# Source well. Treat well.



Sustainability Report

2023

"We aim to join a worldwide effort that redefines the potential of businesses to create positive societal and environmental change."

> Paul van Schijndel Director Organic at Rhumveld

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# Foreword

We are proud to present the Rhumveld Sustainability Report for 2023. This is not just another annual report; it is a proclamation of our commitment to our promise: source well. treat well. To make a positive impact on every life we touch, and every part of the planet our work influences.

For more than 100 years Rhumveld have been building partnerships and cooperations with suppliers from all over the world. We stock our nuts, dried fruits, edible seeds and superfoods in our European warehouses in order to supply our customers the right quality at the right time. Our valued customers use our ingredients in their end products like nutritional food bars, cereals, roasted salted nut mixes under their (multinational) brandnames. We are their sourcing vehicle and with our experienced Quality team and our sourcing team we guarantee a safe and traceable food supply chain. Being ingrained within hundreds of food value chains, we are deeply connected to the people and planet involved. From the sprawling fields where our ingredients are harvested to the point where our products meet the end-consumer, we remain committed and devoted in our responsibility to do good, both for the people and for our shared environment.

In alignment with our dedication to global change and progress, Rhumveld has embraced the United Nations Sustainable Development Goals (UN SDGs). These goals, which address the global challenges we face including those related to poverty, inequality, and environmental degradation, resonate deeply with what we stand for. By integrating the UN SDGs into our strategies and initiatives, we aim to join a worldwide effort that redefines the potential of businesses to create positive societal and environmental change.

Furthermore, in our quest for transparency and a genuine commitment to change, we've decided to publish our very first Sustainability Report. This report is a clear reflection of our actions, challenges, and progress in our sustainability journey. We pledge to continue to share our journey with you, year after year, holding ourselves accountable and ensuring our actions align with our words.

Our sustainability report will walk you through our many initiatives and milestones, from our efforts to reduce our carbon footprint to the collaborations we have undertaken to uplift communities at the beginning of the value chain. Through every initiative, we hold a mirror to our operations, always questioning, always challenging, and constantly striving for better. <image>

However, our journey towards a sustainable future is far from over. With the accelerating challenges of climate change, resource scarcity, and social disparities, our determination to make meaningful contributions is more pertinent than ever. This is why we seek not just to be good stewards of the environment but to be vanguards of change, setting new standards, pioneering new methods, and inspiring others to join us in our mission.

As we move forward, let's continue to harness the power of collective action and shared purpose.

Enjoy reading our first Rhumveld Sustainability Report and I want to thank all our stakeholders.

**Paul van Schijndel** Director Organic at Rhumveld



# About **Rhumveld**

Rhumveld is a European leader in importing and distributing a variety of nuts, superfoods, seeds, and dried fruits. Our range includes both organic and conventional products. Deeply rooted in the countries of origin of these products, Rhumveld has several purchasing and sales offices worldwide.

Additionally, Rhumveld is part of the Monchy Food Company (MFC), a group engaged in the import, distribution, processing, and packaging of nuts, superfoods, seeds, and dried fruits. The company has embraced sustainability at the core of its strategy, focusing on innovation, quality, reliability, and presence in the countries of origin.

At Rhumveld, our ambition is to deliver our genuine, healthy, and sustainable products to end-users around the world. We are continually searching for the finest products at their source, with an emphasis on sustainable procurement. This includes ensuring fair income for farmers, minimizing CO2 emissions, and promoting organically grown products. Such an ambition cannot be achieved alone; therefore, we operate within a vast network of partnerships to accomplish this together. To achieve all these, we work with the best people and products and are always looking for new opportunities.



1919 Year of establishment

60+

Number of countries where Rhumveld sources from actively

300 +Customers

We create tasteful, healthy, and sustainable products from natural ingredients, grown in origins where we can (î maximize our C contribution to environment and society.

ision



Improving the quality of life of all stakeholders in our value chain



Source well. Treat well.

# **Our worldwide presence**

Rhumveld is present worldwide through various facilities and does its sourcing from about 60 different countries.

