

FIXING THE FUTURE.

A RADICALLY TRANSPARENT IMPACT REPORT

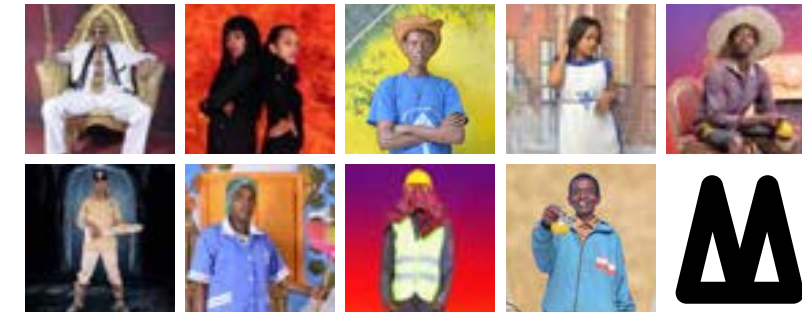




'I work for Moyee because I want to learn how an social enterprise works, because in the future I want to start my own one.'

Meron (25 years) - intern

There is a lot of 'unorthodox' imagery in our report. Trust us, you'll know them when you see them. These photographs are the work of the Dutch visual artist Jan Hoek (1984). In the spring of 2016 Jan traveled to Ethiopia with his camera and more or less carte blanche from us. His goal? To capture the ideals and dreams of a few key players on our FairChain team. In the spirit of radical transparency, we'd like to note that we had absolutely no influence – positive or negative – on Jan's work. He is an artist. Jan shot what Jan wanted to shoot, and the resulting images are the work of his great imagination. Please take the time to marvel these images and read the captions. They are based on interviews Jan conducted with each individual photographed.



by Jan Hoek

INTRODUCTION

Dear Moyeesta, The year 2020 will be remembered as a turning point in human history. A year that will be written about in school books and taught in universities, featured in documentaries and Netflix series. It is impossible to consider our impact results without looking through the lens of the covid-19 pandemic.

Not only did the virus rip through the fabric of global economies and cause an enormous death toll, it also unveiled society's deep social rifts.

Put simply, the virus brought to the surface the everrising inequality that has led to greater poverty, deforestation and climate change as well as eroded the social contract that binds the individual to the collective. This rising inequality also fuelled the global protests focused on

the unrelenting and unremitting pain of racism in society.

It's ironic to feature Milton Friedman as our first Face of FairChain in this impact report as many consider him to be one of the founding fathers of the neo-liberal paradigm. A paradigm that we here at Moyee consider to be the root cause of the unhalted wealth accumulation of the richest 1% and the continuing systematic exploitation of global supply chains. The present pandemic is yet another reminder that this neo-liberal system is totally unsustainable.

We did not launch Moyee to sell coffee – we created our brand to radically redesign the way coffee is grown, produced and distributed. Our goal has

always been to build a micro-economy that delivers more winners than losers; amazing coffee; living incomes to our farmers; independence from development aid; true cost production; and, ultimately, hope and opportunity for all.

Our brand mission is not to join the richest 1%, but is 100% focused on lessening the Great Divide between the fortunate and less fortunate and inspiring others to embrace our FairChain business model that shows every product can be transformed into a catalyst of change. As the world's 2nd largest commodity (after oil), coffee seemed to us like a great industry to hack and heal.

When we launched in 2012, many people

thought our tone of voice was too provocative and our business model too idealistic. We were okay with this, as critics rarely welcome those hellbent on changing the status quo. Fast-forward to 2021, however, and suddenly the very same business model and tone of voice start to tick. The world is angry, disappointed and hungry for social, economic and sustainable alternatives.

ENJOY THE COFFEE... JOIN THE FAIRCHAIN REBELLION

EVERY SIP COUNTS!

FACES OF FAIRCHAIN - MILTON FRIEDMAN

The irony of quoting one of the founding fathers of neo-liberalism is not lost on us. It's hard to imagine it today, but Friedman was considered quite the radical in his day. However, shortly after World War II the economist anticipated the rise of tyrannical states like few others. As a strong advocate of free-market principles, Friedman believed in the primacy of self-interest. During the economic crises

of the 1970s Conservative leaders like Ronald Reagan and Margaret Thatcher embraced Friedman's once-radical ideas. Ironically, in time, so did their political adversaries, like Bill Clinton and Tony Blair [\[1\]](#). Fueled by unprecedented economic growth in the 1980's, the neo-liberal free market capitalist ideas spread like a virus. Today, we at Moyee believe this model is totally bankrupt. This economic

model, based on unlimited growth which externalizes social and ecological costs in a way that benefits only a few, must be replaced. With Moyee we want to contribute to a new economic paradigm. We promise you that equality is at the core of our business and our ideation. ◀

“Only a crisis produces real change. When that crisis occurs, the actions that are taken depend on the ideas that are lying around”



1 ■■■■

■ OUR ORIGIN	6
WHY THE HECK COFFEE	10
WHY THE HECK ETHIOPIA	22
MOYEE FROM A TO Z	26
CREATING A 21 ST CENTURY ECONOMY	28
FAIRCHAIN'S MOONSHOT DEVELOPMENTS	30
FINAL CONSIDERATIONS	96

2 ■■■■



CUT THE CRAP;
LET'S GO STRAIGHT TO
THE NAKED FACTS!

■ ECONOMIC	32
INTRO	36
IMPACT EXPLAINED	37
ACHIEVEMENTS	38
THE NAKED FACTS	40
A GLIMPSE INTO THE FUTURE	42
DILEMMAS	46
MOYEE'S QUALITY COMMITMENT	50

3 ■■■■

■ SOCIAL	54
INTRO	58
IMPACT EXPLAINED	59
ACHIEVEMENTS	64
THE NAKED FACTS	66
A GLIMPSE INTO THE FUTURE	68
DILEMMAS	70
THEORY OF CHANGE (TOC)	74
LIVING INCOME RESULTS	76

4 ■■■■

■ ENVIRONMENTAL	78
IMPACT EXPLAINED	82
ACHIEVEMENTS	84
THE NAKED FACTS	85
A GLIMPSE INTO THE FUTURE	88
DILEMMAS	89
MIZAN FARM	90

Our goal is to turn the coffee world on its head by making it fairer. This brutally honest report shows you how we are doing.

Certified



Corporation™



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Drukkerij de Bij in Amsterdam, a Moyee Coffee user and supplier of our printed materials, is the proud winner of the Kodak Sonora Plate Green Leaf Award for Europe. That makes de Bij Europe's greenest printing house.



OUR ORIGIN

OUR ORIGIN

FROM FAIRTRADE TO FAIRCHAIN

In 2012, Moyee FairChain Coffee crashed into the mainstream on the back of a provocative press release announcing that Fairtrade Coffee would henceforth be known as FairChain Coffee. To our great surprise, the press release took off.

Much to our chagrin, Max Havelaar, celebrating its 25th anniversary, was none too pleased. We quickly apologized and pulled the plug on our pranky microsite, all under the careful watch of Max Havelaar / Fairtrade's lawyers.

However, our point was made. As noble as Max Havelaar/Fairtrade has been in raising awareness about inequality in the coffee sector, it has done strikingly little to solve it.

Every little bit helps farmers, of course. But NGOs like Fairtrade have achieved little to secure the long-term economic well-being farmers need to survive. We applaud their efforts, but we think the time has come to raise it up a notch.

Fast forward nine years and it is glaringly clear to everyone on the planet how acute the problem of inequality is – not only in the coffee sector, but in society as a whole.



FAIRCHAIN IN A TWEET

FAIRCHAIN'S DRIVING PRINCIPLES

1. TRADE OVER AID

We believe in social entrepreneurship over development aid. Sure, trade is not going to replace development aid overnight. But that doesn't mean it's impossible. As the origin of Arabica coffee, Ethiopia has enough premium coffee beans to be a well-off nation.

By shifting back some of the value-adding activities – such as roasting and packaging – to Ethiopia, we exponentially increase the country's earning capacity and reduce, and hopefully one day eliminate, their need for aid. Moyee's message is simple: Roasting at origin will triple Ethiopia's revenue

'overnight'. Imagine us achieving this across the entire global coffee belt.

2. CREATING SHARED VALUE

We wholeheartedly believe that tomorrow's economies will be driven by inclusive, regenerative business models that combine entrepreneurial competitiveness with corporate social responsibility and look beyond shareholders' value to create real shared value.

FairChain is all about sharing more of the value created in consuming countries with producing countries. We mean a 50/50 split – 50% for them, 50% for us. And by cutting out the middlemen muddle and not investing in famous faces, we are able to offer freaking good coffee at a very competitive price. Everybody wins!

3. COMPETE ON QUALITY NOT POVERTY

We are not a charity – we are serious coffee geeks. Since 2012 we have created a coffee chain that competes on quality and not on poverty.

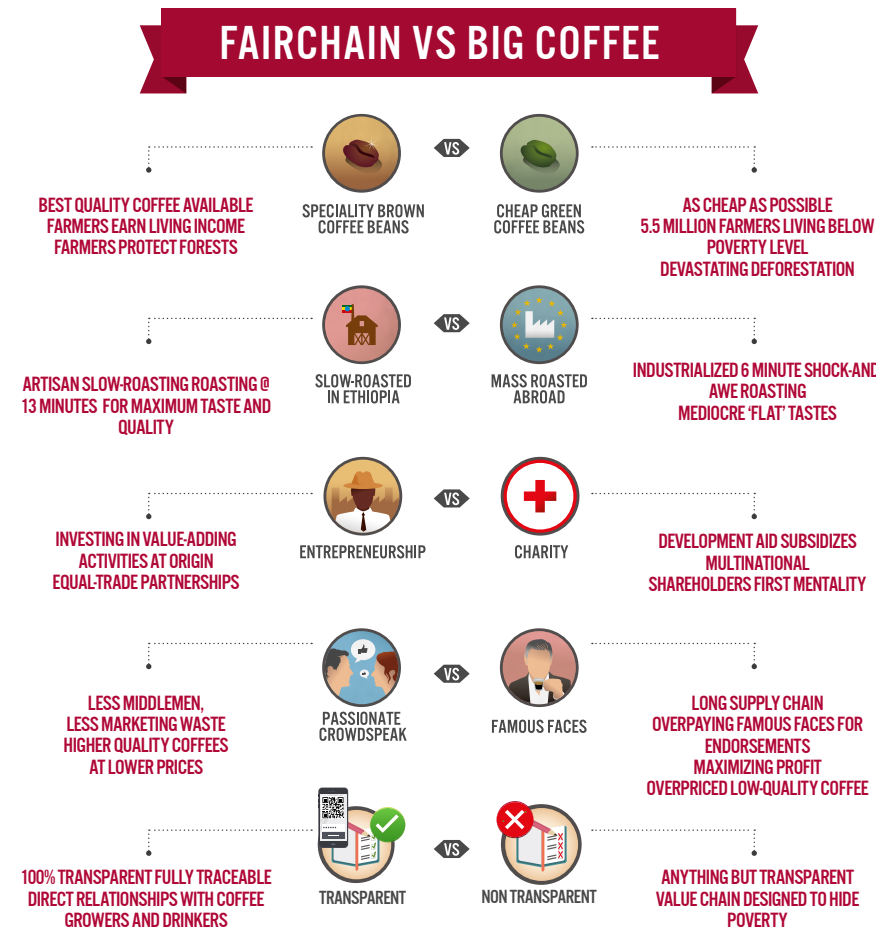
We support our farmers by treating their crop not as anonymous and emotionless

items, but as diversified quality products that deserve premium prices. Like we said previously, coffee farmers earn more money when we all – you, your grandma, your former girlfriend in Berlin – drink their very best beans. We want our fans to value the coffee based on its quality. The positive impact you get for free!

4. DIGITALIZING THE VALUE CHAIN

Most value chains are colonized by a few large multinationals that use their information and power asymmetry to channel all value creation to only a few beneficiaries. We believe that technology and radical transparency can help design value networks in which the value is (re-) distributed to all and support the Sustainable Development Goals in a quantifiable and verifiable way.

FairChain moves beyond storytelling to storyproving. ◀



WE'RE TIPPING THE BALANCE BACK TO THE COUNTRIES THAT GROW OUR COFFEE. NO MIDDLEMEN MUDDLE, GREAT COFFEE AT NORMAL PRICES AND PROBABLY THE END TO GOVERNMENT AID TO COFFEE GROWING COUNTRIES.



Ahadu (42 years) - CEO aka the big boss

WHY THE HECK COFFEE

SO WHAT IS THE PROBLEM?

Over the centuries, multinationals have become masters in the art of selling premium products at colossal profits – products made largely from valuable commodities sourced at rock-bottom prices in developing countries.

This system of buying low and selling high makes it virtually impossible for developing economies to grow. Even countries blessed with valuable commodities like coffee, cocoa and tea really have no prospect of ever catching up. Development aid attempts to compensate for this imbalance, with the negative side effect that it actually masks the problem.

ZOOMING IN - WHY COFFEE?

Inequality is particularly acute in the coffee industry. Today, the global coffee industry is dominated by a handful of Big Coffee multinationals. Their business model of buying low and selling high suppresses coffee communities in favor of their own obscene profits. (We wish we could formulate this more kindly, but we simply can't. Sorry.)

The result is that 90% of the proceeds of every cup of coffee end up in Western corporate pockets, while only 10% remains behind in coffee-growing countries. FairChain is a radical principle that aims to explode this gross system of exploitation!

WHY NOW?

