equitable coffee value chain by empowering producing countries to capture a greater share of the value created. This mission is more urgent than ever as the coffee industry faces mounting climate challenges and multiple new regulatory frameworks like the EU's Deforestation Regulation (EUDR), which, while postponed until 2026, signals a paradigm shift in the global trade of coffee and agroforestry.

SSO

- Since 2016, ACR has grown from roasting less than 100 tons coffee with a small team of 17 in 2016, to producing more than 1,000 metric tons of roasted coffee over the last year with 58 dedicated staff in 2024. Through this growth, we have worked tirelessly to increase our sourcing of raw materials from Kenya and East Africa, enabling local farmers and suppliers to participate more directly in the value chain.
- Africa's population is projected to nearly double by 2050, reaching 2.5 billion people. This rapid growth underscores the importance of creating jobs and building local economies. In August 2024, The Danish government launched their Africa Century program, which prioritizes partnerships and sustainable business development on the continent, and aligns perfectly with our work at ACR.
- Our story is a testament to what can be achieved through long-term collaboration and value addition on the continent. As we reflect on 2024, we are proud of the progress we have made and grateful to our partners for supporting this journey. Together, we can navigate the challenges ahead and continue building a coffee value chain that benefits producers, consumers, and the planet.



### **Highlights – 2024**



#### **EXPANSION INTO** THE U.S. MARKET

Partnered with Presso Coffee, to bring coffees sourced and roasted in Kenya to the US market, positively impacting African farmers.

#### **EU IMPACT**

ACR is the largest exporter of roasted coffee (non-soluble) from Africa to the EU, according to **Eurostat** 



#### **PARTNERSHIP WITH DANISH GOVERNMENT**

Collaborated on Africa's Century, Denmark's new strategy to foster sustainable business practices, inspired by ACRs trade model.

### Highlights – 2024

**European Union Deforestation Regulation (EUDR)** Achieved EUDR Compliance shipping our first compliant containers reflecting our commitment to sustainable coffee production and value chain transparency.



#### **Optical Sorter**

Invested in a state of the art color sorter which has significantly improved our quality and ensure only the best beans get to our customers.

#### **Consumer Awareness**

Our very own Jonas Brunsnæs, appeared on "Anne og Anders," a popular Danish travel program. Where he share ACR's story. Also, our story was also shared by Pernille Skipper on P1 (Danish National Radio).



### Highlights – 2024



#### TRACE KENYA ORGANIC PROJECT

Two estates under the project attained EU Organic certification, strengthening sustainable farming practices.



Micah Tarrus, a TRACE Kenya Farmer from Kapkiyai FCS attending to his coffee bushes



### OUR APPROACH TO SUSTAINABILITY



### Sustainability and ACR

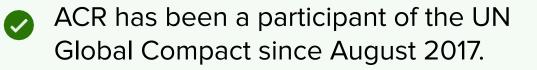
At ACR, we believe that in this rapidly changing world it will only become more difficult for the traditional coffee value chain model to provide coffee farmers with a fair share of coffee's retail value. As we start to see the effects of climate change on the coffeelands and continued global price volatility, coffee farming will only remain viable if farmers and their communities are creating jobs and capturing a higher percentage of the coffee's final value: milling, roasting, packaging, and selling directly to customers. Therefore, our goal at ACR is to play our part in catalyzing the long-term sustainability of global coffee production by more proportionally shifting value distribution within coffee's value chain to the producing country.







### UN Global Compact Membership / SDGs



We support the ten principles of the UN Global Compact in the areas of Human Rights, Labor, Environment and Anti corruption.

 $\checkmark$ 

Our 2024 Communication of Progress report disclosing our continuous efforts to integrate the principles into our business strategy, culture and daily operations is accessible here.





Global Compact Network Kenya and Confederation of Danish Industry

## UN Global Compact Membership / SDGs

In the year 2024 our SDGs of Focus were:

- **SDG 5:** Gender Equality **SDG 8:** Decent Work and Economic Growth
  - SDG 9: Industry, Innovation and Infrastructure

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- **SDG 10:** Reduced Inequalities
- **SDG 12:** Responsible Consumption and Production
- SDG 13: Climate Action

Throughout this report we delineate in further detail the specific activities that helped us to advance these six goals in 2024.