# **Our Certifications**

In the dynamic and ever-evolving food ingredients business, certifications are not just badges of honour; they are essential indicators of our commitment to guality, sustainability, and ethical practices. Both because we believe in responsible sourcing of quality products as well as consumers becoming increasingly conscious of the impact of their food choices, it is important for companies like ours to demonstrate commitment to these values.



or facilitate the trade of products, but do not manufacture, process, or store them. It ensures

We are a SEDEX member since 2018. We are also asking our key suppliers to become SEDEX members and perform regular SMETA audits. SMETA is an audit procedure which provides a compilation of best standards of labour, health and safety, environmental

Rainforest alliance provides a framework for sustainable agriculture, and help farmers produce better crops, adapt and mitigate climate change impacts, increase their productivity, and reduce costs. The standard is designed to support certificate holders to maximize the positive social, environmental, and economic impact of agriculture, while offering farmers an enhanced

This certification indicates compliance with the European Union's standards for organic farming and production. Products with this label meet strict conditions on how they are produced, processed, transported, and stored, ensuring they maintain their organic integrity.

EcoVadis assesses companies' sustainability performance. A Gold rating indicates a company is in the top 5% of performers evaluated by EcoVadis, demonstrating exceptional sustainability

# Sustainability at Rhumveld

As an importer and distributor of food ingredients, Rhumveld has a role at the heart of a vast network that includes farmers, processors, exporters, transporters, and numerous other stakeholders. We adopt a holistic approach to sustainability, aiming to be a catalyst for positive change throughout the entire food value chain. This means actively promoting practices that are environmentally and socially responsible, and economically viable. By doing so, we not only contribute to the well-being of our immediate partners but also to the broader goal of creating a sustainable and equitable global food system.

Our approach extends beyond our direct suppliers, extending influence both upstream towards the source and downstream towards the end consumer. We are at a critical point with the introduction of the Corporate Sustainability Reporting Directive (CSRD) in Europe, increasing consumer consciousness about food origins, and a growing emphasis on health. These factors make our industry ripe for sustainable innovations. However, significant challenges remain. These include the vulnerability of farmland to rising temperatures, which leads to yield and price uncertainties, persistent issues of poverty and gender inequality, the short-term focused use of chemicals on crops, and the continuing existence of child labour. Addressing these challenges requires concerted efforts and strategic action from all parties involved.

At Rhumveld, our sustainability team is driven by two core objectives. The first is to champion change and create a meaningful impact. This involves collaborating with partners to realize our vision of an improved food system. The second role is focused at making sure we can be in business with our partners in the long run, ensuring that all of Rhumveld's partners are rigorously audited and properly certified. This ensures they meet our high standards and are eligible to be part of our preferred network of suppliers and partners.



"Our approach extends beyond our direct suppliers, extending influence both upstream towards the source and downstream towards the end consumer."



# Our theory of change

Introducing the Theory of Change – a framework that encapsulates Rhumveld's strategic approach to creating lasting, positive impact in both environmental and social realms. This theory is not just a set of ideals; it is a roadmap that guides every aspect of Rhumveld's operations and interactions. At its core, the Theory of Change is about understanding and articulating the relationships between our actions, their impacts, and the ultimate outcomes we aim to achieve.



# Our 2030 goals

With our Responsible Sourcing Program, Fair Treat Program, Monchy Trivium Program and Partnerships we aim to create positive social and environmental change. Following our theory of change, our goal is to contribute to a more sustainable global food system and a healthier enivonment and improved livelihoods of communities and smallholder famers.

In order to track our progress towards these goals we have defined metrics that reflect our objectives towards 2030. We will measure and report on these metrics starting in next year's report (2024).

## Environmental

A more sustainable global food system and healthier environment



Social

Improved livelihoods of communities and smallholder farmers

Rhumveld

Sustainabi



**Net zero** in Scope 1 and 2



**28,000 trees planted** Investing in Biodiversity projects through the Green Branch



100%

5

of our key suppliers have implemented scope 3 reduction initiatives



new Sustainable Agriculture Projects



Net zero

deforestation in our key supply chains



Valid SMETA certification for all key suppliers from 2024 onwards



**4** new living income projects



**3** new women empowerment projects



**0** No child labour



new Community development programs through Monchy Trivium Foundation

# What we do



# Responsible Sourcing Program (RSP)

Rhumveld recognizes that its greatest impact extends beyond its direct operations, reaching deep into the supply chain back to the source. To achieve this impact, we started the Responsible Sourcing Program (RSP) in 2022. This initiative leads a variety of projects united by one goal: to drive positive change in Rhumveld's sourcing processes.