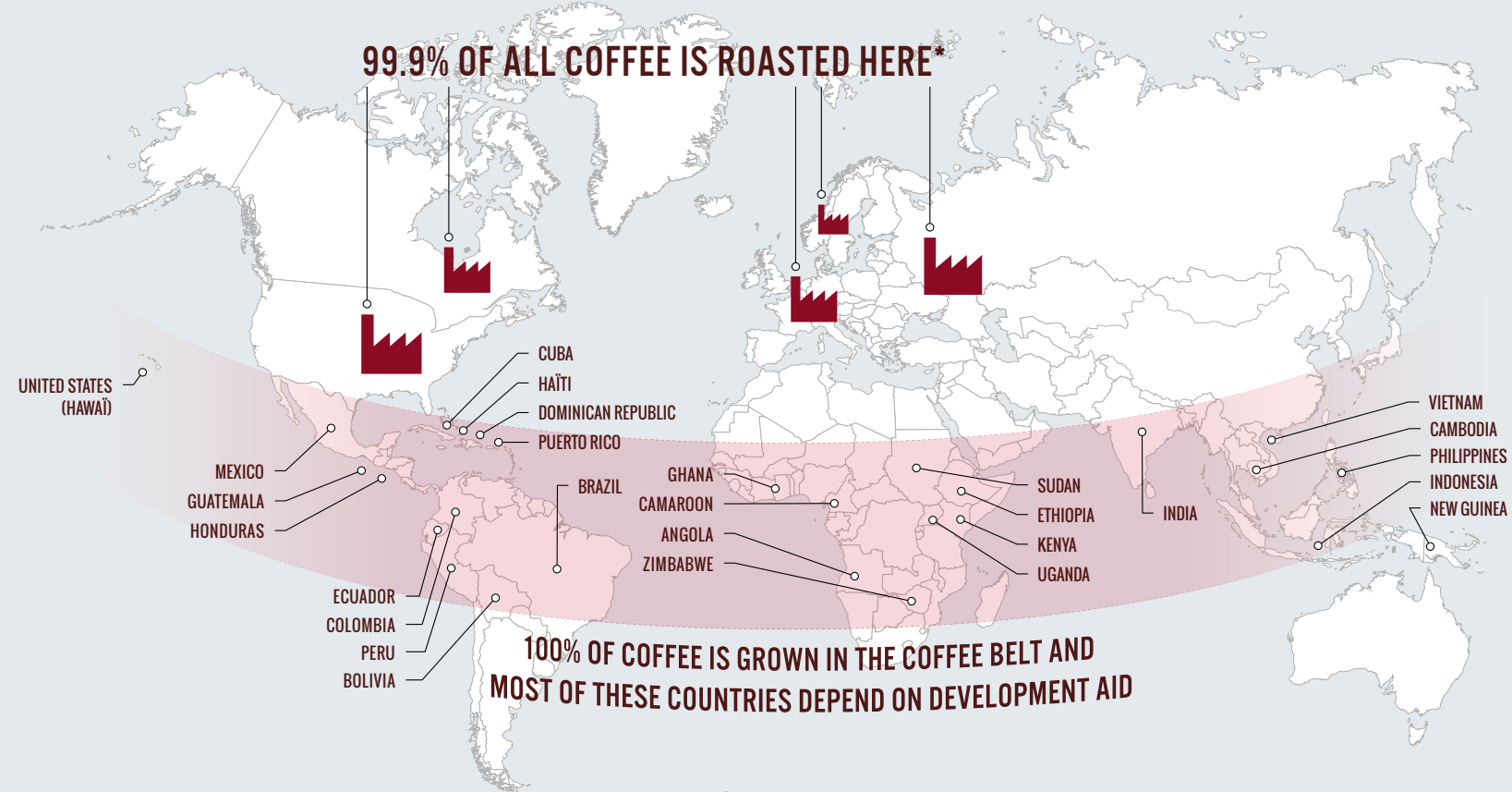
The rise of new (transparent) technologies, open-minded entrepreneurs and vocal global consumers are perfectly positioned to help bring an end to unfair trade and usher in more inclusive business models that actively aim to create shared value.

In this light, FairChain is a disruptor. Eight years ago people thought we were crazy, now we're one of the leading value chain shifters out there. FairChain is actively helping transform purposeless corporations designed purely for shareholder profit into social enterprises that give more to the countries and communities that produce the

commodities their businesses need to survive. This enables us to leave behind up to 50% of the value created in countries of origin instead of today's pathetic 10%. We want to show the world that equality is as easy as sipping a good cup of coffee. And we want to rally Western consumers to help us prove it. Our goal is a 50/50 split of the value of every cup of coffee – 50% for local coffee-growing communities, 50% for us the brand. It's a pretty hardcore ambition, we know.

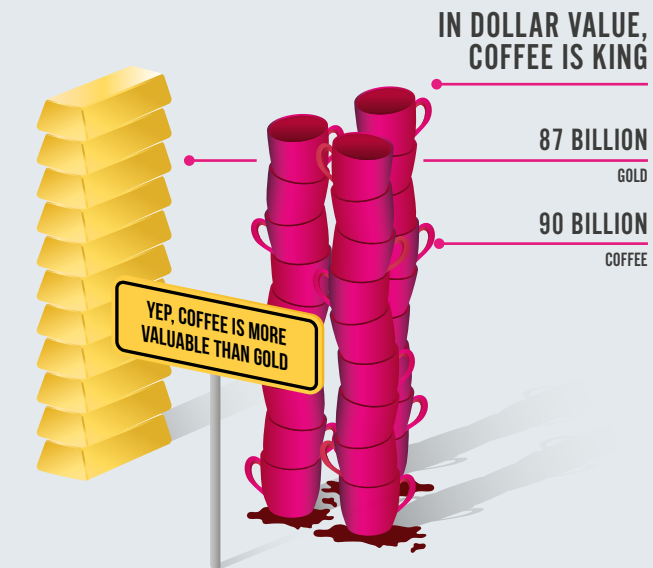
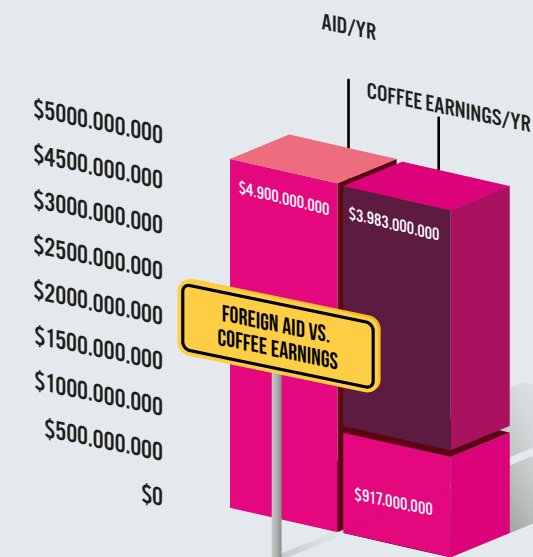
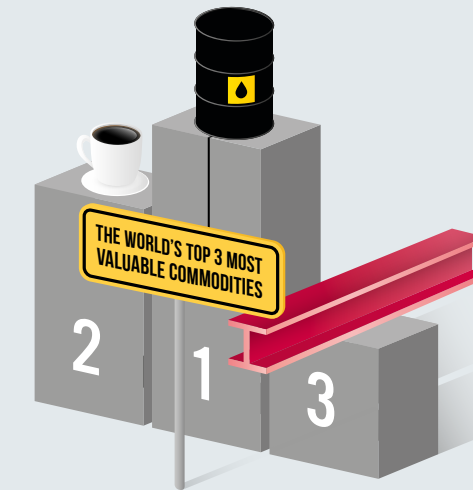
As this report shows, we've spent a lot of time kicking, screaming and shouting to get FairChain on your social radar. We hope our latest report will inspire you to support our FairChain movement and make every sip count! ◀

THE GREAT DIVIDE BETWEEN GROWING AND ROASTING



DESPITE SIGNIFICANT DEVELOPMENT THERE IS SUBSTANTIAL EVIDENCE THAT INEQUALITY BETWEEN THE WORLD'S RICHEST AND POOREST COUNTRIES IS WIDENING

* TO BE PRECISE: 99.9% OF ALL ETHIOPIAN COFFEE WE CONSUME IN THE WESTERN WORLD IS ROASTED HERE. - SOURCE: INTERNATIONAL COFFEE ORGANIZATION



Every single coffee bean comes from countries along the equator, in the so-called Coffee Belt. 90% of those countries rely on development aid. Pretty sad, eh?

Coffee is literally more valuable than gold, but all the profit is exported away

Coffee is a serious global cash crop. In fact, it's the second most valuable export product for developing countries (oil, my friends, is first). Which is to say, coffee is literally more valuable than gold ⁴¹! The key to tapping into this wealth is roasting, and the majority of roasting is done by Western companies far removed from the Coffee Belt. <

In the last 25 years, 5 ginormous coffee multinationals have hijacked the coffee chain, creating a huge economic imbalance between coffee-producing and coffee-consuming countries

Big Coffee thrives on squeezing the margins out of coffee-producing countries. The price of a cappuccino has exploded in the last few years, but coffee producers have seen none of that extra value. Actually, it's worse than that. They're earning less now than ever before – just 10% of the total value ends up in their hands. It used to be 47% of the value.

colonize the coffee industry. They give coffee growing countries like Ethiopia absolute no influence on pricing or direct access to international consumer markets. Our aim is to break that oligarchy, but we need your help.

FROM BAD TO DRAMATICALLY WORSE

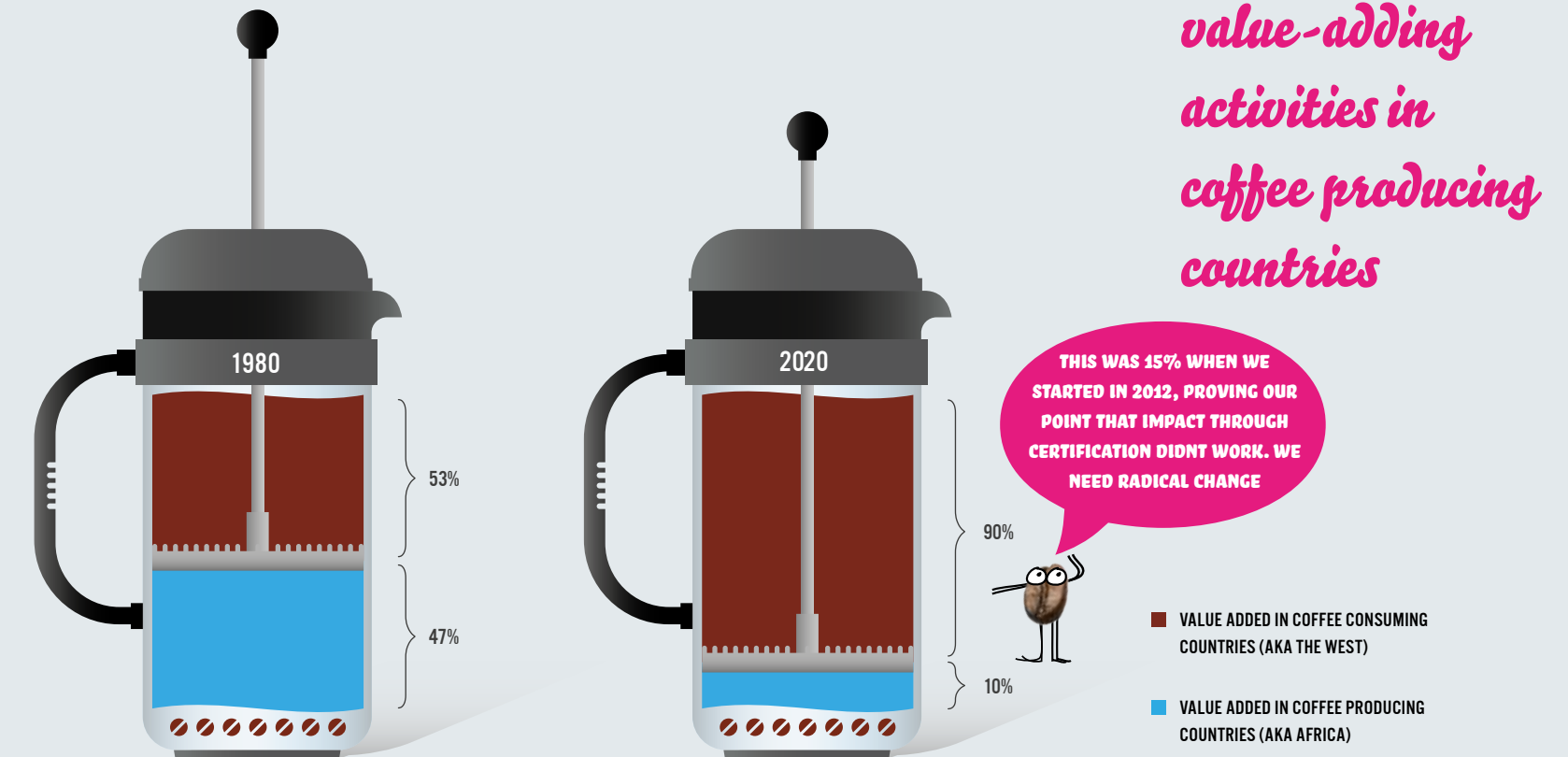
Moyee did a bit of investigative research of its own and we discovered that more than 50% of green bean export is dominated by only a few major coffee traders and a handful of Big Coffee conglomerates that

In the last 25 years, while people in the West have been shelling out €4 for a cappuccino, things for coffee-growing countries have gotten pretty ugly. Offsetting all improvements in farming

and bean quality is the fact that Big Coffee continues to find new ways to rob these countries of every opportunity to make more money for themselves. Roasting, distribution, streamlining operations, innovation — none of this happens in the global Coffee Belt. Today, a whopping 90% of total value (of which only 2% is added value) and profit goes directly into the pockets of Big Coffee.

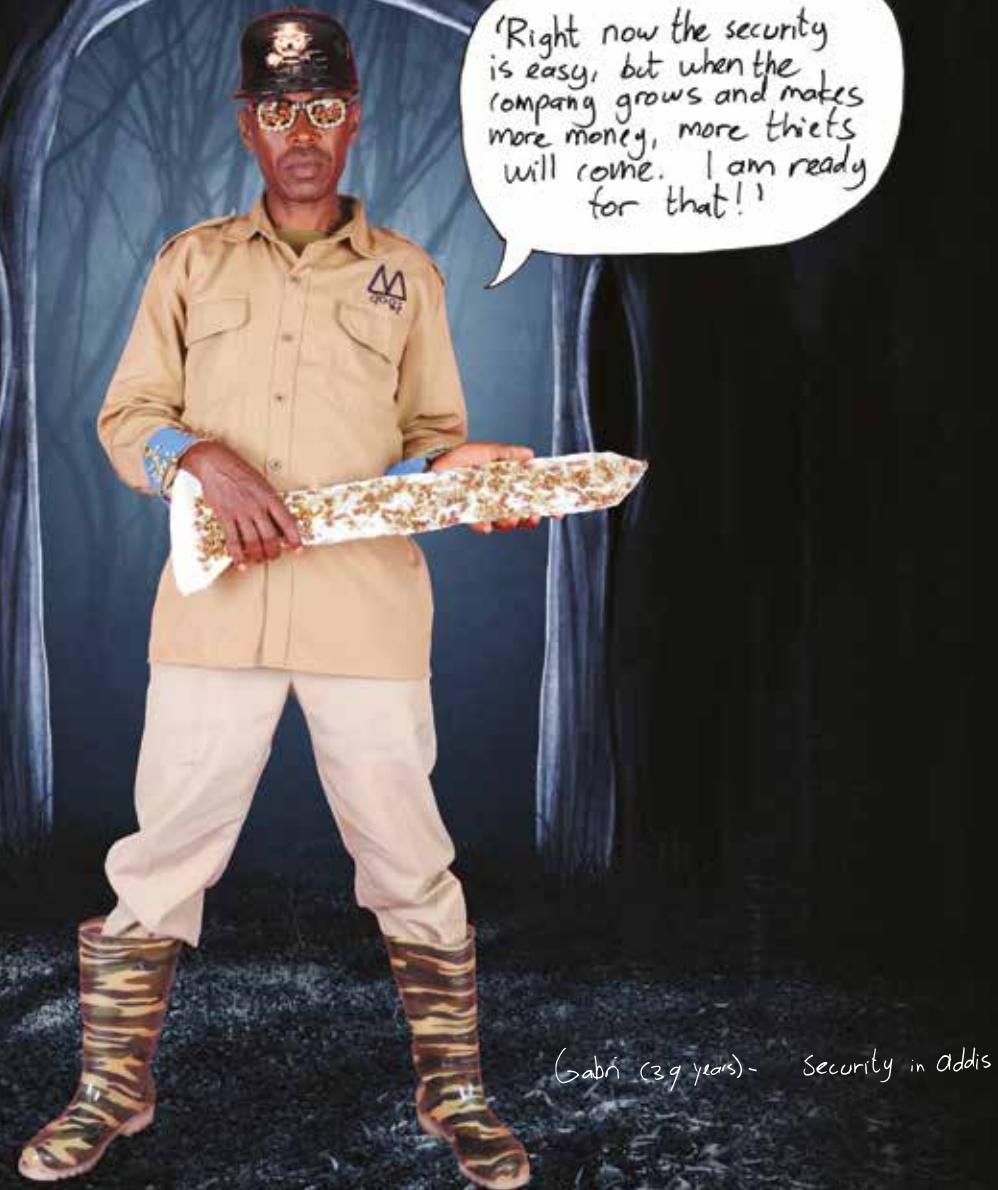
FairChain may be the last chance to make things fair again, because they WERE fair – or at least fairer – 25 years ago. So please don't say it can't be done... <

BIG COFFEE WANTS MORE MORE MORE OF THE VALUE



SOURCE: S. PONTE, THE LATTE REVOLUTION, 2001.