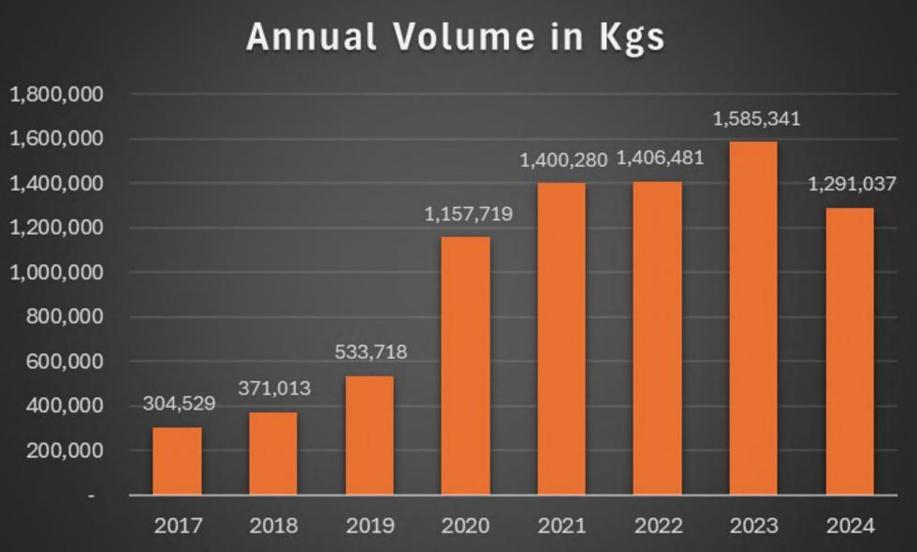
### ECONOMICS

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### Historical Growth

Coffee Volumes Traded 2017-2024

- Since 2017, our first full year of operation, we have grown from roasting 304 tons to roasting 1,291 tons of green coffee in 2024. That is a drop from our peak at 1,585 tons in 2023.
- The drop in volume is due to historically high coffee prices which has resulted in product assortment changes amongst our customers
- This equals a decline from 14,676 to 10,130 sustained smallholder households based on the average farm size and yield.





### **DECENT WORK**



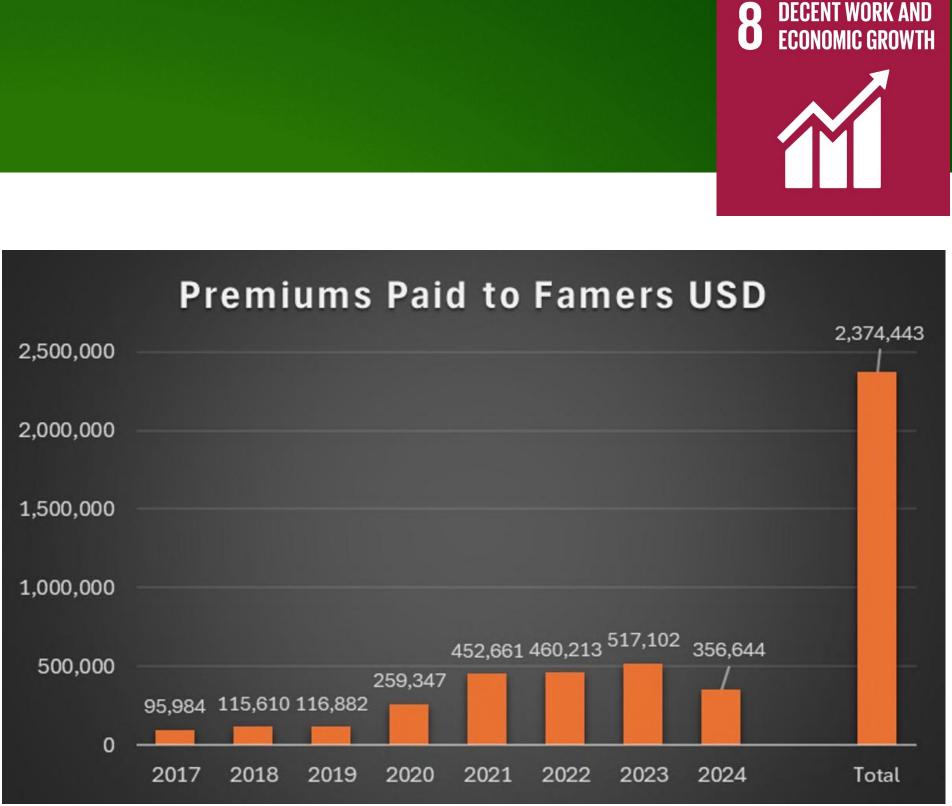
### Historical Growth

#### Premiums Paid **2017-2024**



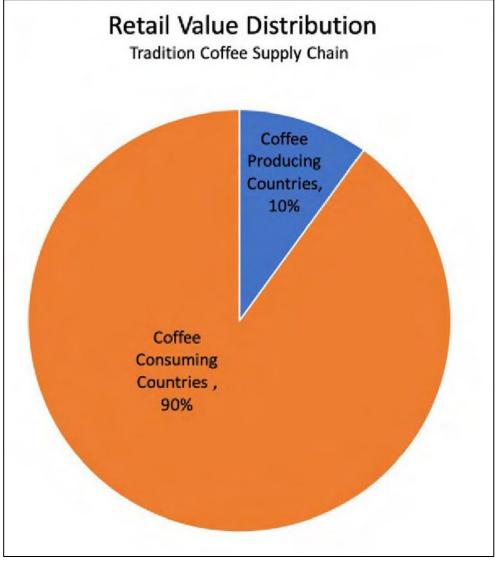
### We paid **\$356,644 in premiums** to farmers in 2024.

- Since 2017, we have paid a total of \$2,374,443 in premiums to farmers.
  - These premiums are invested in farmer services, community projects, quality improvement, capacity building, and cash payouts to farmers.