In collaboration with our suppliers the RSP is dedicated to identifying and implementing enhancements in social and environmental practices. The program is built on three pillars:

- **Assessing social and environmental practices:** This involves a comprehensive assessment of current practices, setting the stage for future improvements.
- 2 **Empowering suppliers and farmers:** We are committed to actively supporting our suppliers and farmers in adopting and maintaining sustainable practices. We offer a comprehensive training program based on the results of the assessment. In 2024 we will start developing sustainability e-learning courses for our suppliers, aiming to further raise standards.
- **Barbancing transparency and traceability:** Recognizing the critical role of transparency and traceability in creating tangible impact, we elevate these elements from mere tools to core objectives. This commitment ensures that every step in our supply chain, from farm to consumer, is visible and accountable.

## **Long-term Vision**

Rhumveld's Responsible Sourcing Program is more than a set of checks and balances; it's a long-term vision for growth and improvement. We recognize that change does not happen overnight, but through persistent effort and collaborative engagement, we aim to advance supply chains that are as socially and environmentally responsible as they are commercially successful.

We invite our stakeholders to join us on this journey of continuous improvement. By transparently sharing our methods, findings, and progress, we aim to foster a dialogue that leads to better practices, stronger communities, and a healthier planet.



## **Focus areas of RSP**

The Responsible Sourcing Program concentrates on critical areas that align with our values and the expectations of our stakeholders:

## Child Labour

Eradicating child labour from our supply chains is non-negotiable

**Forced Labour** We ensure that all labour is voluntary and ethical

**Living Income** We support initiatives that ensure a living income for farmers and workers

**Safe & Healthy Working Conditions** We promote the welfare of workers by ensuring safe and healthy work environments

**Bribery & Corruption** We combat corruption in any part of the supply chain

**Good Environmental Practices:** We support practices that minimize environmental impact

**Deforestation & Biodiversity:** We work towards zero deforestation and actively promote biodiversity

Value Chain Transparency: We strive for complete transparency in our supply chain

**Traceability** We strive to ensure the traceability of our products from farm-to-fork

Assessing social and environmental practices from suppliers

Understanding the multifaceted nature of our global operations, we have developed an assessment protocol for our top 50 key suppliers, assessing both their social and environmental practices. Rhumveld's 50 key suppliers are a starting point for our Responsible Sourcing Program, which will be extended to a wider group of suppliers in 2024.

Each supplier is scored based on a range of criteria: the thoroughness of their social and environmental audits, the robustness of their policies, results of the Rhumveld self-assessment questionnaire (SAQ), and direct observations from Rhumveld's purchase and sustainability teams during on-site visits. This scoring system is not designed to penalize but to identify areas for improvement and to track progress over time. It is therefore important that both Rhumveld and the suppliers believe in creating long-term value through long-term partnerships. We will not directly walk away from a supplier when we identify noncompliances; instead, we believe in providing support and training to facilitate improvement.

### Human Rights Due diligence

Another important aspect of our RSP is our Human Rights Due Diligence (HRDD) process. It encompasses critical elements, including identifying actual and potential human rights impacts, integrating HRDD measures into processes and global sourcing activities, and conducting training and capacity-building on human rights throughout the organization and beyond. Additionally, we prioritize the establishment of effective grievance mechanisms and whisteblower policies. These mechanisms ensure that concerns regarding human rights violations are promptly addressed, fostering transparency, accountability, and a culture of ethical responsibility within our operations and supply chain.

"We will not directly walk away from a supplier when we identify non-compliances; instead, we believe in providing support and training to facilitate improvement."