Squeezing out value-adding activities in coffee producing countries



FACES OF FAIRCHAIN - GUIDO VAN STAVEREN

"By creating Moyee, we want to contribute to a new economic paradigm. A paradigm that can replace the neo-liberal ideology that has dominated the last 40 years. A paradigm shift, a concept identified by Thomas Kuhn, is a fundamental change in a prevailing framework and experimental

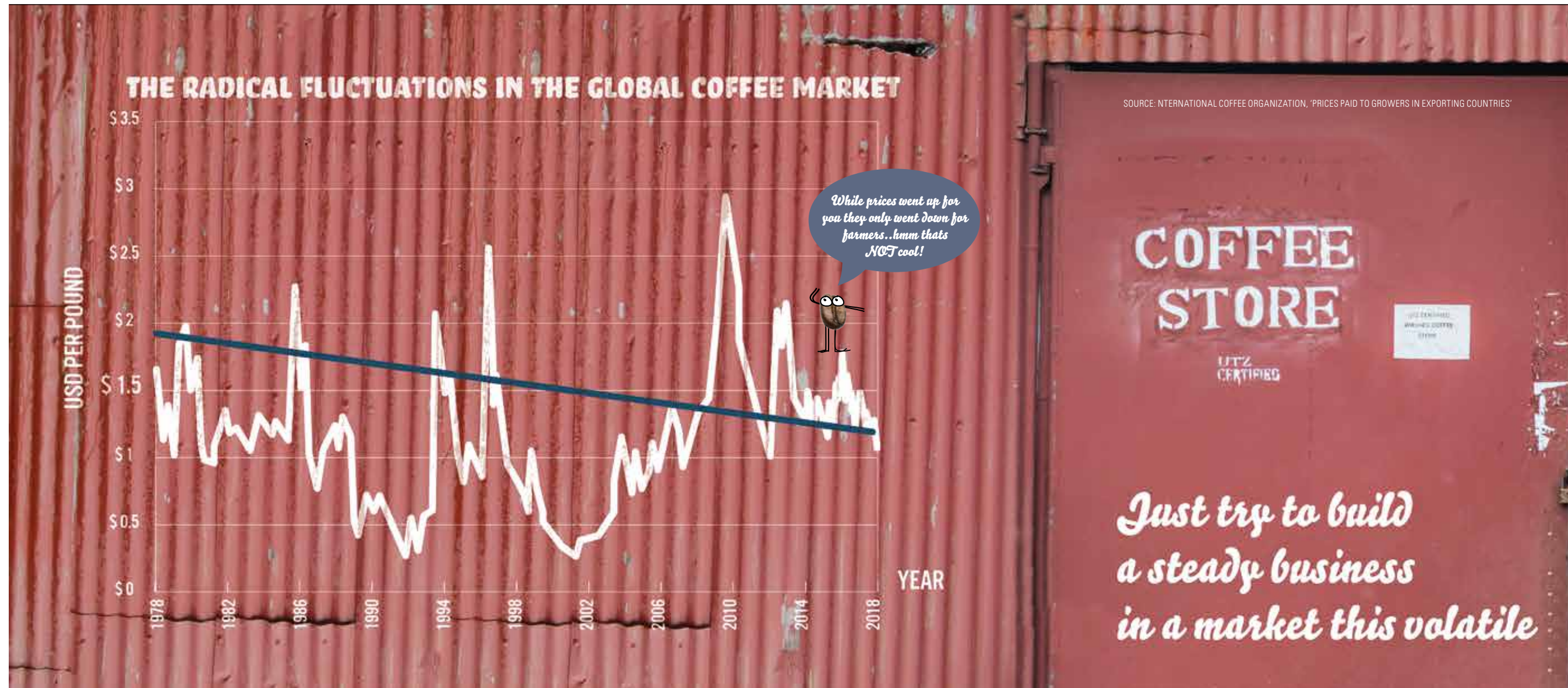
practices. We strive for radical change and work on an economic model that places equality at its core. What was considered unthinkable when we started is now becoming acceptable and sensible, but our experiments are far from over as we push the boundaries of our impact model to

address living income, true cost production and community ownership. Moyee is 50% amazing coffee, 50% experiment but 100% the future of business." ◀

"We didn't start Moyee to sell coffee, we started Moyee to prove that business models and supply chains can be structured in a radically different way and can contribute to lowering global inequality"



OUR ORIGIN - WHY THE HECK COFFEE



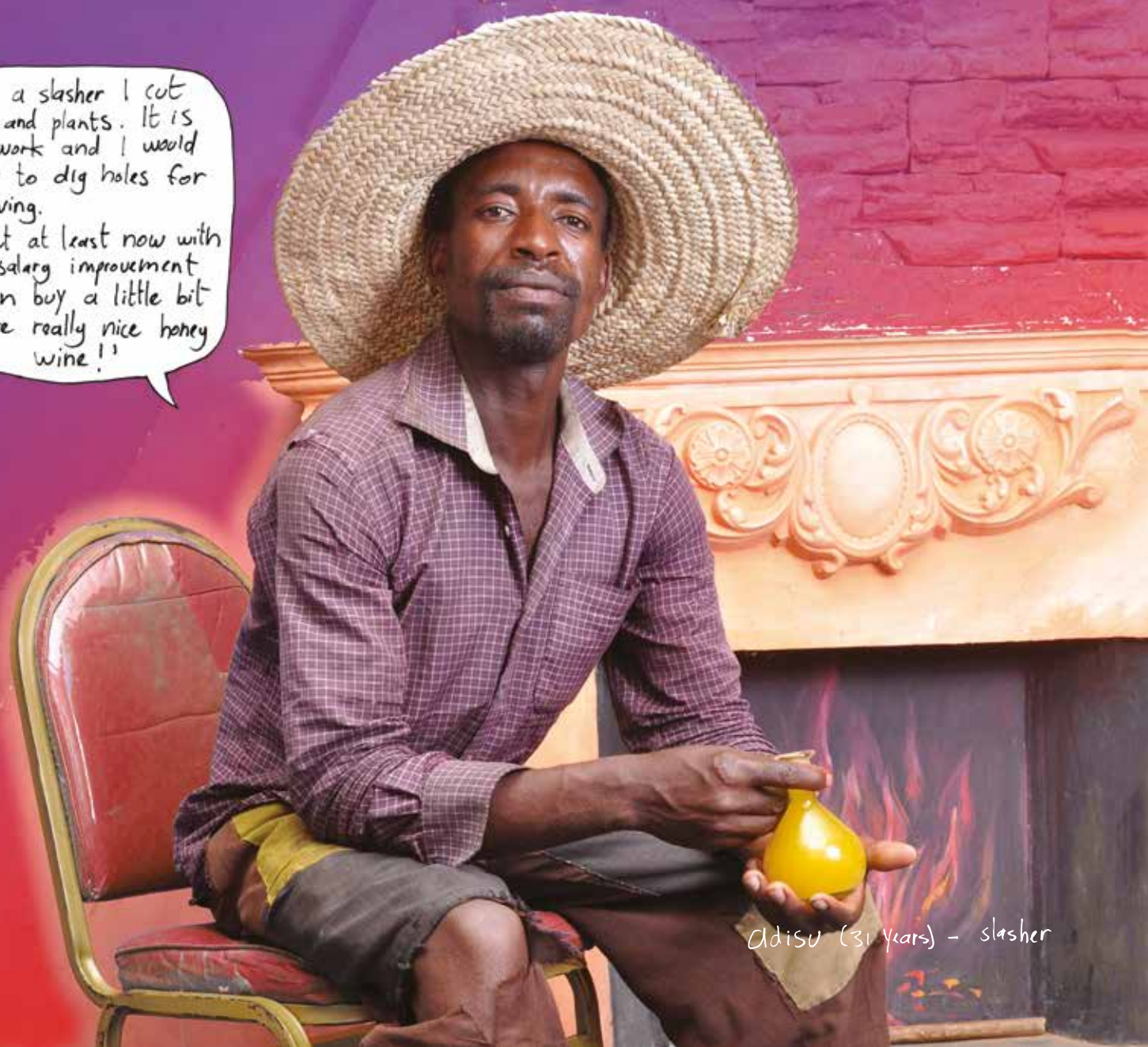
OUR ORIGIN - WHY THE HECK COFFEE

While coffee prices fluctuate each year, the demand for coffee continues to go up. Yet as consumer prices increase, the prices paid to farmers for their beans continue to plummet. The result is that farmers are left with little or no income to live on. In the current situation, it is absolutely impossible for coffee farmers – or even the governments of coffee-growing economies – to invest in their futures.

The prices offered by the Ethiopian Commodity Exchange (ECX) are a good example of the state of the industry. In 2017, coffee was traded at \$2.30/kg. In 2018, this dropped to \$1.58/kg. In 2019 it rose slightly to \$1.66/kg. Up and down and all around. Worse is the fact that Ethiopian farmers only retain 70% of this price. Farmers have become the pinballs of commodity trading. That's got to change. <

While the price of green beans is highly volatile and shows a downward trend along the Coffee Belt, the price for roasted beans has increased steadily over the last 20 years

'As a slasher I cut trees and plants. It is hard work and I would prefer to dig holes for a living.
But at least now with my salary improvement I can buy a little bit more really nice honey wine!'



Adisu (31 years) - slasher

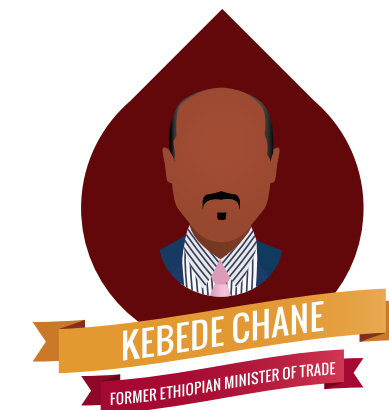
FACES OF FAIRCHAIN - KEBEDE CHANE

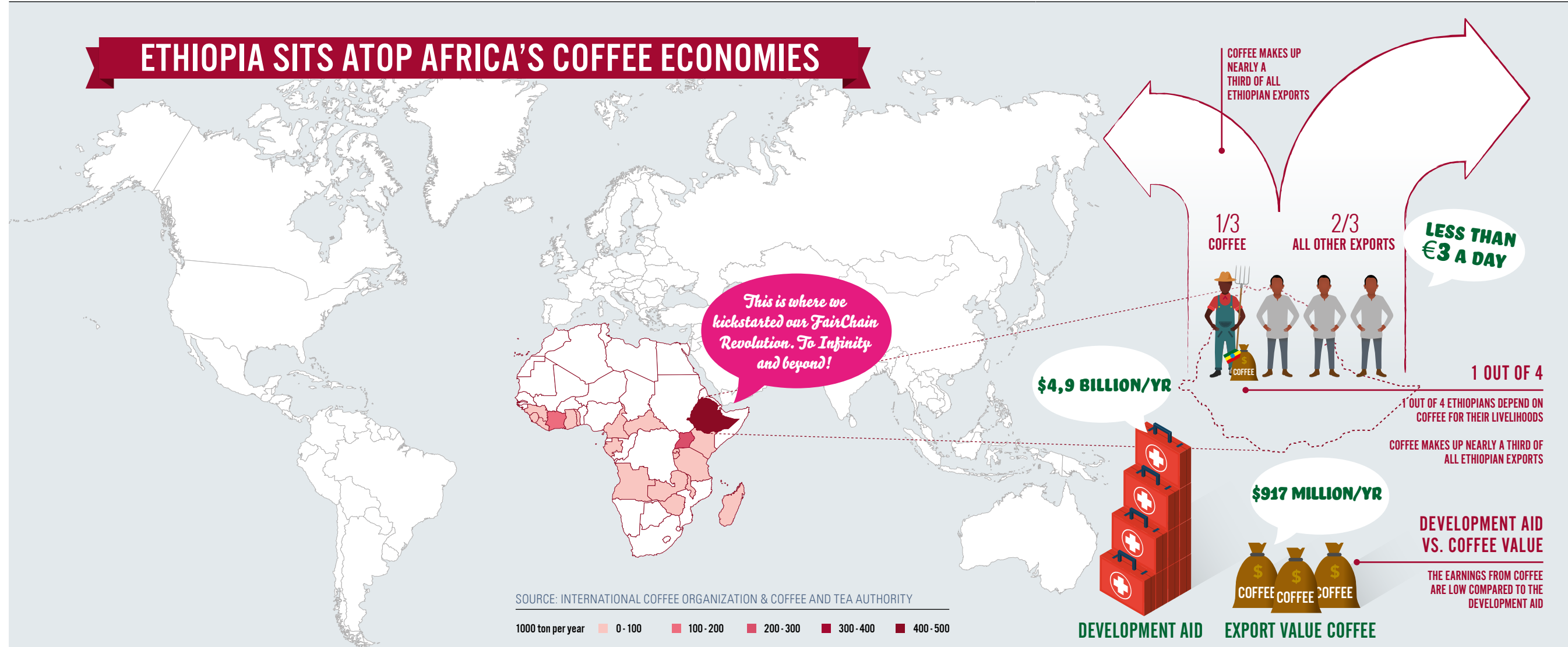
"As a developing country, we face huge challenges. Access to foreign currency is crucial for us to be able to pay for the things we need. Coffee export is Ethiopia's number 1 source of foreign currency. Value adding activities are key to the sector's development. It will not only bring us more income, but also more consistent income as

the market for roasted beans is much less volatile than the one for green beans. Just imagine, Ethiopian farmers being able to predict the price of their product and their earnings each year! With this predictability, they can go to a bank with a business plan and we as a government could more confidently invest in public services,

because we'd have predictable and consistent cash flows. Currently, we are at the mercy of the suits on Wall Street who are manipulating the prices of the coffee we rely on, but have no influence over." ◀

"Global coffee prices are fixed by Wall Street bankers, not hard-working growers. The bankers don't like FairChain one single bit, which means you should"





If you're going to start a coffee revolution, you might as well begin at its birthplace, right? That's Ethiopia. Every Arabica bean growing in the world today traces its DNA back to those very first coffee trees growing on the hillsides of Kaffa. Ethiopia is still Africa's number 1 coffee producer⁸.