# Value Distribution in the Coffee Supply Chain

Over 55% of the Retail Value Remains in East Africa



In the traditional coffee value chain, where green (unroasted) coffee is shipped to the Global North to be roasted, packaged, and distributed to consumers, only about 10% of coffee's \$200 billion value annual retail value is captured at origin.

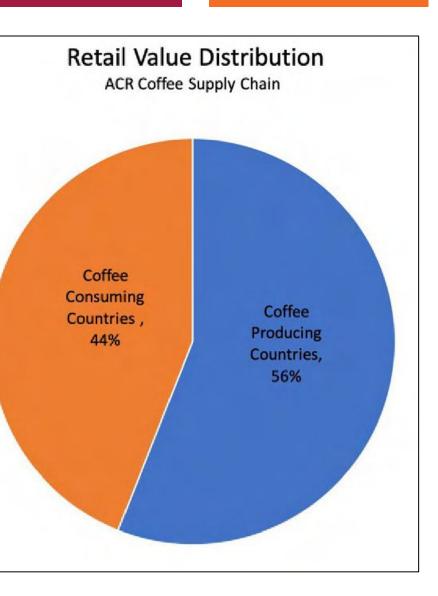
ACR's model shifts over 55% of the coffee's value addition to the Global South, where we are roasting and packaging shelf ready products.

#### DECENT WORK AND Economic growth



#### **9** INDUSTRY, INNOVATION AND INFRASTRUCTURE





### **Nalue Distribution in the Coffee Supply Chain**

#### Over 55% of the Retail Value Remains in East Africa



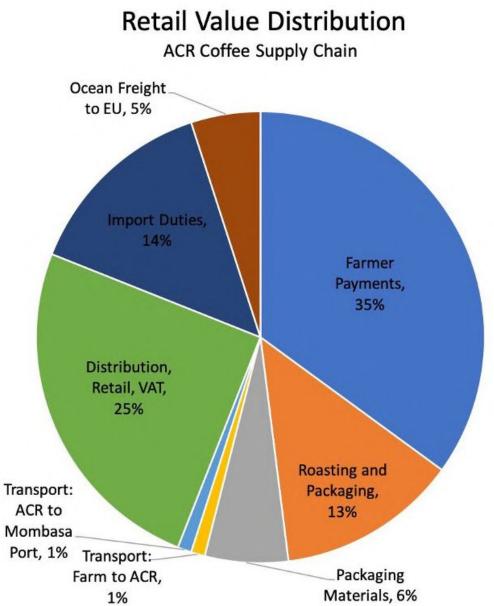
#### **Breakdown of the ACR Value Chain**

#### Value Added at Origin

- Farmer Payments 35%
- Roasting and Packaging 13%
- Packaging Materials 6%
- Transport from Farm to ACR 1%
- Transport to Mombasa Port 1%

#### Value Added in Consuming Country

- Distribution, Retail 25%
- Import Duties 14%
- Ocean Freight Transport to EU 5%



### DECENT WORK AND ECONOMIC GROWTH



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### **9** INDUSTRY, INNOVATION AND INFRASTRUCTURE





### Balancing Trade and Strengthening the Economy

- Roasting, packing, and adding value locally means we keep more than 55% of the coffee's final retail value in East Africa.
- The trade balance is important as it helps strengthen the regional economy, secure income opportunities for a broad sector of local suppliers, and stabilize the local currency – especially in a time of global recession challenging the value of more vulnerable currencies.
  - In 2024, we spent almost \$1,452,509 on purchases
    from local suppliers (excluding green coffee
    suppliers) money that would otherwise have
    stayed in coffee consuming countries in the
    Global North. This equals the indirect creation and
    maintenance of 117 full time positions