## **Empowering suppliers and farmers**

Supporting farmers is integral to Rhumveld's mission source well. treat well. We commit to offering substantial support to one supply chain's group of farmers each year, fostering the adoption of improved farmer practices. Our support ranges from on-the-ground training and technical assistance to the provision of resources that enable farmers to improve yields, enhance soil health, and reduce negative climate impact. This annual target underscores our dedication to creating a ripple effect of improved agricultural practices throughout our entire supply network. Last year Rhumveld supported farmers for sustainable practices in two of its important supply chains. Rhumveld supported this regenerative agricultural practice through direct financing, sending agricultural equipment and helping to secure a European subsidy grant.



## case study

# Regenerative organic quinoa farming in Bolivia

The Southern Altiplano of Bolivia, celebrated for its "Royal Quinoa" production, experienced a significant shift after 2008. The once-small, subsistence-based quinoa plots expanded to larger, commercial operations, adopting modern machinery and synthetic pesticides. While it initially boosted the livelihoods of over 40,000 farmers, the change led to concerning soil degradation, reducing yields, and threatening Bolivia's position in the global quinoa market.

Recognizing the dire state of soil health, Rhumveld's partner in Bolivian quinoa processing and exporting embarked on a mission to reverse the trend. In 2018, they initiated a "Soil Erosion Control Program", advocating for the principles of regenerative agriculture – an innovative approach to farming that centers on soil rejuvenation.

Regenerative agriculture presents a radical shift from traditional farming, emphasizing soil vitality, minimizing synthetic inputs, and enhancing biodiversity. Witnessing the transformative power of a small compost pile rejuvenating an entire field reaffirmed commitment to working in symbiosis with the soil, harnessing its natural productivity and ecosystem balance. The realization that synthetic pesticides and fungicides were detrimental to both harmful and beneficial organisms reinforced the need for a new approach free from synthetic pesticides, fostering a harmonious coexistence between agriculture and the soil's inherent capabilities. And not only does this regenerative agriculture methodology enhance the health and vitality of the land, but it also provides increased





yields, guaranteeing sustainable long-term farming prospects for quinoa cultivators.

Rhumveld supported this regenerative agricultural practice through direct financing and helping to secure a European subsidy grant.

**"Farmerlink enables** us to track each cashew from the first mile, ensuring every nut has been sourced in accordance with our high standards."

# Enhancing transparency and traceability

In the evolving landscape of global food supply, especially within the context of sustainability reporting, transparency and traceability has become key. At its core, transparency and traceability is the ability to track the journey of food products from farm-to-fork and making this transparent for consumers, customers and authorities. The complicated global food supply chain system we know nowadays hinders identifying bad practices in terms of food safety, operational efficiency, and both environmental harms and social harms. Traceability in itself is a tool to create impact and achieve goals, but because of its vital importance we identified good traceability as a goal in itself. Together with our partners in origin, we are committed to making traceability of all food ingredients transparent.

As an example, our sister company implemented the 'Farmerlink' software, which enables good practice of traceability. This program enables us to track each cashew from the first mile, ensuring that every nut has been sourced in accordance with our high standards for environmental and ethical practice. The application not only provides us with insights into the cashew trail from the very start, but it also provides valuable data regarding the crop harvests which is used to improve farmers' practices.

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## Examples of the visual journey in the application Farmerlink







# **Monchy Trivium Projects**

Recognizing that even a small effort on our part could significantly transform communities across the globe, we established the Monchy Trivium Foundation. Since its establishment in 2019, the foundation has set up a variety of projects in Brazil, Madagascar, Bolivia (2x), Vietnam (2x), South Africa, and currently working on a project in Tanzania.

Our regular interactions with suppliers in remote regions have opened our eyes to the difference we can make in these communities. A key focus of our efforts is enhancing access to quality education for children. We believe that by enriching their learning opportunities, we help them unlock their full potential. Evidence strongly suggests that early development of basic numeracy and literacy skills in primary education is a crucial determinant of academic and professional success later in life.

In support of its mission to educate, Trivium has built a collection of schools at communities throughout the world. And although education of children is the activity Trivium is most involved in, it also educates in different ways depending on what the community requires. This way Trivium is involved in training farmers in Bolivia in regenerative agricultural practices. In Tanzania the foundation supports projects related to cashew farming, such as a nursery.