Coffee is absolutely essential to the country's economy, with 34% of the total export worth of 2017/2018 coming from coffee⁹. While coffee is crucial to the Ethiopian economy, coffee proceeds are unfortunately not enough to sustain it; most coffee-producing countries still rely heavily on development aid.

How much development aid? In 2018, Ethiopia received approximately \$4.9 billion in development aid, which is about \$1.9 billion more than in 2015. 95% of coffee in Ethiopia is grown by smallholders living below poverty level. Globally 5.5 million coffee farmers live below poverty of which 1 million live in Ethiopia!

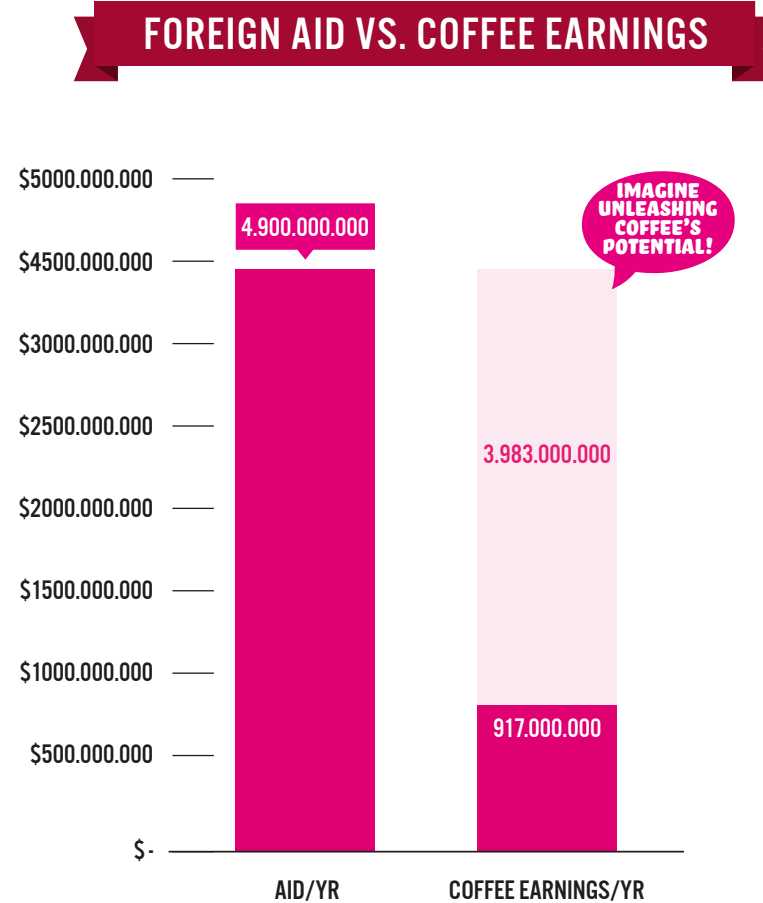
So yep, Ethiopia is a great place to kickstart a FairChain revolution, because they need one! <

Today, 95% of Ethiopia's coffee is grown by farmers with less than 1.5 hectares of land.

Trade over aid my friends

Few countries receive more foreign aid than Ethiopia does. Between 2004 and 2018, Africa's coffee capital received a whopping \$49.6 billion in official development aid, making it the third largest recipient of aid in the world ¹¹.

And it is increasing every year. The chief reason for this is we simply don't give them their fair share of the coffee cash. <



THE GLOBAL COFFEE CHAIN IN A NUTSHELL

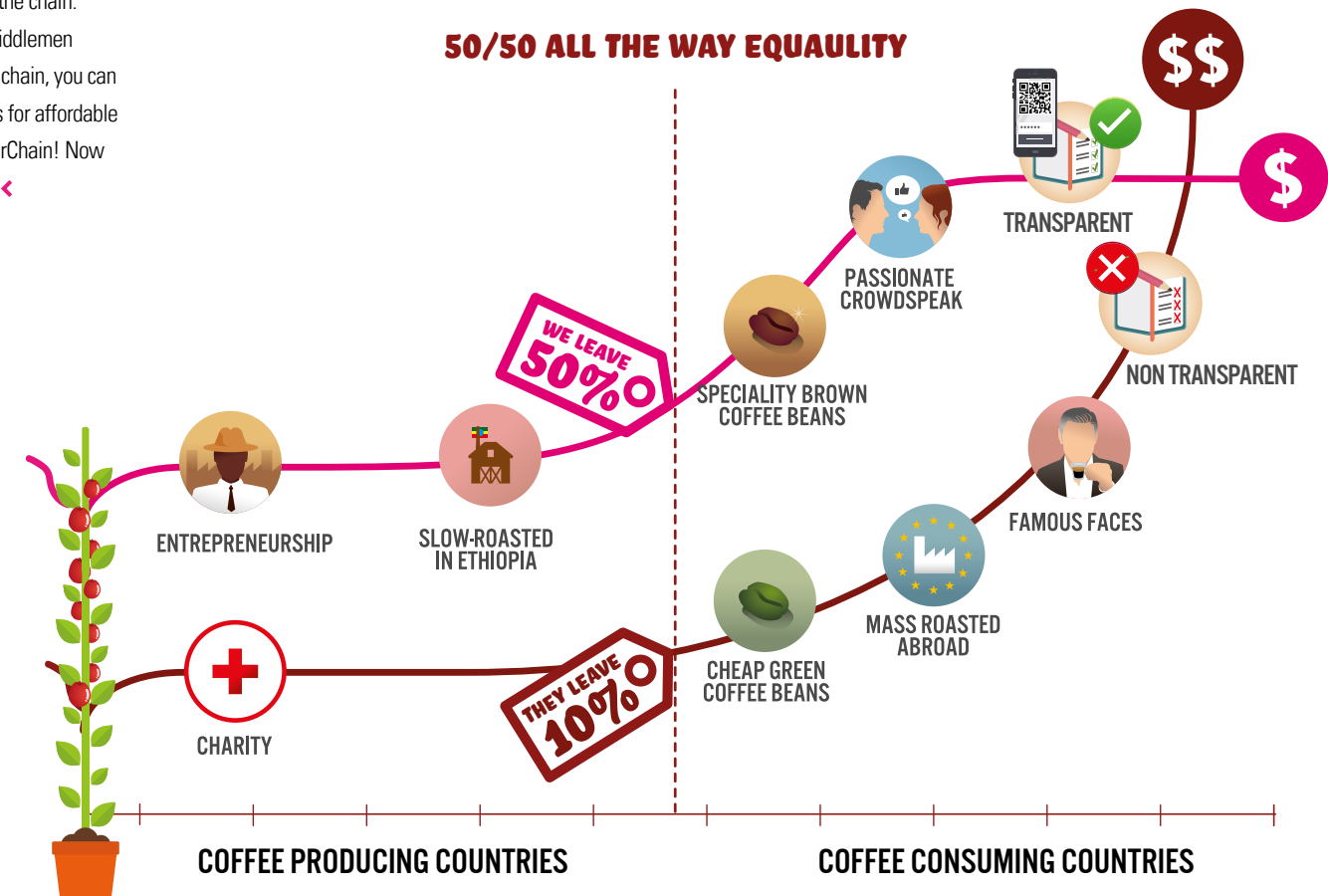
It's confusing, we know, but here's our attempt to keep things simple. Normally, a coffee bean begins life as a cherry growing on a coffee plant attended to by farmers. Once harvested, the beans are washed, cleaned and dried and become what we call green (unprocessed) beans. In their journey from highlands to harbors for export, various middlemen handle the green beans and take a small piece of the profit. The roasting and packaging of green beans takes place almost exclusively abroad, primarily because this is where the real value is created.

The above-mentioned process was created and is dominated by a few Big Coffee multinationals who have tweaked the system so they and they alone can make Big Bucks. Moyee FairChain Coffee is an alternative to all that. Our coffee is grown on wild forest-shaded coffee plants and handpicked by the farmers.

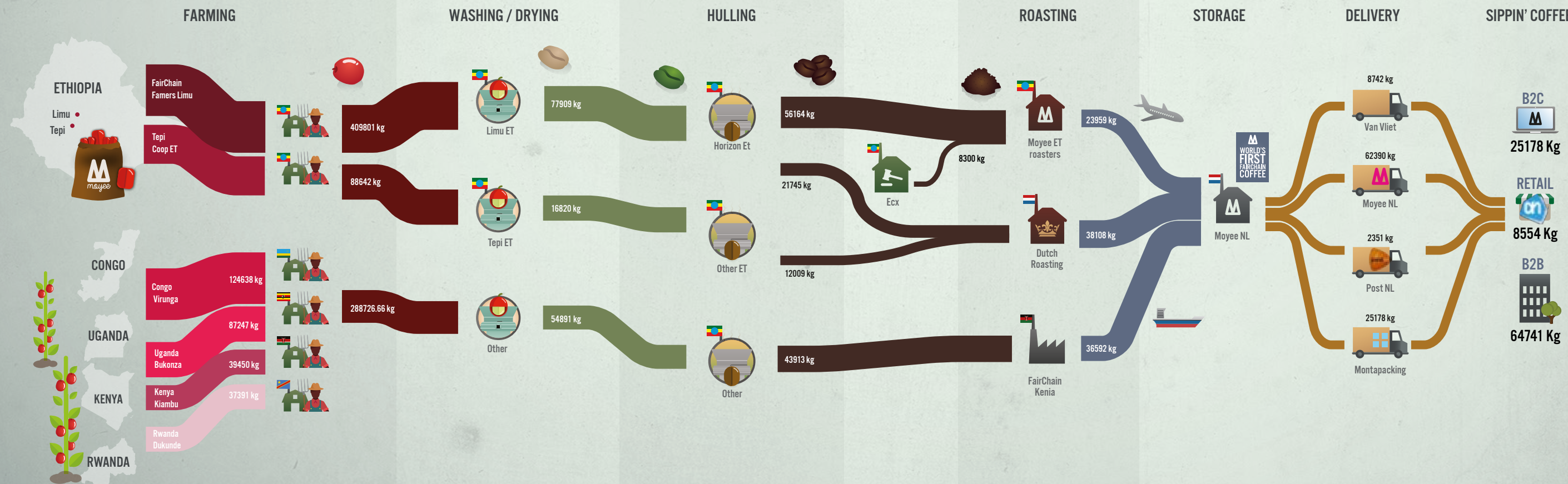
By roasting in country of origin instead of exporting away green beans, more profit remains in the hands of the men and women who contribute the greatest to the chain. And since we remove all the middlemen muddle, creating an ultra-short chain, you can enjoy premier grand cru coffees for affordable prices. Everybody wins with FairChain! Now that wasn't so difficult, was it? <

↑
moyee
COMPETE ON QUALITY

↓
BIG COFFEE COMPETE ON POVERTY



MOYEE FROM A TO Z



This is our supply chain from the birth of the bean to the coffee in your cup. Every single stakeholder in our supply chain adds true value in some way, shape or form.

The size of the streams flowing between each link indicates the volume of coffee flowing between them. For the sake of radical transparency, we've also revealed the sources of all our green bean suppliers (you're welcome competition, just go ahead and pay them what we pay them!). What we haven't included is the journey of coffee from point of sale to offices, cafes or your home.

Like every brand on the planet, our 2020 numbers were heavily affected by the global pandemic. Also, all our calculations are based on kilograms of coffee sold. If you have any questions or want more details, feel free to call.

Oh, and all the calculations are based on 1kg of Moyee coffee sold. <

CREATING A 21ST CENTURY ECONOMY

HOW TO CLEAN UP DECADES OF NEO-LIBERAL DEBRIS

For those of you tuning in just now (or who randomly opened to this page of our report), we would like to reiterate the fact that we did not start Moyee to sell coffee but to create a fairer economic system for all. Our ambition? Nothing less than global systemic change.

We've coupled our passion for positive change with a theory of change. A theory of change connects business models and impact interventions to set goals in a way that generates quantifiable and verifiable proof of impact. In the case of FairChain,

our theory of change comprises three important elements: Economic, Social and Environmental. Or more simply said: Factories, Farmers and Forest.

While we have a clear-eyed vision of the future, we realize much of what we are doing has not been done before. As often as not, we are learning about the problems at farmer and forest level as we go. In the following chapters we take you on our impact journey and explain how we moved from setting up one western-quality roasting facility in Addis Ababa to opening another in Kenya and stepping foot in Colombia. How we expanded from paying our farmers a 20% (FairChain) premium above market price

to paving the way for them to achieve living incomes. How we evolved from growing our natural coffee in existing forests to actively (and activistly) planning new forests with coffee treeplanting campaigns and calculating the true cost of our production.