#### DECENT WORK AND Economic growth



#### INDUSTRY, INNOVATION AND INFRASTRUCTURE

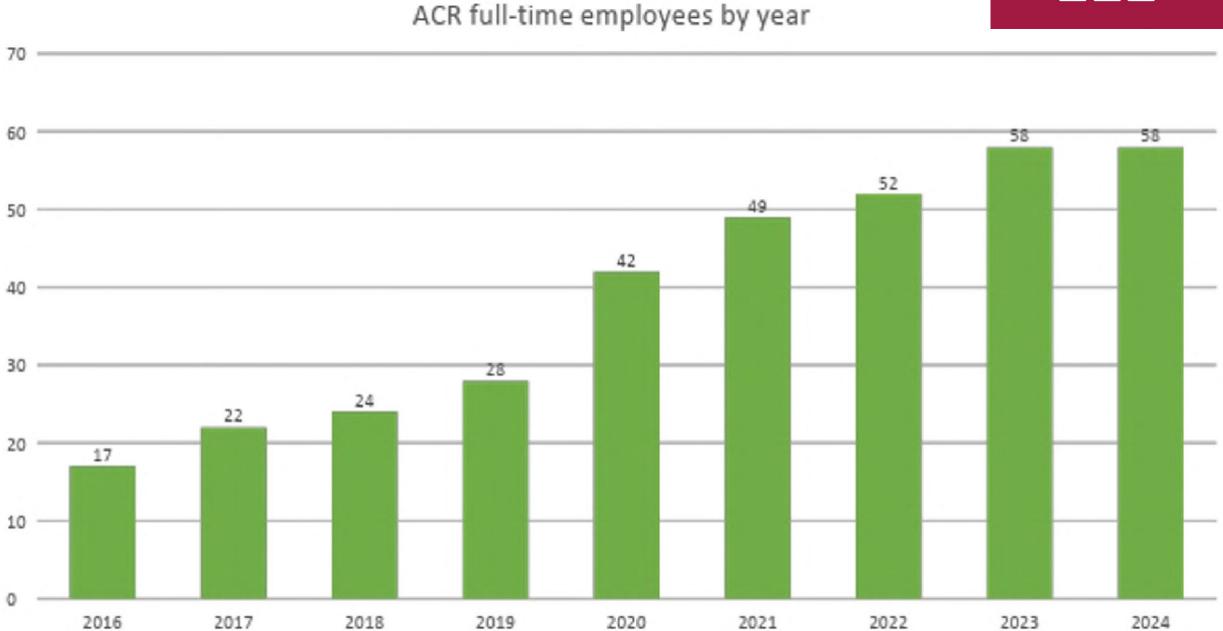


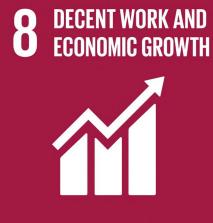


### VALUE ADDITION AND JOB CREATION



- In 2024, ACR ended the year with 58 full- time employees. We have a number of staff contracted casually to cover extra production needs when busy.
- As the company grows, we strive to provide stability in employment for everyone at ACR.





### "Indirect" Jobs Created in Kenya/Africa

ACR sources as many of our raw materials as possible from East Africa. In 2024, we spent \$1,452,509 in the local market which has supported jobs provided by our suppliers and service providers:

- Packaging suppliers
- Logistics service providers
- Utility providers
- Service providers (Cleaning, IT, Insurance, Food)
- Administrative (Customs, KRA, other governmental officials)
- Certification Bodies and Auditors
- Trainers and Instructors





### DECENT WORK AND ECONOMIC GROWTH



From left:Patrick Oboge(ACR), Brian Nyakundi(ACR), Liz Murage (Platinum Packaging Ltd.), Jacob Elsborg(ACR), Peris Rugu(ACR), Anand Chandarana(Platinum Packaging Ltd.), Jonas Brunsnaes (ACR), Treveor Brent(Platinum Packaing Ltd.)



### SOCIAL IMPACT

### **Our Culture**

#### The culture at ACR promotes our **Core Values:**

- Social Responsibility
- Transparency
- Integrity
- Collaboration
- Accountability
- Quality

#### We do this by:

- Promoting Diversity
- Focusing on Employee Wellbeing
- Providing Comprehensive **Employee Benefits**
- Offering a Variety of Training Opportunities





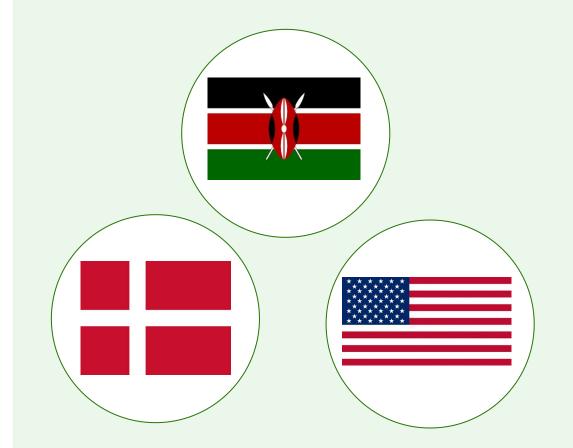
### DECENT WORK AND ECONOMIC GROWTH



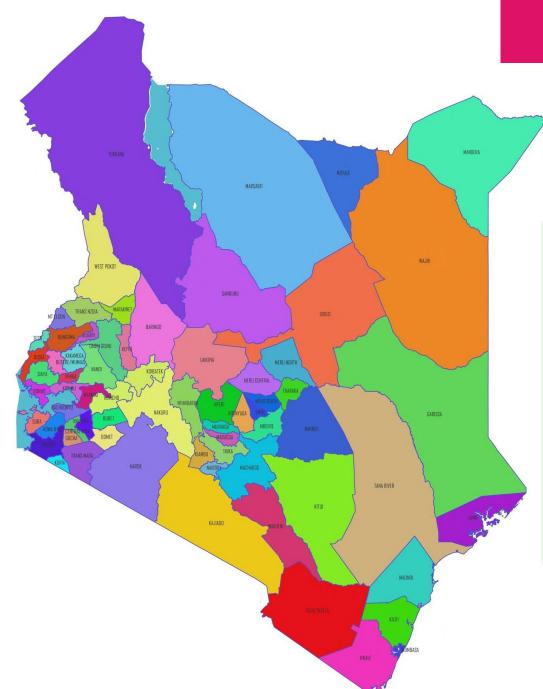
ACR Employees during a quarterly employee celebration day. From left: Hilda Mutinda, Raphael Nge'le, Godfrey Ouma, Everlyne Wambui & Fidelis Wangui(March 2024)

### Celebrating Diversity at ACR

ACR is proud to have multicultural employees. Our 58 full-time employees represent of 20 of the 47 counties in Kenya, and three others from America and Denmark. This diversity is enriching and promotes employee well-being through shared learning experiences.