## **Monchy Trivium Projects**



**School construction** Madagascar Since 2020



**School construction** Brazil Since 2022



**Regenerative agriculture** Bolivia Since 2022



**School construction** Bolivia Since 2019



**School renovation** Vietnam Since 2022



Farmer training centre Tanzania Since 2023



Beyond local impacts, the Foundation also endeavours to raise awareness among our stakeholders about the collective role we can play in preserving natural resources. Established as an independent, non-profit, charitable organization, the Foundation commits to initiating at least one new development program annually, aimed at uplifting impoverished communities within our supply chain.







"We have been actively expanding our Fair Treat program's product portfolio through which we are contributing to a more socially and environmentally responsible food system."



We are witnessing a growing demand for sustainable products, a trend fueled not just by European regulatory bodies but also by discerning end-consumers. This positive shift, however, comes with its own set of challenges - primarily, maintaining competitive pricing while adhering to sustainable practices. At Rhumveld, we have embraced this challenge head-on. Since early 2023, we have been actively expanding our Fair Treat program's product portfolio through which we are contributing to a more socially and environmentally responsible food system.

Introducing the Fair Treat Program: This initiative represents a convergence of sustainable values shared by end-consumers, our suppliers, and Rhumveld. The program's core involves a collaborative process with our partners in key



markets to identify consumer-preferred products. We then engage with the right suppliers, aiming to synergize commercial viability and sustainability in a mutually beneficial manner.

A critical aspect of the Fair Treat Program is stringent adherence to social and environmental standards. Only when a supplier demonstrates a tangible, positive impact on their farmers and workers do we consider them a fitting partner for the program. These products are then introduced to the European market, accompanied by compelling narratives that highlight their sustainable origins.

In essence, the Fair Treat Program is more than just a collection of products; it's a testament to responsible sourcing. By offering such products, we not only meet consumer demands but also generate meaningful impact at the source.

# **Participation in** cross-sector and sector initiatives

## Sector initiatives

In our commitment to catalyze positive change in the food system, Rhumveld actively engages in collaborative efforts within various industry working groups. Since a couple of years, Rhumveld is a member of the Sustainability working group of FRUCOM, a prominent European trade association dedicated to representing the interests of its members in the fruit and vegetable sector. The Sustainability working group plays an important role in closely monitoring and engaging with European Union policy on sustainability. It ensures that the perspectives and interests of its members are effectively communicated and considered in the policy-making process. The primary objective of this working group is to foster knowledge sharing. It identifies opportunities for joint initiatives and provides valuable guidance for companies looking to initiate their own due diligence processes in the supply chain. Key discussion topics within the Sustainability working group include human rights due diligence, sustainable packaging practices and Life Cycle Assessments (LCAs).

Moreover, Rhumveld is also represented as a board member in organic associations such as BioNederland and Bionext. This involvement underscores our strong advocacy for the transition to organic practices. We actively support and contribute to the strategic initiatives and policies that drive the organic movement forward, aligning with our broader goal of creating a more responsible and sustainable food system.



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## **Cross-sector partnerships**

We always seek for cross-sector partnerships with the aim of further increasing our impact. Our collaboration with Wageningen University, as an example, allows us to further explore the possibilities for the cashew apple. We also engage in partnerships with international NGOs, including SNV, and collaborate with the Tanzania Agricultural Research Institute (TARI). These collaborations underscore our commitment to fostering a more sustainable future in the agricultural sector and be at the forefront of positive change.

## Sustainable eco-labeled products

We also actively endorse certified products, such as Rainforest Alliance and Regenerative Organic Certified (ROC), as benchmarks for environmental and social responsibility. Our commitment to championing eco-labeled products contributes to creating a transparent and responsible supply chain. By doing so, we encourage stakeholders to prioritize environmentally and socially conscious choices, aligning with our commitment to sustainability.

# What we contribute to

Following our theory of change, our contributions are environmental and social. This chapter is organized around this structure.



Within the first half of this chapter, we delve into the most pressing environmental challenges posed by our (indirect) operations and articulate our strategy to mitigate their impact in the forthcoming years. Rhumveld is devoted to addressing critical environmental concerns including CO2 emissions, soil degradation, use of pesticides, deforestation, biodiversity loss, energy usage, and water usage.