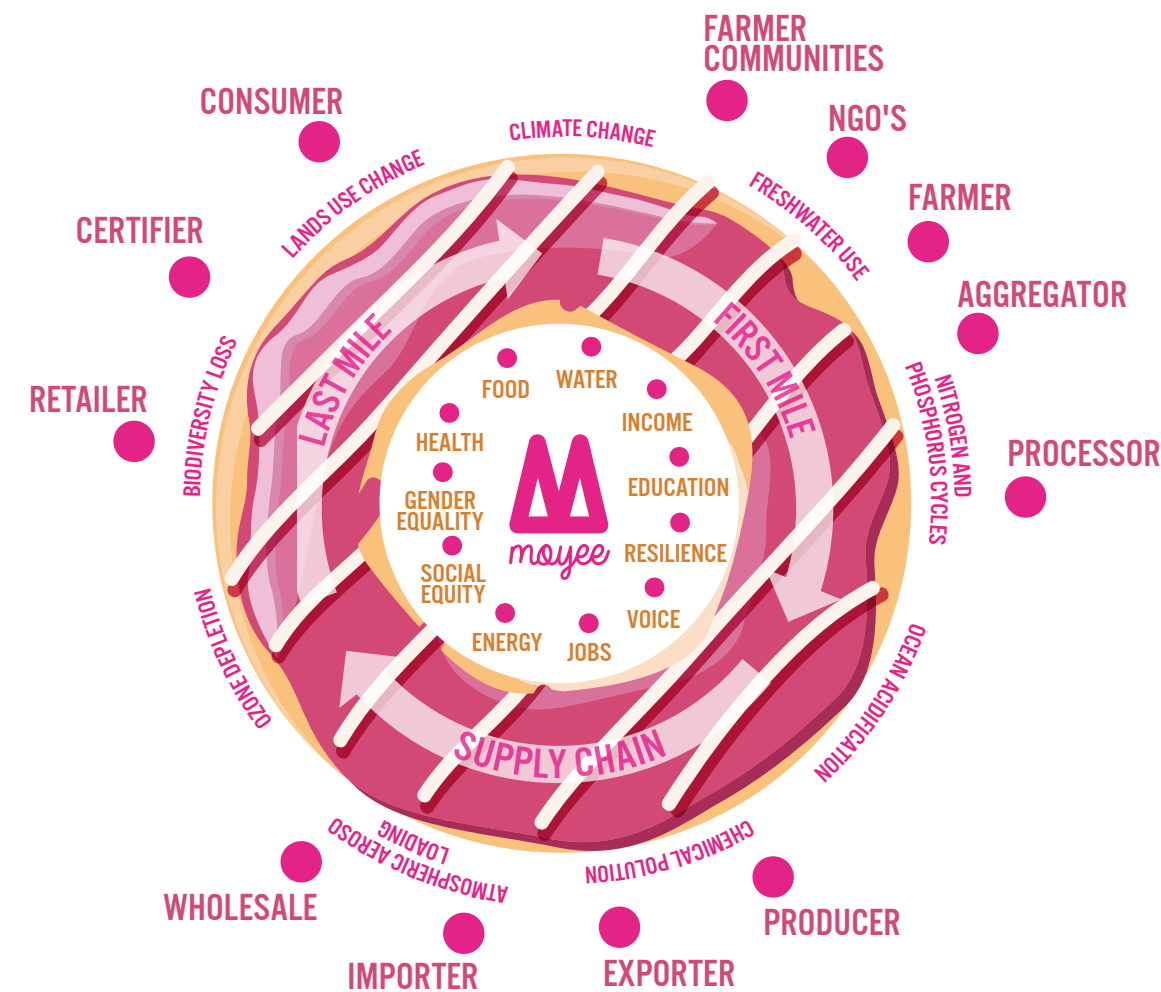
We have raised our bar high and, some would say, set ourselves up to fail. We disagree. We think we should set the bar even higher than our Factories, Farmers, Forests mantra. To Fix the Future we feel obligated to push our business model to the max to see if it can function as a vacuum cleaner to clean up the extraordinary mess created by a neo-liberal economic system that's totally out of whack.

How can we move beyond our **Mission Zero** of zero poverty, net-zero carbon emissions and zero deforestation in our supply chains? Why settle for being 100% less bad when you can break through the ceiling of imagination and start to do good? The very way we do business should sequester carbon, clean the air and pay living wages. Business should build communities, not destroy them.

For any business that is searching for a 21st century compass, Kate Raworth created an interesting concept she called the 'Doughnut'. Its worldwide goal is to ensure that no-one is left in the central hole, falling short on life's essentials, while

simultaneously ensuring that human activity doesn't overshoot the outer crust by putting too much pressure on earth's life-supporting systems. In other words, the aim is to meet the needs of all within the means of the planet.

We are determined to create an enterprise that is regenerative by design and gives back to the living systems of which we are a part. More than a to-do checklist, it is way of being in the world that embraces bio- and social-sphere stewardship and recognizes that we have a responsibility to leave the world in a better state than we found it. ◀



ECONOMIC

FROM ROASTING IN ETHIOPIA TO ENTERING KENYA AND COLOMBIA

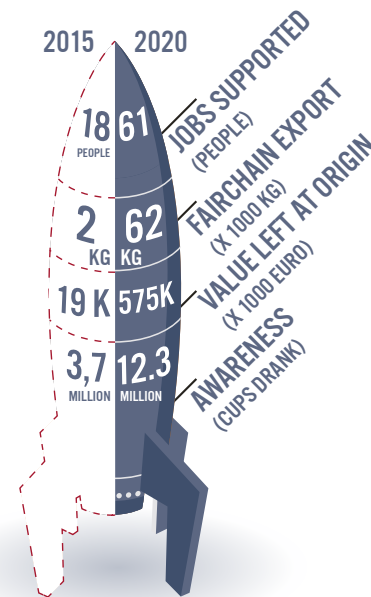
Founding a purpose-driven coffee company in Holland has been an enormous challenge to say the least. Like other western countries, Holland is dominated by Big Coffee companies backed by Big Bucks.

But that was easy in comparison to setting up an ISO certified roasting facility in Ethiopia, which is one of the toughest countries in Africa to do business with¹³.

In hindsight, this was madness! But backed by the relentless dedication of our team and the support of a growing army of changemakers, we made it work – sometimes just by the skin of our teeth.

In doing so, we proved that inclusive business models like FairChain are possible and offer a viable alternative to what's currently out there. Using the insights and expertise we gained in Ethiopia, we have expanded FairChain to Kenya and will soon set up shop in Colombia. Also, in addition to Holland, we are now serving FairChain coffee to businesses and consumers in Ireland, the UK, Germany and France.

So bam! FairChain is here to stay. (For more on economics, see next chapter). <



SOCIAL

FROM PAYING A 20% FAIRCHAIN PREMIUM TO A LIVING INCOME

Here are a few important things we have learned on our journey. For starters, the 20% additional FairChain premium paid out to farmers definitely boosted their income, but didn't come close to making a dent in their livelihoods. When we discovered this, we changed our nickname from 'the fairest coffee company' to the 'least unfair coffee company' and went back to the drawing board to design a new theory of change.

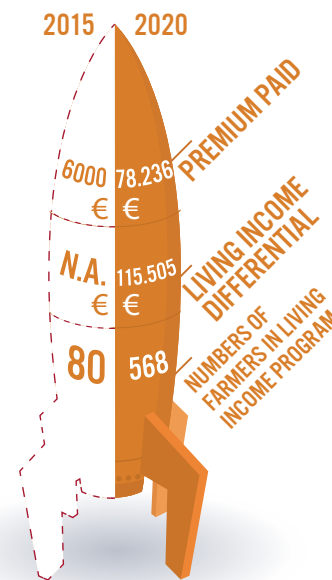
Working closely with the FairChain Foundation, we developed a FairChain Farming program specifically designed to 'bring a living income to farmers by managing profitable farms and getting involved in value-adding activities.

"This results in improving the livelihoods and communities' (Excerpt taken from

FairChain Farming mission statement). We were the first company in the Netherlands to commission a living income study in Ethiopia. This study has since sparked a number of positive interventions to help our farmers become profitable.

As a result we pivoted away from a 20% FairChain premium towards the concept of a living income differential.

(Read more about living income in our 'Social' chapter and how we measured it in the Annex). <



ENVIRONMENTAL

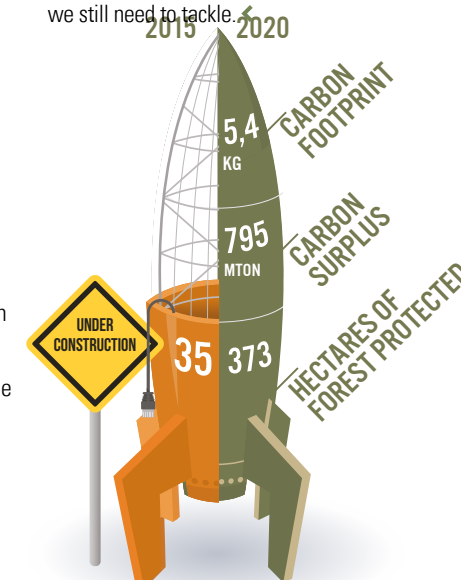
FROM NATURAL FOREST-GROWN COFFEE TO TRUE COST PRODUCTION

Admittedly, when we launched FairChain our focus was almost exclusively on economics and social improvements. These activities overshadowed our environmental agenda. Yet like any socially-driven initiative, our environmental footprint is very much on top of our minds. We are passionately addressing many of the 'eco obstacles' standing in our path from first mile to last mile.

We unveiled an ambitious tree-planting program in 2019 to boost farmer income, protect local forests and kickstart a Mission Zero moonshot. In the meantime, we are putting theory into practice by exploring true cost methodology.

(Read more about this methodology in the 'Environmental' chapter.)

We have designed our Impact Report around these three specific moonshots: Economic, Social and Environmental. In each section we dive deeper into our goals, the boots-on-the-ground realities and, not least, the challenges we still need to tackle.



ECONOMIC

ECONOMIC

FairChain is both a voice and a fist against a system in which development aid subsidizes global corporations that refuse to share their wealth.

But why should the burden of solving poverty, deforestation and climate change fall exclusively on governments and NGOs when Big Coffee corporations are pocketing enormous profits?

Why should the rich get richer and the poor poorer? When coffee is the world's most consumed beverage and its second most valuable commodity, why can't coffee farming be profitable in its own right and

coffee-growing countries enjoy trade instead of aid? And why can't we consumers not sip guilt-free premium coffee at reasonable prices? The answer to all these questions is: we can. Welcome to the world of Moyee.

It's all fine and well to say we are striving for economic equality, but what does that actually mean? Good question! Our main driver is to rebalance the global coffee chain.

At the heart of FairChain is a 50/50 approach that aims to create an equal value split between countries that produce coffee and countries that consume it. ◀



INTRO

Currently, only 10% of the value of your cup of coffee remains in the country of origin, which, when you think about it, is absurd!

By investing in value-adding activities like roasting and packaging at origin, we not only help coffee-growing countries evolve from primary (agro) to secondary (industrial) economies and create the valuable jobs that go with this evolution, but we also help generate 500% more income and thereby reduce these countries' reliance on government development aid.

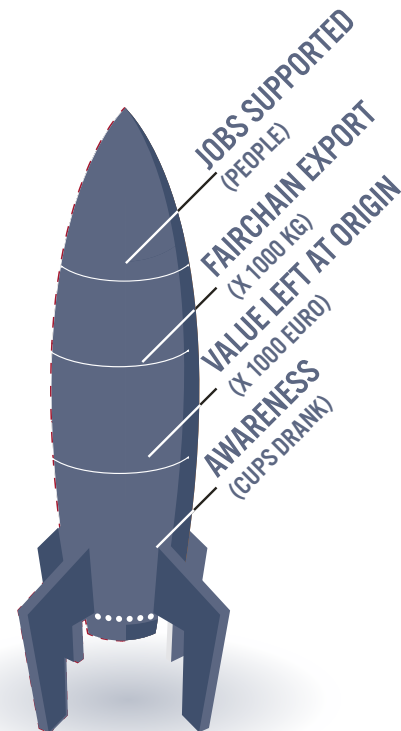
Put simply, we empower them to earn more. We call that trade over aid.

To measure the economic impact of FairChain we've created a fairly simple framework with three main impact indicators. <

We believe coffee-growing countries should claim their invaluable positions in the coffee supply chain. They have every right to demand to be equal partners. It's their coffee, after all.

A QUICK EXPLAINER:

- **Jobs supported:**
The x number of people employed in our roasting facilities.
- **FairChain export:**
The x number of kilograms of roasted beans exported from country of origin.
- **Value left at origin:**
The total amount or Euro's remaining at origin
- **FairChain awareness:**
The x number of cups drank by the FairChain community.



IMPACT EXPLAINED

IMPORTANCE OF ROASTING LOCALLY

Shopping 90% of the total value of every cup of coffee is exported away. In other words, only 10% stays in the country of origin. Out of this 10%, just 2% is considered 'value-adding'. FairChain's goal is to right this shameful imbalance and create an equal value split: 50% for them, 50% for us.

IMPORTANCE OF QUALITY

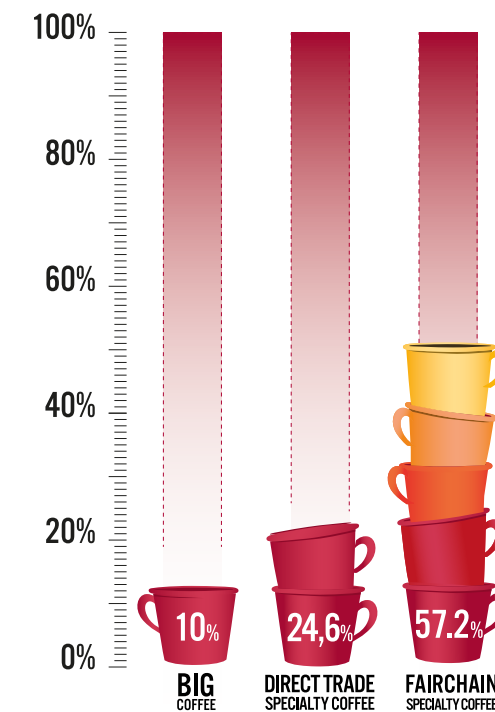
In recent years heavily bearded and tattooed micro-roasters have become the posterboys of the specialty coffee scene. Love them or hate them, these micro-roasters should get some credit for

kickstarting the trend to de-commoditize coffee. Many call this the Third Wave of coffee. But our goal at Moyee is to usher in the Fourth Wave of coffee, which focuses not only on great quality but also on radical impact at origin. To us, great quality and great impact go hand in hand, or should.

That's our goal. But for radical impact you need lots and lots of people to join your movement. Our aim is to make quality coffee less elitist and more mainstream. For us the Fourth Wave is a shift from quality to equality (read more about this on page 50). <

VALUE LEFT IN COUNTRY OF ORIGIN

PER KILO OF ROASTED COFFEE



ACHIEVEMENTS

#1 DOUBLE-DIGIT GROWTH

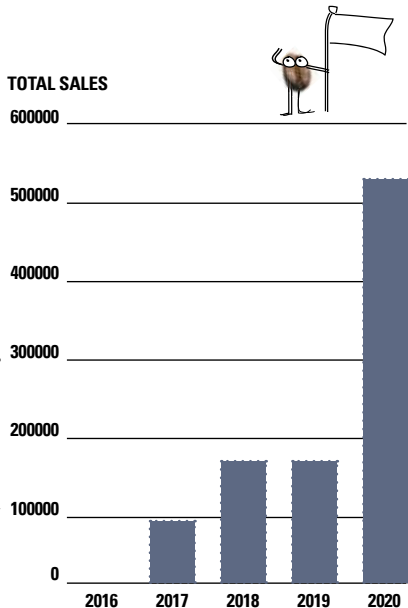
Our dynamic duo Killian and Shane are totally rocking it in Ireland. At the same time, we’ve also sent a few expedition vessels to the United Kingdom, Germany and France to touch base with a rising tide of FairChain fans. We sometimes refer to Moyee drinkers as Happy Activists, by which we mean friendly, open-minded individuals who, like us, see opportunity in healing the planet, (re)generative entrepreneurship and equality-driven business models. Oh, and they enjoy sipping a freakin’ great coffee that doesn’t destroy

the planet. These people are the reason we realized double-digit growth in 2019, which is pretty awesome. However, we didn’t have a whole lot of time to enjoy this growth. In the wake of Covid-19 pandemic, in the first half of 2020 we lost half our B2B revenues. **At the same time, we gained extraordinary momentum on our B2C online sales – momentum we plan to ride on through to the end of this year and beyond.** If the covid-19 virus has proven anything, it’s that many things in this world need fixing and that the FairChain philosophy goes a long way to fixing it. We expect to play an important role in the post-pandemic rebuild. <

#2 KICKSTART KENYA

Moyee’s FairChain revolution is a global revolution. Our aim is to offer our fanbase stellar locally-roasted coffee from different places on the planet. **Our customers want fair coffee with great flavor profiles. Our strategy is to respond to their demands.** When we find a new coffee we think our fanbase will like, we first roast it in small batches at our Amsterdam HQ.