Bomet Uasin Gishu Kisumu Siaya Homa Bay Busia Nandi Baringo Kisii Kericho





Machakos Makueni Nyandarua Murang'a Nakuru Meru Kiambu Kajiado Kilifi Kitui

### Celebrating Diversity at ACR

- ACR is an equal-opportunity employer. We foster a work environment where ALL employees are empowered to thrive regardless of gender, physical ability, ethnicity, race, age, religion, sexual orientation or any other dimension of diversity.
- We strive to achieve overall gender equity among our employees and the ACR Management Team is 50% women.
- In 2024, ACR carried out an inclusivity survey to evaluate areas of Gender equality & women empowerment, employee wellbeing & discrimination to identify areas of growth.

- Equal opportunity in recruitment processes
- Gender equality Gender equality Exponenterment Empowerment Maternity leave for women
- Equal opportunity in professional development and promotion processes.
- Equal compensation for men & women.

- Maternity leave.
- Support for employees as parents and caregivers.
- Work/life balance for employees.
- Violence, harassment and sexual exploitation.
- Health, safety, and hygiene needs of women at work.
- Access to quality health services that meet the specific health needs of women employees

#### Inclusivity index

#### **Employee** wellbeing



#### Discrimination on the basis of religion.

- Discrimination of the basis of disability.
- Discrimination on basis of Tribe

# Discrimination





### S Employee Welfare Nurturing a Great Workforce

Our employees are integral to the success of ACR. In 2024, we elected our third Employee Welfare Committee, who are comprised of employees from every department and is responsible for:



- Addressing employee issues
- Supporting communication  $\checkmark$ between employees and management
- Providing an avenue for employees to resolve grievances when they arise





#### **DECENT WORK AND ECONOMIC GROWTH**

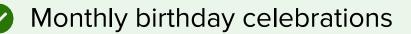


ACR Employee Welfare Committee outgoing chairman, Francis Keitany receiving certificate from the CEO, Jacob Elsborg

### S Employee Welfare Nurturing a Great Workforce

The Employee Welfare Committee also helps carry out various activities to encourage employee engagement and initiative:

- Monthly information sessions CEO updates all employees on the performance of the business
- All staff "Ask your CEO and/or Manager" sessions
- Bi-annual performance conversations
- Quarterly team-building event and celebration of our achievements
- Quarterly employee well-being sessions focusing on different topics





Jacob, the CEO making a monthly staff address at the information meeting



### **B** DECENT WORK AND ECONOMIC GROWTH



From left: Jonas Brunsnaes and Isaac Kiroga cutting cake during a birthday celebration.

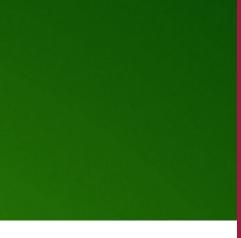


### S Employee Benefits Nurturing a Great Workforce

While ongoing employee welfare is one of our areas of focus, ACR also directly invests in employees' (and their family's) well-being and future:

- Extensive medical package for all full-time employees and their families
- Employer and employee contribution pension plan
- Employee meals during working hours
- Showering facilities
- Free clean drinking water to take home
- Flexible and accommodating work schedules offered for nursing mothers and mothers with young children
- Maternity and paternity leave





#### B DECENT WORK AND ECONOMIC GROWTH



Mama Rhoda Alwala runs ACR's Canteen which provides healthy and inventive meals during working hours.

### S Employee Training

ACR organizes employee training programs aimed at improving the skills, knowledge, and awareness of the employees.

2052.75 employee hours (an average of 35 hours per employee) of trainings were conducted in 2024:

- Food safety and hygiene
- Financial & planning and management Ú
- Environment, Health and Safety
- Fire Safety / First Aid S
- Gender and women empowerment 9
- Leadership training



HRM



### **8** DECENT WORK AND ECONOMIC GROWTH



From left:Billy, Brian,Fidelis,George,Stephen, Dalmas & Hazel. Adsbe picture: Jacob ,CEO & Milkah,



### ENVIRONMENTAL RESPONSIBILITY

### **Our Environmental** Commitment

- Our commitment to the environment is embedded in our business strategy. We recognize the importance of upholding environmental stewardship as part of our core operations.
- Our environmental management system is focused on minimising our footprint across the value chain, enhancing resource efficiency and ensuring full regulatory compliance.



 $\checkmark$ 





Parchment drying tables at Kapkiyai Cooperative in Nandi,

### **Climate** Action

- Our goal is to reduce greenhouse gas  $\checkmark$ emissions in our operations to achieve net zero
- With 2021 as our base year, we continue to identify opportunities within our operations to reduce the emissions.
- In 2024, our focus was on energy efficiency improvements.
- The implementation level of our energy  $\checkmark$ improvement plan reached 25.87% in 2024 reflecting steady progress towards attaining our sustainability goals.