The second half of this chapter is devoted to our social contributions. The scope of the food ingredient supply chain is vast, encompassing farmers, their families, farmer cooperatives, exporters, processors, regulatory bodies, clients, and consumers. As we trace the journey of ingredients from their source to the end consumer, we often encounter diminishing transparency, particularly at the beginning stages of the supply chain. This lack of clarity can pose significant challenges in ensuring adherence to human rights, fair compensation for farmers, and the presence of ethical practices throughout the supply chain.

# Environmental

Rhumveld's products are sourced from nature. While some are harvested from wild crops, many come from agriculture. Despite primarily partnering with exporting companies rather than farmers directly, we work closely with our suppliers to improve farming methods. We prioritize social aspects like fair wages and good working conditions for farmers. We believe that better environmental practices in farming also lead to better social outcomes. For instance, treating the soil well not only improves its quality but also increases farmers' income in the long term.



### **Deforestation & Biodiversity**

We understand the importance of maintaining the world's forested areas for their biodiversity, climate regulation, and the communities they support. Despite not being present in the food ingredients businesses that contribute the most critical deforestation, such as soy and palm oil, we are active in various food ingredients in which deforestation at the source is present. We are in the process of integrating deforestation benchmarks and programs into our RSP, with the aim of reducing our scope 3 deforestation attribution. 2023 for Rhumveld was a year of discovering how much deforestation is present within its supply chains, whereas 2024 is the starting year we commit to contributing to one deforestation/biodiversity project per year to reduce deforestation. From Rhumveld's 50 key suppliers, 16% indicates that there is a risk of deforestation within its supply chain, whereas 62% have implemented measures to avoid deforestation within its supply chain. Such measures vary from promoting wild harvesting, to encouraging and facilitating reforestation, and to prohibiting deforestation for farmers in order to be in business.



## case study

Boosting a forest-friendly açaí model that offers local communities sustainable livelihoods in Colombia

In the Putumayo department of Colombia's Amazon region, deforestation is a significant issue, particularly in the northern areas near Puerto Guzman. High poverty rates and limited sustainable livelihood options contribute to this problem, as land grabbers and settlers clear forests for grazing pastures and land ownership. However, there is hope in the form of açaí fruit harvesting, which offers a potential sustainable income source for families in the region.

One organization making a difference is our partner Corpocampo, an NGO founded by local farmers. They've developed a successful business model focusing on palm heart and açaí production, sourcing from both natural forests and

## CO2 footprint

Within scope 1 and 2, Rhumveld decreased its CO2 emissions from 2021 to 2022 with 52%. this reduction however was mainly a consequence of shutting down our own warehouse in Steenwijk, the Netherlands. We are now using a third-party warehouse, which offered us several benefits, including environmental advantages. As a result, our CO2 emissions attribution shifted from scope 1 and scope 2 to scope 3. To offset the remaining CO2 emissions, we compensated with certified carbon credits, achieving a net-zero CO2 emission result in scope 1 and 2.

small-scale farmers practicing agroforestry. With four processing plants providing employment, Corpocampo operates in conflict-affected areas, aiming to improve livelihoods and provide legal income opportunities.

Corpocampo's efforts extend beyond Putumayo, reaching regions like Cauca, Nariño and Valle del Cauca. They collaborate closely with Afro-Colombian and indigenous communities, creating jobs for hundreds of families, particularly female-headed households.

Edgar Montenegro, the founder, is recognized for his efforts in promoting peace through business. The impact of Corpocampo's work has garnered international attention. In 2017, they joined the Business Call to Action, a UNDP-led initiative promoting inclusive business models. The following year, Edgar Montenegro received the Oslo Business for Peace award for his ethical business practices. These achievements highlight Corpocampo's commitment to sustainability, peace-building, and economic empowerment in Colombia's conflict-affected regions.