The roastery we have here is our playground where we test new flavors and, if needed, compensate for supply chain hiccups (which can be an issue when working in Africa). If our fans like the coffee and volumes grow, then we move production to the country of origin. This is precisely what is happening with our Kenyan Triple right now. After a successful introduction in small-batch form, **we have moved the roasting and packaging of this lovely blend to Kenya.** <



#3 OPENING A 15,000 M² ROASTING FACILITY

Every successful Silicon Valley start-up has its own ‘garage story’. Well, at Moyee, we have what we call our ‘backyard story’. We first began roasting in a small house in Addis Ababa, Ethiopia, but in 2015 volumes were big enough to force a move from the backyard to a

proper 2,000m² factory complete with quality control and packing and cupping facilities. **Today, Moyee Roasting Ethiopia, the entity we founded, has become a 15,000m2 facility!** Last year we handed over a large part of our ownership to free up additional resources for our next big growth hike and impact interventions. Read more about this in "dilemmas" <



#4 GOVERNMENTAL RECOGNITION OF FAIRCHAIN

When it comes to large coffee tenders, the focus is primarily on price per cup. Of course, you can earn ‘extra points’ for sustainability, which is why most brands are eager to ‘buy’ Fairtrade, Utz or Rainforest Alliance certifications. At Moyee, we bring a ‘beyond certification’ attitude to the tender game. Since introducing blockchain tracing technology, we have positioned ourselves at the heart of the sustainability discourse.

Tenders are finally recognizing our blockchain as a non-certified sustainability label. This is great news not only for us, but for all the other purpose-driven coffee brands out there who either don’t have the money or simply don’t believe in the idea of buying certification. **So big thumbs up for policymakers!** <



#5 CROWDFUNDING

Moyee is a 100% shared value company. This means that we do everything possible to retain the value within our own impact ecosystem. When we need funding, for example, we turn first to our community and not to banks. Our first crowdfunding campaign in 2016 maxed out after just 48 hours! Our second crowdfunding campaign in 2019 maxed out in 24 hours! For those unfamiliar with crowdfunding, that’s fast.

The money we raised from our community allowed us to add another 400 farmers to our FairChain network. Even with the corona pandemic hitting our industry full swing, we have successfully paid off the first wave of crowdfunders and are currently paying off the second wave in quarterly payments. Total trust and rock-solid commitment between us and our community. That is the future of business! <



THE NAKED FACTS

SMALL STEP, GIANT LEAP

2019 was clearly a breakthrough year for Moyee. We had to overcome a crazy amount of obstacles and had to invest a whole lot of money, but at the end of the year we happily turned a profit. In doing so, we proved that a sound business case can be combined with radical impact. 2020 has set us back a bit.

JOBS SUPPORTED

By the end of 2020 we were supporting 61 value-adding jobs across our roasteries in Ethiopia and Kenya. This has gone up from the 18 jobs in 2015 when we started. This number represents the jobs created by opening local roasteries and sustaining those jobs over the years.

The 18 jobs supported in 2015 were those created by starting the roastery in Addis. Five years later, we opened an even larger roastery there, creating even more jobs. This and our start in Kenya explains the increase over the last year.

FAIRCHAIN EXPORT

Last year we roasted a whopping 62,067 kg in Ethiopia and Kenya – that's up from just 2,180 kg in Ethiopia in 2015. This number represents the number of kilo's exported from Ethiopia and Kenya to elsewhere. By roasting locally, we leave behind more than 5 times the value in country of origin compared to industry average.

Now, we have an overall FairChain export percentage of 71%. This number would have been much higher had we not suffered production hiccups in our Addis roastery which forced us to transport 22,000 kg of green beans directly to Holland.

While this was a one-off fluke incident, the lesson did teach us the value of risk diversification.

In 2019 we began roasting in Kenya. Moving our Triple production to Kenya allowed us to create even more local value-adding activities that will eventually boost our percentage of FairChain coffee (beans roasted at origin) by 18%.

FAIRCHAIN AWARENESS

If we measure FairChain awareness by cups, then in 2020 that awareness rang in at 12.3 million cups. This is the number of cups of FairChain coffee drank by our friends and fans. This is a big jump from 3.7 million cups in 2015.

We like to think we sparked a bona fide FairChain movement. Our ambition is to inspire you to make conscious decisions that have real impact.

2020 started off bright and shiny until Covid-19 hit. We suffered a serious blow and closed the books with a €166,000 loss. As always, you can find our financial report on our website for details. <

Exporting roasted coffee beans dramatically increases local profit — and Ethiopia badly needs the foreign currency



A GLIMPSE INTO THE FUTURE

Covid-19 has been as devastating as it has been eye-opening. During the lockdown, our children saw proof that the smog smothering the Himalayas was a man-made phenomenon. They witnessed heroic acts of solidarity. They saw a global economy come to a screeching halt.

While at the time of writing the future is still very much uncertain, there is a large group of people who will want to return to life as normal.

However, we believe there will be an even larger group open to new economic alternatives and a world filled with less pollution, less stress, less consumption,

more mindfulness, less plastic crap. People who demand a healing economy over one that is devastating our planet and catering almost exclusively to the richest 1%.

As a brand, we will stand by this new class of conscious consumers. People who will choose a single cup of (specialty) coffee that respects people and planet over two cups of (poverty) coffee that generates perverse profits for the privileged few while paying no heed to our planet (serious, re-read that sentence, it's poetry).

The future is bright for purpose-driven brands! ◀

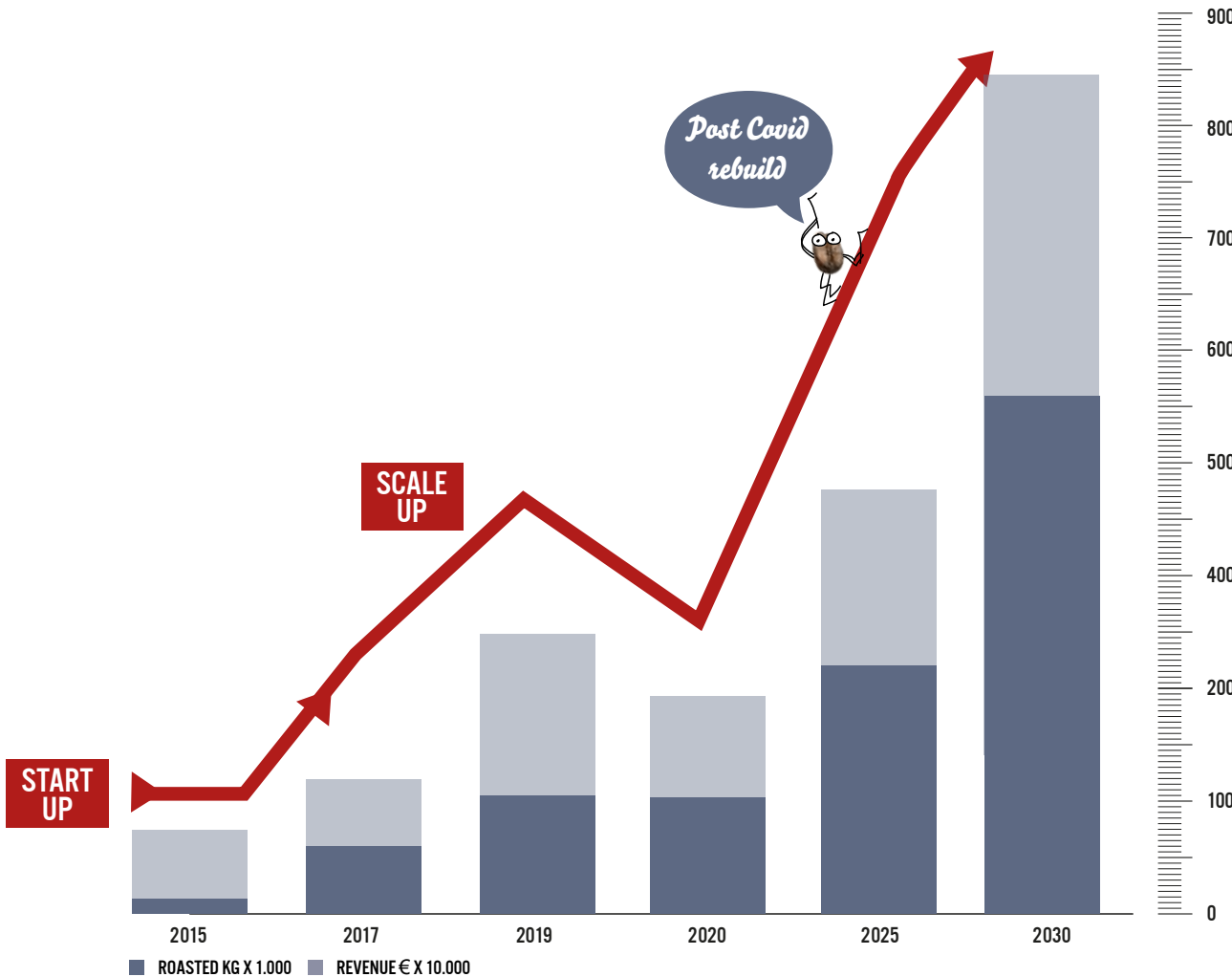
WORK LEFT TO DO

To balance the global coffee chain

1. Scale up from low-volume premium exporters (from Ethiopia and Kenya) to high-volume premium exporters.
2. Fire up our roasting activities in Kenya and Colombia to raise the percentage of truly locally-roasted FairChain coffee to the 90% we aim for. (We will continue to roast small batches via our Amsterdam HQ in case of supply chain hiccups or for product development).
3. Change the profile of our Impact Ecosystem so that it is less reliant on a single roastery in Ethiopia and can spread the risk of logistical hiccups across multiple roasteries.
4. Combine our best practices in Holland, Ireland and Germany for a pan-European roll-out and make inroads into America.

BY 2025:

1. Moyee aims to roast 300,000 kilograms a year.
2. 90% of all the beans sold by Moyee will come from our roasting at origin.
3. Moyee will source all of its coffee directly from smallholders, offering the global coffee industry a blueprint on how to introduce profitable farming to the 5.5 million farmers that live below the poverty line.
4. Moyee will be recognized as the leader of Fourth Wave coffee and disrupt the business models of Big Coffee conglomerates.
5. Our healing, regenerative and redistributive business model will inspire many brands to follow our lead. Before you say we're crazy, just think of how Beyond Meat is influencing the meat industry and Oatley the milk industry. Bravo! We aim to be this for coffee. ◀



"We are the sales girls
We know how to get all important men, such
as hotel and supermarket owners, to get on
their knees and buy our coffee!"



Yemiserah (34 years) > sales
Seble (25 years)

FACES OF FAIRCHAIN - YOHANNES ASSEFA

"My life in coffee began as a technician in a coffee export company. I am a mechanical engineer by trade, and I've used this technical knowledge and skill set to explore all sides of the coffee chain, both for global and local coffee players. I've installed sorters in Germany, for example, and roasters in Djibouti and Yemen. Moyee hired me to help install their impressive Probat 500 roaster. The installation went really well, and Moyee asked me to help fine-tune their packaging

line and optimize their coffee sorting. I am a freelance engineer and am dependent on jobs such as these within the coffee industry. What I like about Moyee is that they are encouraging a new generation of Ethiopian coffee roasters to improve the quality of their coffee and to think bigger than we've traditionally thought. Great machinery, of course, is crucial to any roaster's ambitions, which is where I come in. With the right machinery, you can guarantee consistency, and consistency

is the most important thing in the coffee industry. I've always been involved with coffee, and I'm a technician at heart. The only advice I can give is that you should always follow your passion, not the money. I am doing exactly what I was meant to do." <

"What I like about Moyee is that they are encouraging a new generation of Ethiopian coffee roasters to improve the quality of their coffee and to think bigger than we've traditionally thought."



DILEMMAS

THE FOUNDERS CONUNDRUM

When Guido van Staveren founded Moyee in 2012, he said it would be 50% experiment, 50% awesome coffee and 100% the future of business. Guido actively sought out partners willing to accompany Moyee down what was surely to be a very bumpy road. (This has indeed been the case.)

While some of our early funders continued to wholeheartedly support our goals no matter how difficult the odds, others felt their money was better spent in Ethiopia as an emerging market and on maximum asset value. As a result, in 2019 Moyee Holding spun off its Ethiopian activities as a separate entity now called Dutch African Invest (DAI):

This decision was not taken lightly, nor was it easy.

Over the years Moyee's Dutch operations have invested heavily in helping certify its Ethiopian roastery and achieve its impact goals. However, in our quest to expand our impact even further to include living incomes for farmers, a number of investors thought it was time to see a return on their investments. While they supported our 20% farmer premium, a few funders thought achieving a living income was a bridge too far. It became a debate between short and long-term impact. We fortunately were able to find a compromise when the FairChain Foundation stepped in and vowed to continue the brand's work at the farmer level.

Alas, the discussion about short vs. long-term impact goals arose again when Moyee Holding looked to expand its activities into Kenya. The same investors thought Moyee Holding was moving too quickly and should focus solely on the asset maximization of our Ethiopian roastery. For the impact-driven investors, which included our founder, enough was enough.

Not long afterward the two parties agreed on a buyback scheme that would splinter Moyee Ethiopia Roasting into a separate entity. This enabled our founder Guido van Staveren and the remaining impact-driven investors to commit fully to their impact goals while Ethiopia could focus solely

on the roastery and local operations. The two entities continue to work together but Moyee Holding is now free to bring its FairChain philosophy unencumbered to other regions in the world.

Moyee Holding is extremely proud of the Ethiopian roastery it has set up and the investments it has made in empowering Ethiopians to roast their own beans, thereby setting the stage for honest industrialization. We'll be honest, this new set-up has some pluses and minuses and we'll have a lot to report in a year from now. Our FairChain experiment is far from over and our impact ambitions go beyond roasting at origin to living income for farmers, true cost of production and community ownership. <

DILEMMAS: OWNERSHIP

To connect with Western consumers, we knew from the start that our Ethiopian operations needed to mimic the high-quality standards of the best European and American coffee companies. The fact is quality and operational excellence in, say, Amsterdam doesn't mean the same thing as quality in Addis Ababa.

Over the past few years, much of our time and energy was spent educating and fine-tuning our Ethiopian coffee partners and team. It took a lot of effort to become the first ISO certified roaster in Ethiopia, but it also takes an equal amount of energy to keep the certification.

We originally thought integrating the roasting activities into one impact organization would generate faster results, align interests more easily and more quickly bring local economies to a level in which they can compete with Big Coffee in and outside the country.

In reality, being equal partners in unequal markets brings with it a lot of challenges.