Our Loring Roasters' patented heat and air-flow system reduces GHG emissions by up to 80% over traditional drum

# Climate Action

We are committed to minimising pollution and reducing consumption of natural resources through strategies that promote waste minimisation, re-use and recycling where appropriate.

In 2024, we made progress towards our management goals through the following key achievements;

- Process waste reduction from 15% in 2022 to 7.2% in 2024.
- 12 tonnes of plastic waste diverted from landfills and repurposed into construction material
- 33 tonnes of organic waste converted into biofertiliser supporting sustainable agriculture and circular economy principles.











Toilet Blocks constructed using materials made from our recycled packaging in Usenge, Siaya County



## OUR COOPERATIVES AND FARMER PARTNERS

## Farmer Relationships

## ACR WORKS WITH SUPPLIERS WHO ...

## Are Engaged from the Farm Gate Level

- Differentials equally distributed through cherry payments
- Quality assurance

## Invest in Their Supply Chain

- EU Deforestation Regulation Preparation
- Other EU Regulations (Microbiological, Corporate Sustainability Due Diligence Directive)

**Work Transparently and Traceable** 



### **9** INDUSTRY, INNOVATION AND INFRASTRUCTURE

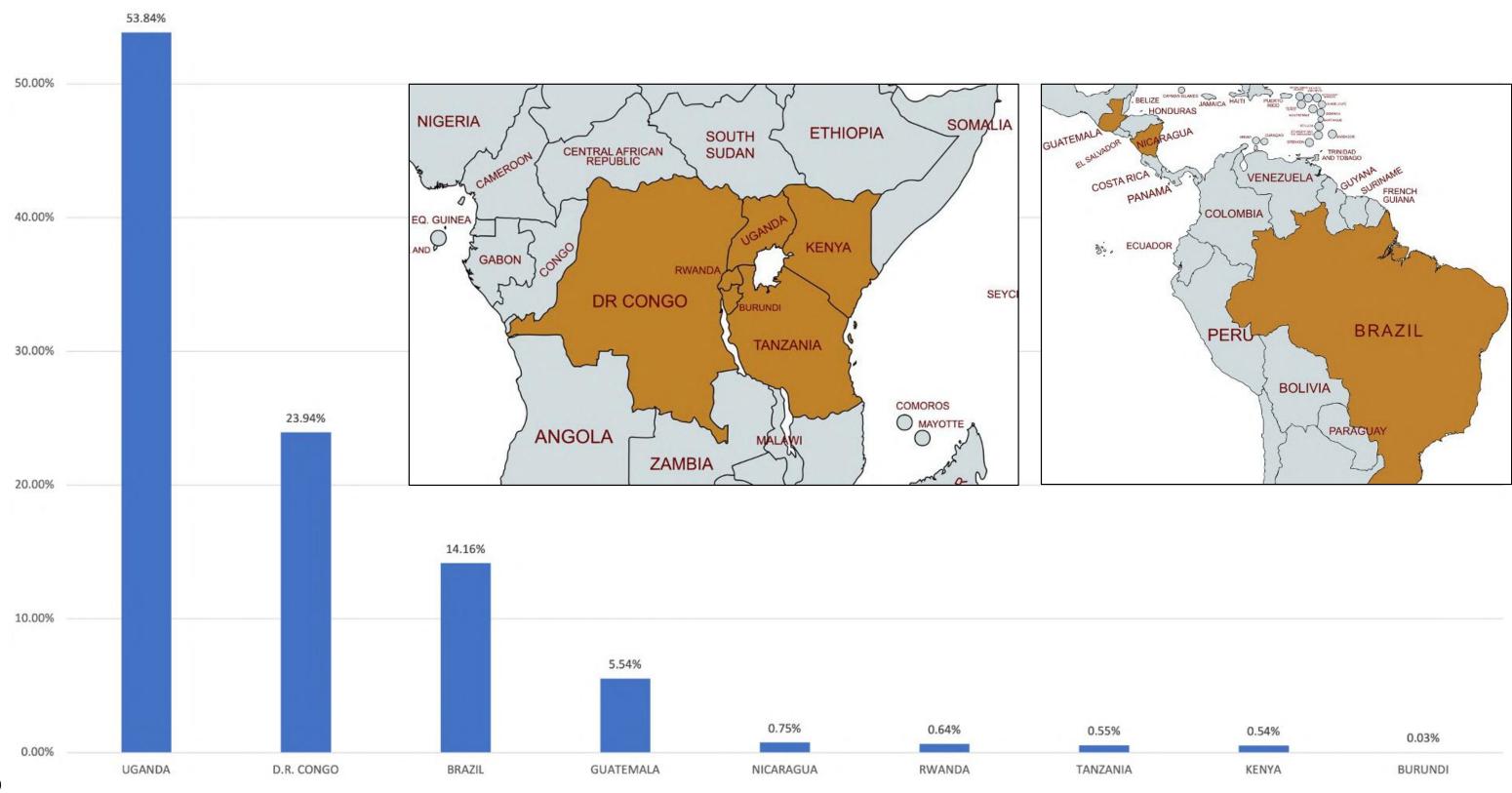


### 12 RESPONSIBLE CONSUMPTION AND PRODUCTION



Charles, Manager at Agri Evolve, spreads coffee fresh cherries on a raised bed for drying in the Rwenzori Mountains in Western Uganda.