# 66% scope 1 CO2 reduction from 2019 to 2022

Rhumveld's CO2 emissions (1,000kg)



Tackling Scope 3 CO2 emissions presents a complex challenge, particularly given the extensive network of suppliers and partners involved in our operations. We are engaged in a comprehensive planning process, initiating dialogues with a diverse range of suppliers and partners. The objective is to explore feasible strategies and collaborative approaches to effectively manage and reduce CO2 emissions across our supply chain. Our strategy encompasses a multifaceted approach: we are developing policies, facilitating meaningful discussions, and implementing training programs focused on environmental impact. Additionally, we are gearing up to set specific targets later this year for the reduction of Scope 3 emissions.



We recognize our duty to uphold stringent social standards, extending beyond our immediate operations to reach as deep into the supply chain as possible. We have identified key areas where we believe we have both a moral obligation and the capacity to make a meaningful impact. Our focus is on protecting and supporting the multitude of individuals involved in our supply chain, fostering a culture of transparency, fairness, and responsibility. This commitment is integral to our business ethos, guiding our actions as we strive to create a more sustainable and equitable food industry.

### Living Income

Living Income refers to the earnings level that allows farmers and their families to afford a decent standard of living. This includes the ability to cover basic needs such as food, water, housing, education, healthcare, transportation, and other essential needs, including provision for unexpected events.

The vulnerability to fluctuating global market prices, combined with the limited bargaining power of farmers and intense competition among producing countries, has the potential to greatly jeopardize the livelihoods of these farmers. While raising the farmgate price with a premium is a straightforward approach to boost farmer income, it risks making the product less competitive due to higher costs. Maintaining such price premiums demands long-term commitments from customers, necessitating a shift from traditional trade dynamics to a more collaborative partnership model. This approach is increasingly observed in modern soft commodity trading, but it's still not widespread. At the consumer end, purchasing decisions are still predominantly driven by price and quality considerations.

Nevertheless, there are alternative strategies to enhance living income for farmers, such as diversifying income with seasonal crops, providing agricultural training to boost yields, commercializing crop by-products, and establishing partnership models with buyers. We are committed to supporting a living income for farmers within our food supply chains annually. In 2022, we partnered with Bolivian quinoa farmers to enhance their organic quinoa yields through better farming practices. In 2023, we initiated a project with Tanzanian cashew farmers to diversify their income by integrating vegetable cropping into their farming activities.



## case study

# Bridging the living income gap for Tanzanian cashew farmers

Rhumveld's Tanzanian cashews come from Amama Farms in southern Tanzania. In 2023, this initiative positively impacted over 1,000 involved cashew farmers, with a particular focus on bridging the living income gap. Cashew farmers receive a premium above the standard farmgate price for their raw cashew nuts, which is a direct and effective way to boost the income of farmer families.

However, to effectively close the income gap, several other initiatives are required. In collaboration with local institutes, we actively work towards diversifying the farmers' income sources. This includes initiatives like promoting vegetable farming alongside cashew cultivation, providing farmers with additional revenue streams. Moreover, we are dedicated to enhancing the quantity of raw cashew nuts each farmer can market. This is achieved through the implementation of various yieldimproving techniques, such as the thinning of cashew trees and the use of organic fertilizers. These practices not only increase the farmers' earnings but also contribute to sustainable farming methods, ensuring a healthier environment and a more resilient agricultural community.



# Good working conditions

Through Rhumveld's RSP good working conditions are adhered to and monitored at direct suppliers. Work in these divisions of the global food system is often physically demanding, requiring certain checks to be in place. We believe the best way to assess a supplier's working conditions is through widely acknowledged social audits, such as BSCI or SMETA. SMETA is the most widely adopted social audit with 76% of Rhumveld's key supplies having done a recent SMETA audit. We urge all our key suppliers to obtain such a social audit and will continue to do so for our other suppliers throughout 2024. 82% of key suppliers indicate they have a labour & human rights policy in place.

At Rhumveld we have our own grievance mechanism which we actively promote with our suppliers. It can also be found on our website.

Agrievance mechanism, particularly in the context of farmers and the food industry, is a structured system through which concerns or complaints, such as unethical practices or violations of rights, can be reported, usually anonymously. This serves as a whistleblower function, offering a safe and confidential channel for farmers to voice grievances without fear of retaliation. It's an essential tool for maintaining transparency, ethical standards, and accountability within the supply chain, ensuring that any issues are promptly identified and addressed.



