



Environmental Policy

Date
27/11/2020

Code
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Version
2

Page
1 of 2

I. Purpose

In line with its purpose of building a Better Coffee World, Mercon Coffee Group commits to address all environmental risks and impacts associated with its operations (coffee plantations, mills, warehouses and sourcing operations) through avoidance and/or mitigation.

II. Scope

Applicable to: All employees of Mercon group and its stakeholders. This policy shall be enforced in all wholly owned and/or controlled Mercon operations, including its Robusta plantations, its own and rented mills, warehouses/collections centers.

III. Guidelines

To achieve this environmental objective, Mercon will develop and implement an environmental management system, consistent with ISO 14001 Standards, to continually improve its environmental performance across all class of assets.

The environmental performance requirements applying to the Environmental Management System will include, among others, all applicable country-level legal and regulatory requirements, IFC Performance Standards, World Bank Group General and Sector-Specific Guidelines (e.g. perennial crop production), and Voluntary Agro-Commodity Standards (e.g. Rainforest Alliance, UTZ, Nespresso AAA Sustainability Program).

Mercon commits to:

- Identify the environmental risks and impacts associated with its operations through the adoption of a systematic risk assessment and management approach, including the preparation of comprehensive environmental management plans, as defined in the Environmental Impact Assessment Study (ESIA) and/or EHS audits.
- Minimize any possible negative risks and impacts of its operations, especially related to air emissions, effluents, and hazardous and solid wastes through the installation of equipment which technical specifications meet Good International Industry Practices (GIIPs). The performance of these equipment shall meet WBG EHS Guidelines and/or applicable country-level Environmental Quality Guidelines, whichever is most stringent.
- Promote resource efficiency, especially for water and energy usage, and will prevent pollution through waste minimization at all sources.
- Assign a competent Sustainability Director and EHS team at corporate and plant-level to ensure effective and timely implementation of the E&S Management Plans, Standard Operating Procedures (SOPs), and, as needed, Corrective Action Plans.
- The EHS team will define annual EHS targets and ensure the implementation of environment management plans, SOPs and Work Permit System of its own staff, contractor's workers and service providers through training, monitoring oversight and provision of appropriate Personal Protective Equipment (PPE).
- Measure and communicate its environmental impact, including point source air emissions, ambient air quality, noise, treated effluents and its greenhouse gas emissions (GHG) emissions.

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Page
2 of 2

The EHS Key Performance Indicators (KPIs) will be publicly released within an annual Mercon sustainability (EHS) report.

- Encourage, through its technical services (agronomists) in our LIFT program, good agricultural production practices, through promotion of Integrated Pest Management (IPM), and safe use of agro-chemical products, as last resort, through field farmer training and its website¹.
- Conduct, under the oversight of its CSR Sub-Committee, Sustainability Director, country-level EHS team and plant-level HR/OHS Committee, annual environmental audit to monitor, measure and recommend any corrective actions to improve environmental performance.
- Encourage its staff members and customer towards continuous improvement of its environmental performance.
- Pro-actively resolve community grievance relating to any matter that is alleged to constitute a breach of existing environmental rules in timely and duly responsible manner.

The policy will be made available and displayed at all operating sites and sales centers, translated in local language. Awareness sessions will be conducted to train all Mercon employees, contractors and service providers. Every employee in Mercon Group has the responsibilities for the effective implementation of this environmental policy.

The Board of Directors of Mercon Coffee Group will play a leadership role in the implementation of this policy through the establishment of annual environmental objectives, allocation of budgetary provisions for the implementation of the environmental management and monitoring plans, and annual review the effectiveness of the Environmental Management System and its performance.

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