## **2024 Roasting by Origin**



60.00%



**Roasted in 2024:695,076 KG** / 1,532,378 LB (54% of total)

## Farmer Groups

- Bukonzo Joint Coop.
   Union(Southwest, Rwenzoris)
- Agri Evolve(Southwest, Rwenzoris)
- Sipi / Bugisu (East, Mt. Elgon)
- Kasese / Drugar (Southwest)
- Savannah Robusta (Southwest)

## Certifications

- EU/NOP Organic
- Rainforest Alliance
- Fair Trade



 $\checkmark$ 



## Sipi Falls / Bugisu

- Eastern, Mt. Elgon
- Organic, Rainforest
- Elevation: 1200 1800 meters
- Farmers: 9,000
- Relationship Began: 2017

## Bukonzo Joint Cooperative Union (Western, Rwenzori)

- Organic, Rainforest
- Elevation: 1400 2200 meters
- Farmers: 1,465
- Relationship Began: 2017



 $\checkmark$ 

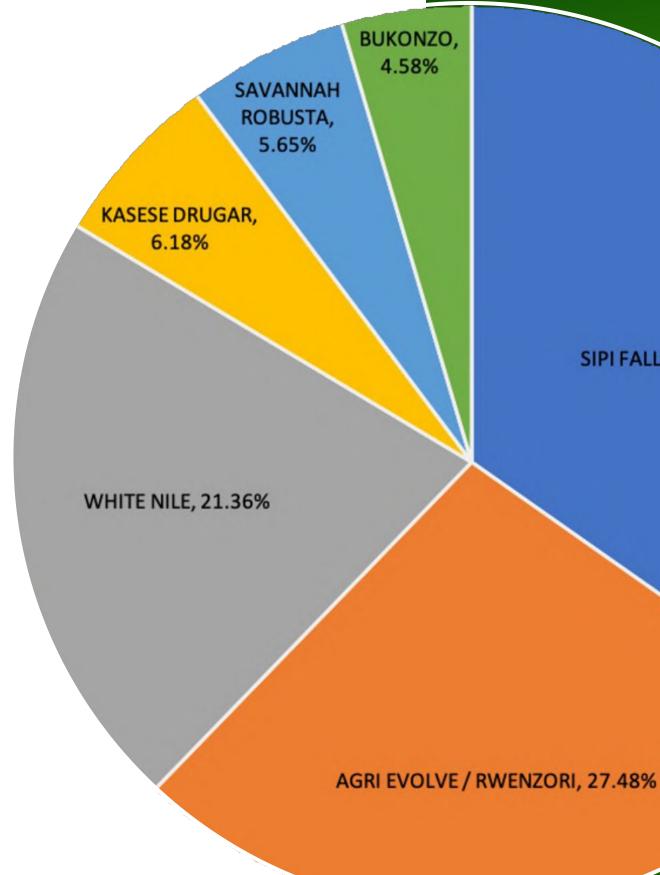


## Kasese / Drugar (Southwest)

- Organic, Rainforest
- Elevation: 1200 2000 meters
- Farmers: 9,500
- Relationship Began: 2018

#### Savannah Robusta (Southwest) $\checkmark$

- Organic, Rainforest
- Elevation: 1100 1500 meters
- Farmers: 8,000
- Relationship Began: 2019



### SIPI FALLS/BUGISU, 34.76%

# 🔊 Uganda – Agri Evolve – Supplier Update

- Southwest, Rwenzori Mountains
- Elevation: 1300 2100 meters
- Farmers: 20,000
- Relationship Began: 2022
- 5,000 new farmers from 2022
- Over 20% volume growth over 2022 within ACR's Uganda portfolio
- Expanding model to new communities in **Rwenzoris** 
  - Onboarding 5,000 new farmers
  - Appointing 50+ new Agri Partners
- First supplier to issue due diligence statements for the EU Deforestation **Regulation compliance**





# D.R. Congo (North Kivu)

Roasted in 2024: 309,106 KG / 681,461 LB (24% of total)

 $\checkmark$ 

## Virunga Coffee (Organic, Rainforest)

- Washing Stations: 9
- Elevation: 1500 1850 meters
- Farmers: 12,000
- Relationship Began: 2017