## **Gender equality**

We prioritize gender equality in the food industry, fostering inclusivity and equal opportunities for all, regardless of gender, race, or sexual orientation. It's a fundamental value integrated into our operations, reflecting our commitment to building a fair and equitable global food system. As demonstrated by our ongoing project in Tanzania, where we develop initiatives to enhance additional income for women, we are dedicated to empowering women in our supply chains. In the coming years we will be implementing more projects to empower women and promote gender equality across the industry.

## **Child labour**

Child labour in agriculture presents a significant global concern. Approximately 70% of children engaged in child labour worldwide, amounting to around 112 million, are involved in this sector. This reality is deeply troubling, as it often entails work that exceeds safety and well-being limits, posing risks to children's health and impeding their education. Rooted in complex factors like poverty, sociocultural norms, and limited access to education, addressing this issue demands collaborative efforts.

As part of our commitment to prioritize children's rights, we are taking proactive steps within our supply chain. As an example, in our cashew supply chain we started collaborating with cooperatives to digitally register farmers and households, implement robust traceability and reporting systems, and educate local communities about the risks of child labour. Additionally, the implementation of traceability software, such as Farmerlink, helps mitigate risks. Our corporate foundation invests in schools in impoverished communities within our supply chains to ensure quality education, thereby addressing the root causes.

Moving forward, we pledge to strengthen due diligence, intensify audits in high-risk supply chains, further implement grievance mechanisms and improve our supplier approval process. Our key suppliers have committed to stringent policies against child labour, aligning with our Responsible Sourcing Program (RSP), which prioritizes continuous monitoring and engagement. Our aim is to ensure that our supply chains are free from child labour, reflecting our dedication to promoting children's rights and well-being worldwide.



# Looking ahead

As we embark on this journey of reflection, we are filled with excitement about the progress we've made and the transformative impact we continue to foster in the field of sustainability.

### **Collective passion**

What makes me proud is the notable transformation we've experienced in the past couple of years. The journey of fostering a collective passion for positive impact has been a team effort within our organization. It's not just about making promises; it's about nurturing a shared vision and excitement for making a difference. Especially meaningful are the stories of our purchasers who conduct visits to the origin, even traveling to the most isolated regions. Driven by a genuine wish to improve the lives of communities they visited, these individuals have played a key role in shaping our journey towards positive change.

### **Partnerships**

As we look back, we acknowledge the significance of the close relationships with our partners in origin. Strengthening these bonds is not just a strategic objective; it is a genuine acknowledgment of the collaborative power we possess with our partners. Together, we aspire to make these connections even more resilient, ensuring that they continue to thrive and contribute to the sustainable development of the communities we engage with.

In certain origins, we have initiated collaborative projects with our partners, supported by the Monchy Trivium Foundation. These projects show the positive impact that can be achieved through joint efforts. Proudly, we have successfully implemented six projects in the past couple of years, each addressing specific sustainability goals. Three more projects in Tanzania, Brazil and Indonesia are currently being developed.

### Looking ahead

As our journey unfolds, we remain dedicated to the pursuit of making a positive difference. Each lesson learned becomes a stepping stone, guiding us toward greater sustainability and meaningful impact. The path ahead is an opportunity to further innovate, collaborate, and contribute to a world where our actions today resonate positively for generations to come. We will persist in our living income programs, supporting regenerative agricultural efforts, and implementing technologies like Farmerlink to elevate transparency and traceability in our operations. Additionally, we are dedicated to fostering cross-sector partnerships, collaborating with research institutions, and joining forces with local NGOs.

In this pursuit, we call upon our suppliers to persist in investing in fair and sustainable supply chains, recognizing that your commitment is integral to the success of our shared sustainability goals. To our customers, we extend an invitation to join us in this journey, encouraging you to embrace and share stories of positive change. By communicating these narratives to the end consumer, we collectively empower them to make more sustainable choices, thus contributing to the broader impact we aim to achieve.

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# Get in touch for partnering on sustainability topics



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