As we expand into Kenya and outwards towards Colombia, we want to use all the learnings from our Ethiopian activities and experiment with new types of ownership structures that benefit everyone and 100% guarantee and support our impact roadmap.

Basically, we want everyone in our Impact Ecosystem to benefit as owners. All for one and one for all! You, Them, Us – all in a community ownership model based on a social enterprise code of conduct.

That means not talking about profit but about residual value that is re-distributed across the entire ecosystem so that everyone gets a piece of the pie. Hmm, is that even possible? Ladies and gents, let's find out together! <





I am one of the first female roasters of Ethiopia and I am really good in it! I think I make good money, but I want more, more, MORE! I want to buy my own luxury Mercedes car!

Olba beh (24 Years) - roaster and grinder

FACES OF FAIRCHAIN - ASHENAFI AMBAW

"It has been great working with the ambitious and unconventional people at Moyee. The fact that they have succeeded in setting up a quality management structure in such a short time is nothing short of amazing. They proactively

approached us with questions, sought out our advice and were very eager to be the first coffee company in Ethiopia we audited on ISO9001. Our usual customers are large multinational food processing companies, but now that a company like

Moyee has succeeded in earning their certification, they can serve as an example for other Ethiopian coffee companies. With Moyee's precedent, I'm quite certain we'll be receiving many requests from coffee companies in the coming years." ◀

"In 2015, Moyee became the first roaster in Ethiopia to receive an ISO9001 operational excellence certificate. Now the challenge is to adhere to Moyee's ISO 24000 requirements which includes social and cultural sustainability, supply chain viability and impact."



MOYEE’S QUALITY COMMITMENT

FROM QUALITY TO (E)QUALITY

The FairChain revolution is not only an economic revolution, but a quality one as well. We feel we are introducing the next big wave in coffee: something we call the Fourth Wave.

The First Wave of coffee began in the 1800s and actually commoditized coffee, making it available to Western consumers. The Second Wave began in the 1900s and introduced new varieties and new experiences, hitting full stride from the 1970s with the likes of Peets and Starbucks.

This Third Wave was a revolution in itself. Coined in 1999, the Third Wave introduced new styles of brewing, latte art and turned attention to coffee’s origin. Third Wave coffee has dominated much of the last

decade – single-origin espressos, Direct Sourced blends, exquisite pour overs and Hario TCA-3 Syphones.

The Third Wave of coffee, which firmly took root in countries like the US, Japan, Australia and much of Scandinavia, unmasked ‘Italian’ coffee as a 1980s farce.

The Third Wave is also known as ‘specialty coffee’, and many people think it’s pretty elitist. While all coffee comes through a similar value stream, Third Wave coffee seeks to highlight the unique characteristics that result from the diversity of coffee bean cultivars, growing and cultivation methods, processing methods, roasting methods, and the variables in beverage preparation. It also set the stage for the direct trade movement. Direct trade brings more value to the farmer but mostly benefits quality compliant farmers

who are far better off than those living in extreme poverty and in full need of yield and quality support. These are the farmers the FairChain Farming program focuses on. Not those earning a living income but those farthest from it.

Our goal at Moyee is to usher in the Fourth Wave of coffee, which focuses not only on great quality, but also on radical impact at origin. To us, great quality and great impact go hand in hand, or should. That’s our goal. But for radical impact you need lots and lots of people. Our aim is to make quality coffee less elitist and more mainstream. For us the Fourth Wave is a shift from quality to e-quality.

Fourth wave coffee is a marriage between stellar coffee products and true social consciousness. Our FairChain Farming program helps the poorest farmers with

training and support to grow the highest-quality beans for a truly artisanal coffee experience.

Perhaps most important, though, is the socio-economic impact of this new wave of coffee. Fourth Wave coffee is not only an organic, direct and fairtrade product, but also reinvest in farmers and their communities directly to help them achieve both the highest possible quality coffee and living incomes. Put simply, Fourth Wave coffee transforms farmers now living in poverty realise profitable farms.

We help poverty farmers create profitable farms. <

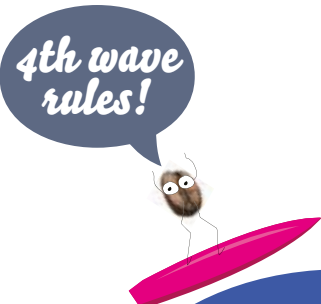
The Fourth Wave worldview is one of partnership from source to sip and back to the source.

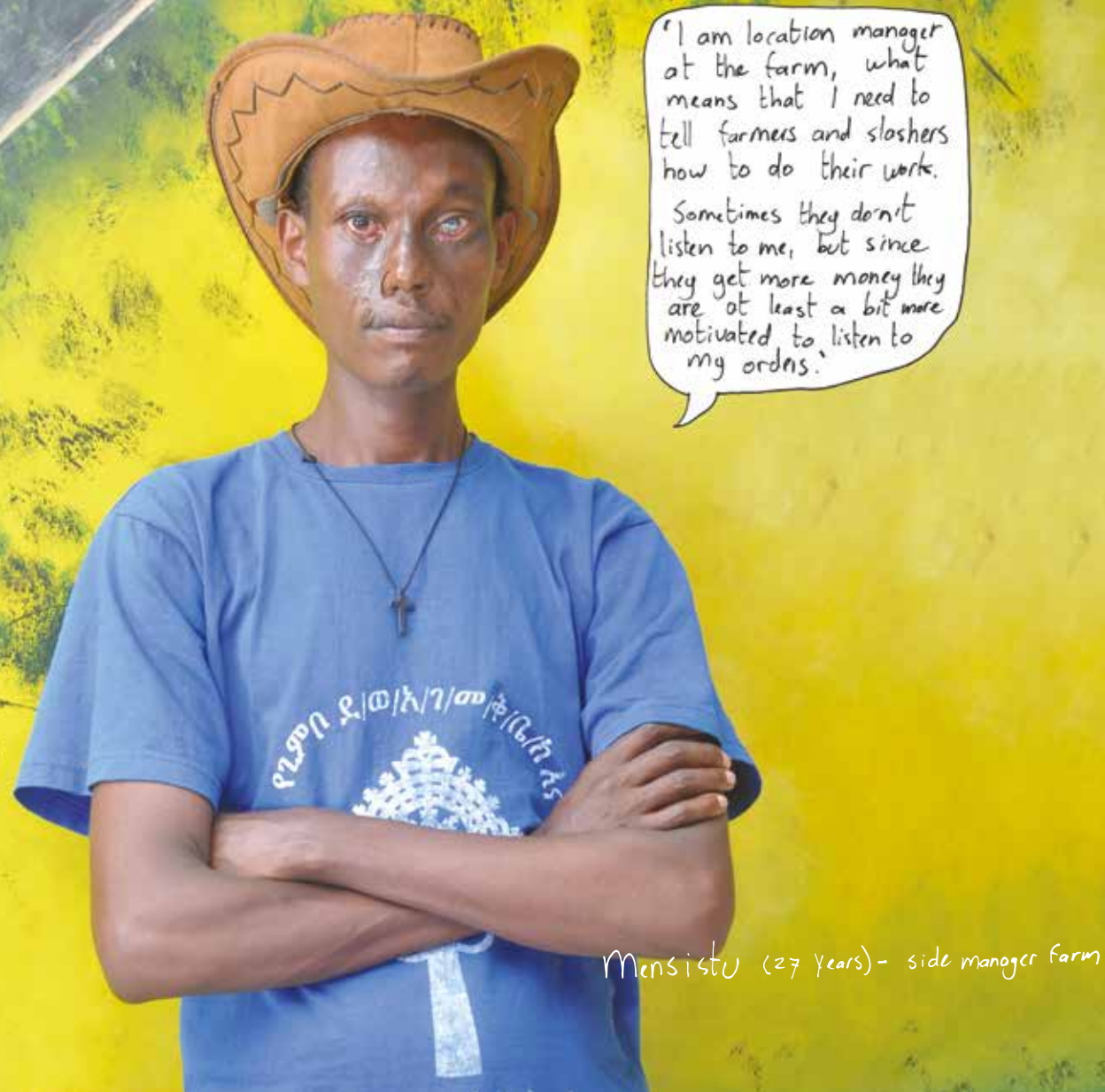
1ST WAVE
GROWING COFFEE
CONSUMPTION EXPONENTIALLY.

2ND WAVE
THE DEFINING AND
ENJOYMENT OF SPECIALTY.

3RD WAVE
PURCHASING COFFEE BASED
ON ITS ORIGIN AND ARTISAN
METHODS OF PRODUCTION.
DIRECT TRADE

4TH WAVE
A MARRIAGE BETWEEN STELLAR
QUALITY COFFEE AND RADICAL
IMPACT. BRINGING WEALTH TO
THE POOREST FARMERS,
BOTTOM UP!





FACES OF FAIRCHAIN - KILLIL MESFIN

“At Moyee we are dedicated to quality. We have a dedicated team of Q-graders and master roasters to control the quality from mountain top to table top. We are future focused and invest heavily in technology to secure the highest level of consistency.”



SOCIAL

SOCIAL

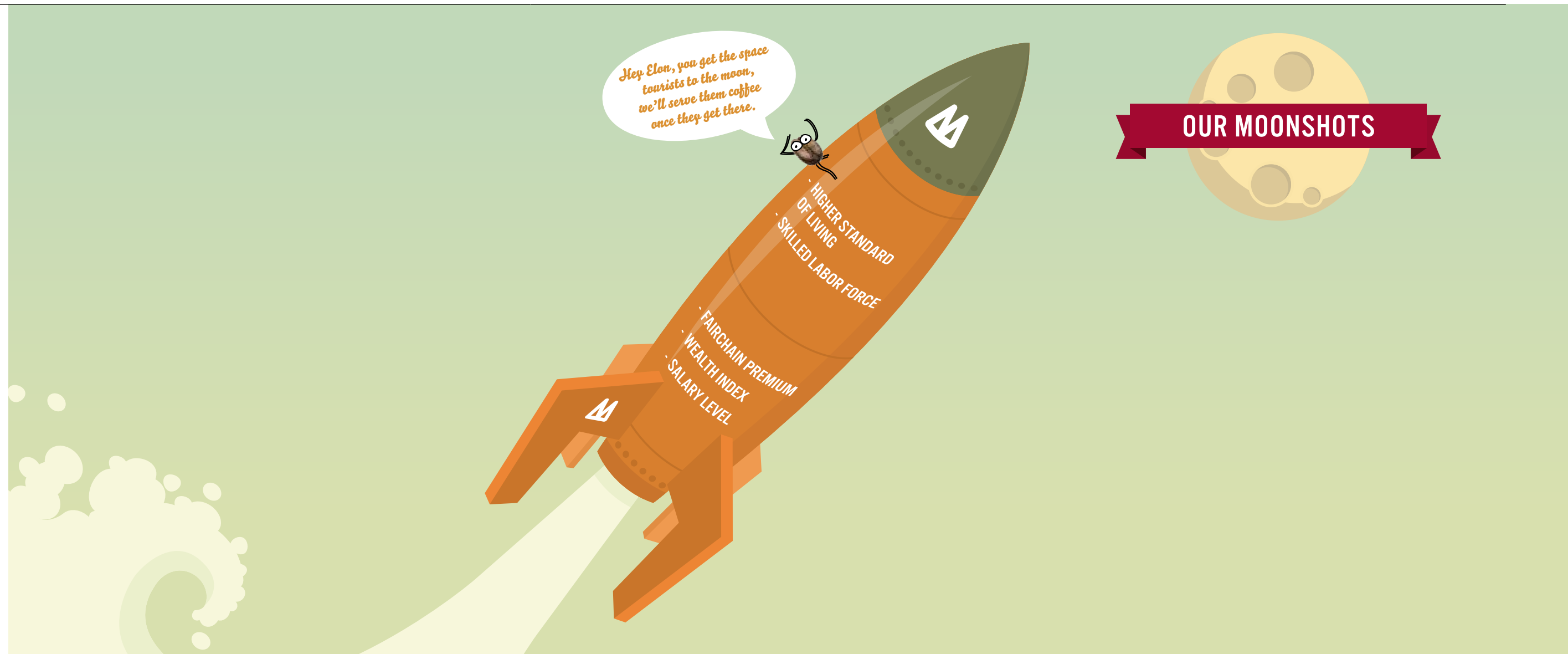
Moyee Coffee is a social enterprise, which is a category of pioneering companies whose main objective is social impact and not shareholder profit. In addition to being a social enterprise, we are the only coffee company to date to sign the Code of Conduct of Social Enterprises in the Netherlands.

This is an extra precaution to make sure we're never tempted to cut corners and get greedy when profits rise. We have also been named B Corporation's 'Best of Class', earning the highest score of any coffee company in the organization's global

network. We have also won many awards for our work and achievements.

All these prizes are great for the trophy case, but do they really make us so special? How do we translate our social nature to quantifiable and verifiable PROOF of impact? Back in the old days (2012), when we first doubled down on smallholder farmer pay and offered them a 20% premium above market price, we considered ourselves serious crusaders.

We thought of ourselves as the Knights of FairChain. Well... <



INTRO

“A living income means the net income a household needs to offer all members of that household a decent standard of living, including: food, water, housing, education, health care, transport, clothing and other essential needs for expected and even unexpected events.”

With our battlecry ‘compete on quality and not poverty’ we rode into urban offices and suburban homes shouting ‘Better coffee! Better prices! Better Lives!’

Little did we know...

By working with 100 smallholders to improve the quality of their beans, we soon realized that our 20% premium was not nearly enough to secure our farmers a decent income – not by a long shot! When we discovered this we put away our shining armor and changed our tagline from ‘the world’s fairest’ to ‘the world’s least unfair coffee company.’

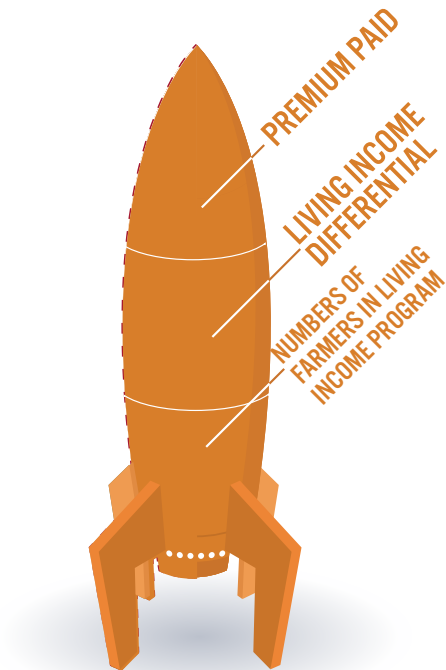
We went back to the drawing board to radically update our theory of change. In close collaboration with the FairChain Foundation, we developed a program that would “bring a living income to farmers by managing profitable farms and getting involved in value adding activities in order to improve the livelihoods and communities.”

We pivoted this from a 20% FairChain premium towards a Living Income Differential. As a result, last year we spent nearly 300% more than FairTrade’s minimum price for our green coffee.