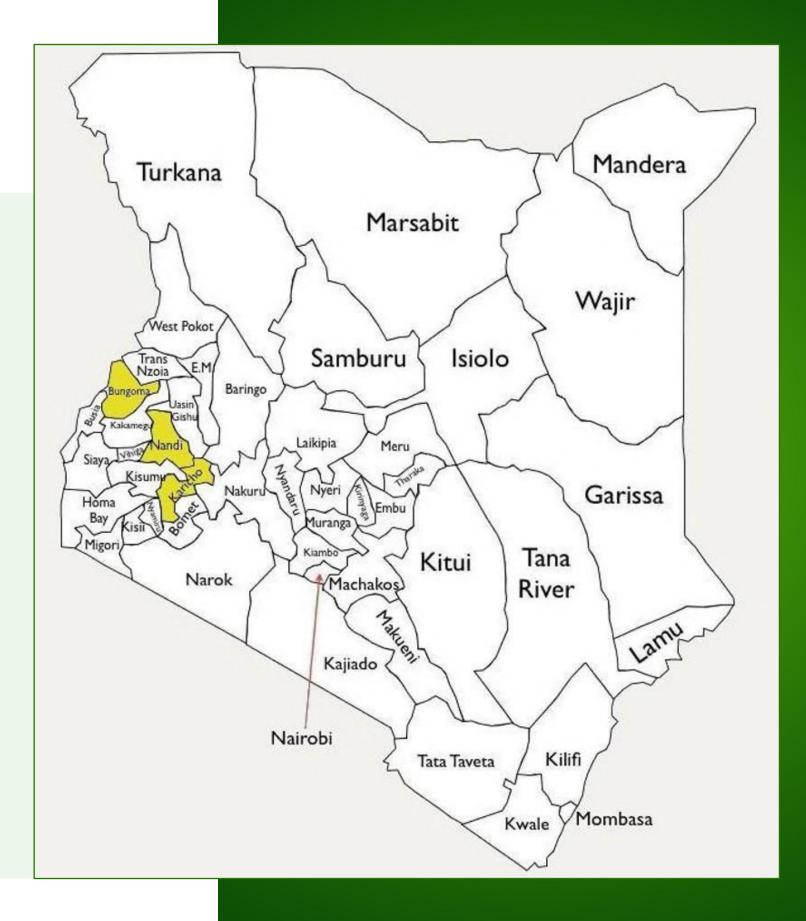
## Kawa Kanzururu Cooperative (Organic)

- Micro-Washing Stations: 24
- Elevation: 1300 2000 meters
- Farmers: 1,800
- Relationship Began: 2019



## Traceable Organic Coffee from Kenya(TRACE Kenya)

- Donor: The Ministry of Foreign Affairs Denmark( DANIDA)
  - Implementing Partners: ACR(Commercial Partner), Solidaridad ECA and Europe.
- Period:5 Years 3 Months (Jan 2020 to March 2025)
   -Preparatory & Implementation.
- Project Areas: Kericho, Nandi and Bungoma Counties of Kenya
- Target Beneficiaries –15,000 (10% youth and 30% women) smallholder coffee farmers spread across 14 farmer cooperatives. Scope expanded to reach 4 medium scale estate farms in the same regions and 2 Millers.



 $\checkmark$ 



# **TRACE Kenya**

Two estates in Kericho county obtained EU Organic certification in 2024

## **Viqwetu Estate**

- Once a coffee quarry now reclaimed into an organic farm.
- Elevation- 1500 m.a.s.l
- Certification- EU Organic







## **Humkel Estate**

- Coffee on the rocks
- Koyabei(1620 m.a.s.l) and Kaptalamwa(1850 m.a.s.l) Farms
- Certification- EU Organic



## TRACE Kenya Additional Milestones

- **481 Trainer of Trainers(ToTs)** trained on sustainable farming practices
- **25,301 farmers** trained on innovative organic coffee farming and Good Agricultural Practices through the ToT model.
- 42 Clonal Gardens and Demonstration sites established.
- **20 nurseries** established with a capacity of 50,000 to 70,000 seedlings for coffee and agroforestry seedlings.
- 2 Million+ coffee and shade tree seedlings raised since 2022 through the nurseries
- 95% Income increase driven by both price per kilogram and yield.
- 317 Jobs created
- 6,204 new members at the cooperative level
- **12,674 farmers certified under the Rainforest Alliance Standard** from seven cooperatives.
- 50+ field days, educational forums, stakeholder meetings and expos organised and convened in collaboration with County Governments, Millers, Organic Input Suppliers and Coffee Research Institute.
- 33 Gender Champions trained using the GALs and EASE Methodologies to champion for women and youth inclusion in coffee.











## **Quality Control**

## **Green Coffee**

- Moisture Meter
- Water Activity Meter
- Green Grading Screens
- Parchment Coffee Huller
- **Grind Size Sieve**
- **Shaker Roasting** 
  - ColorTrack
  - Probat Sample Roaster
  - Color Sorter



 $\checkmark$ 

## Brewing

- La Marzocco Espresso
- Wilbur Curtis Brewer
- Mahlkoenig EK-43
- Ditting 804
- Moccamaster

#### **Microbiological** $\checkmark$

• Romer Labs AgriVision Pro (Ochratoxin A)





### RESPONSIBLE **CONSUMPTION AND PRODUCTION**



Above and right: ACR's Quality **Control Laboratory** 





As of March 2025, African Coffee Roasters(ACR) and Slow Forest Coffee have joined forces to revolutionize the coffee industry.

By combining precision roasting with regenerative production we are committed to creating a smoother, more transparent journey from farm to cup.



# Stay Connected with us!

For inquiries, collaborations and further information reach out to us:

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- info@acr.co.ke
- **C** +254 (0)20 7656565
- in <u>African Coffee Roasters</u>