In this chapter we would like to tell you a little bit about the social side of our journey and the exciting programs we’ve set up to improve the lives of our coffee farmers and farming communities. <

A QUICK EXPLAINER

- **FairChain Premium:**
A 20% premium every FairChain farmer receives above market price for growing premium organic coffee.
- **Living Income Differential:**
The additional investments in our Living Income Program.



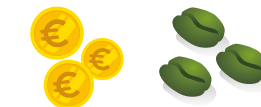
IMPACT EXPLAINED

LIVING INCOME DIFFERENTIAL

Living income is defined as sufficient income generated by a household to afford a decent standard of living for the household members. Elements of a decent standard of living include: a nutritious diet, clean water, decent housing, education, healthcare, transport, clothing and other essential needs, including a provision for unexpected events. Our living income differential is made up from the investment we make in programs that contribute to our Living Income Roadmap. These programs are described in the chapters below.

Our goal, however, is to replace these investments by paying a Living Income Reference Price to our farmers.

This is the price needed for an average farmer household with a viable farm size and an adequate productivity level to make a living income from selling their crops. <



LIVING INCOME
REFERENCE PRICE



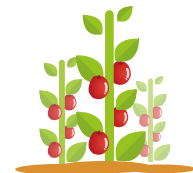
COST OF
DECENT LIVING



FOOD PRODUCED FOR
HOME CONSUMPTION



COST OF SUSTAINABLE
PRODUCTION



IMPACT EXPLAINED

IMPACT EXPLAINED: LIVING INCOME ROADMAP

Some people believe that just talking about positive impact makes you one of the good guys. This is how big brands justify themselves as purpose-driven companies.

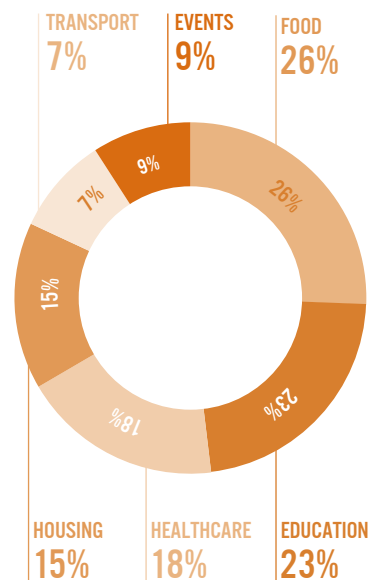
Of course, even do-goodnik brands easily mistake intent for impact. To ensure we don't fall into that trap and that we build our brand on quantifiable and verifiable proof of impact, we've introduced report-based program based on a theory of change. In other words, we make sure all our interventions are connected to specific set goals.

This way if we fail to reach our goals the first time we can try, try again. Because we want to be the first company to succeed where all others have failed in closing the income gap for small coffee farmers.

We've visualized our theory of change in what we call a Living Income Roadmap. Carrying this roadmap, we once again donning our shining armor and heading out into the coffee fields. We know, this may be another episode of Moyee Madness, but by now we've realized it's in our DNA to go boldly where no brand has gone before. All we can say is: join us! <

1

WE CALCULATED WHAT A LIVING INCOME IS FOR OUR PARTNER FARMERS IN LIMU, ETHIOPIA



2

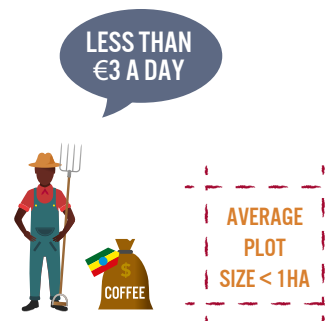
WE CALCULATED THE CURRENT HOUSEHOLD INCOMES OF THE FARMERS

21,400 BIRR (€ 402) PER YEAR,
FOR A FAMILY OF SEVEN

13,200 BIRR (€ 248) COFFEE INCOME
5,000 BIRR (€ 94) INCOME OTHER CROPS

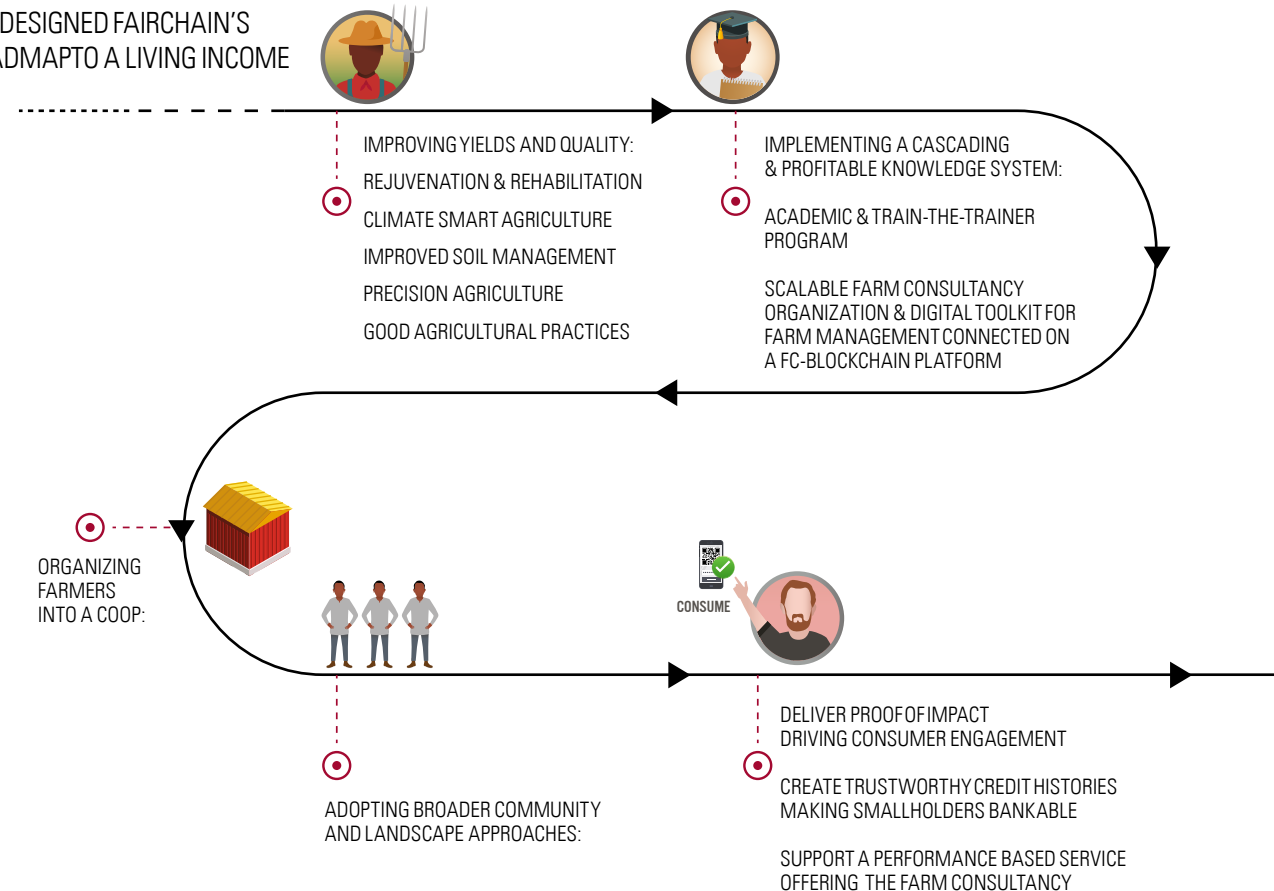
2,200 BIRR (€ 41) SELF-CONSUMED CROPS
1,000 BIRR (€ 19) INCOME OFF-FARM LABOR

= € 1,050



3

WE DESIGNED FAIRCHAIN'S ROADMAP TO A LIVING INCOME





- Hellen (26 years) - accountant

FACES OF FAIRCHAIN - FARMERS ASTER & EJIGU

"I live in the village of Gura with my wife and five children. We live in a mud house with an iron roof. We don't have our own supply of clean water or our own electricity. I do have a simple mobile phone with a charger and a battery lamp. I own some cattle and live off a little more than one hectare on

which I grow 2,000 coffee trees. These trees produce approximately 300 kilograms of coffee per year. Together with some other crops, I am able to generate an income of about 8.000 birr (€350) a year. To reach the nearest main road I have to travel 90 minutes by foot. This is all pretty typical

for a smallholder in Ethiopia. Working with Moyee offers the promise of improvement, especially financial improvement. The first thing we'll do with more money is buy a car. <

"8.000 birr, or €350, is the annual earnings of typical Ethiopian coffee smallholders like Aster and Ejigu"



ACHIEVEMENTS

#1 FROM 100 TO OVER 650 SMALLHOLDERS

When it comes to impact, size does matter. However, we see growth as a means, not an end. The more kilos you drink the more farmers we can support in our FairChain Farming program. These farmers are amongst the smallest and poorest in the region and have lived in poverty for generations.

Our Living Income Roadmap is their best – and often only – chance to turn their lives around. Our FairChain Farming program is instantly scalable and can accommodate up to **12,500 farmers**. These are enough farmers to change the fate of an entire region and a significant upgrade for many, many farmers and their families. <



#2 START OF THE 1 MILLION TREE REVOLUTION

Most of our farmers have less than one hectare of land and produce on average just 180kg of green beans per hectare. It is absolutely essential then that we help them rejuvenate and/or replace their existing coffee trees in order to increase the quality of their beans and the size of their yields.

Planting trees plays an incredibly important role in our Living Income Roadmap. **Last year we successfully supplied the first 35,000 seedlings to our farmers.** We also invested heavily in two nurseries so that we can increase that number to 400,000 seedlings a year. <



#3 FAIRCHAIN BLOCKCHAIN: DIGITALIZING FARMER PAYMENTS

In 2017, we were the first coffee company to put our farmer payments on the blockchain. We have continued to do so ever since.

Using the blockchain is not only a way to deliver on our brand promise or live up to radical transparency, it also gives us much

better insights into our farmers’ earning capacity. This opens the door to farmer credit lines. **It makes it possible to bank farmers, the vast majority of whom have been written off as unbankable.** (see our section Glimpse into the Future). <



#4 BANK ACCOUNTS, DIGITAL WALLETS AND FEMALE EMPOWERMENT

Our FairChain colleagues spent the entire 2019 harvest in Limu, Ethiopia, opening some 371 new farmer bank accounts. 93 of those bank accounts were for women. The local bank couldn’t believe their eyes! Thanks to these bank accounts, farmers now have ID cards and digital wallets. Fast forward to now, and over 570 farmers have access to digital wallets. **Digital wallets are perfectly**

suited to farmer needs; they provide a reliable banking system that doesn’t require paper and gives them direct access to the bank. Another important advantage is that digital wallets empower women by giving them ownership over their own accounts. Finally, Moyee fans can contribute directly to farmers’ digital wallets without having to go through a middleman, including us! <



#5 THE OPENING OF THE FIRST FAIRCHAIN WET MILL

We recently invested in the first FairChain wet mill, which we hope will lead to additional income for our farmers. Traditionally, wet mills are owned by wealthy farmers or coops who in turn keep most of the profits.

The profits generated by our FairChain wet mill will be shared with the farmer community ¹⁶. **At the same time, our wet mill adds value by creating 118 seasonal jobs, the majority of which go to women.** <



THE NAKED FACTS

Looking back over the past few years, we have continuously questioned the significance of our social impact. Our 20% FairChain premium payments have of course grown as our sales volumes have grown, which directly benefits farmers and their communities.

But we also know that this premium isn't enough. Which is why we're working on a concept we call the Living Income Differential, which gives us a much better understanding of our impact and how much we have closed the gap towards a living income.

We will report on the following key elements: The FairChain premium paid and

our investments in programs that boost the living Income of our farmers. Ideally, we merge all these into one Living Income Reference Price paid directly to our farmers.

20% FAIRCHAIN PREMIUM

In 2020 we paid out €78,236 in FairChain premiums for our Ethiopian and Kenyan blends. On average we paid 300% more than the Fairtrade minimum price to our Ethiopian farmers. In Kenya we pay 20% on top of the farmer coop selling price set with other buyers.

We are learning by doing. This is all new territory for us as well, but we know where we are heading.

LIVING INCOME DIFFERENTIAL

Last year we invested €115,505 in our Living Income program, bringing the total to €666.678 since the beginning of our program.

In addition to contributing the above amount to the FairChain Farming program, we also invested €100,000 in the first FairChain wet mill and another €150,000 in digitalization. That said, the income expected from the wet mill has materialized in ways we didn't initially expect. (For that story, see Dilemmas a few pages further.).

The FairChain Farming program in Kenya is focused on helping farmers become carbon

neutral. In 2020 we introduced sustainable composting to the first 2,600 Kenyan farmers.

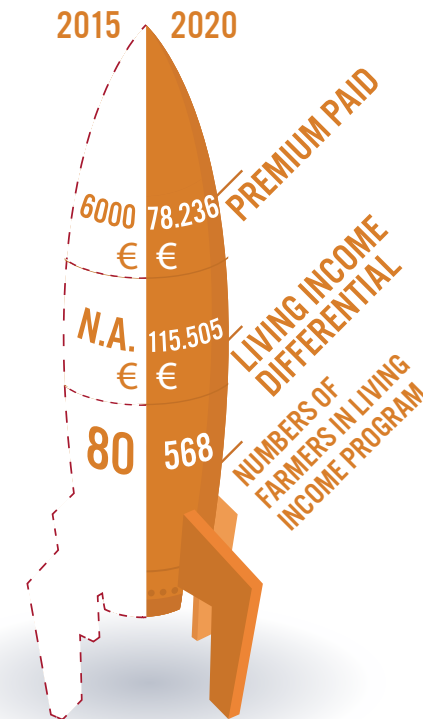
Admittedly, it is difficult to measure and report precisely the effects of interventions such as composting and quality and yield increase, as their impact will only become visible over time and are influenced by many exogeneous elements.

Read more about this challenge in the Dilemma: Data Integrity.

Check the living Income Roadmap results at the end of this report. <

FairChain is our compass, helping us navigate the very challenging and very unfair coffee industry.

KILLIL MESFIN – FAIRCHAIN FARMING



A GLIMPSE INTO THE FUTURE

WORK LEFT TO DO

- Open two new wet mills in Ethiopia and scale up the FairChain Farmer program to include another 1,000 farmers
- Scale the FairChain Farming activities in Kenya and Colombia (For more on this, see Environmental section.)
- Conduct a new Living Income study in Ethiopia and create a Living Income Reference Price for Ethiopian coffee
- Introduce a new value-adding activity for farmers: husk processing
- Unveil the first blockchain-powered micro loan to our farmers
- Launch version 2 of our farmer dashboard to create a direct relationship between

coffee producers and coffee consumers and track our impact #storyproving.

BY 2025:

- We aim to have 5,000 farmers¹⁶ on a credible road to a living income. The first wave of farmers in our program have indeed closed the poverty gap.
- A few other coffee companies follow our lead, adopt our open-source methodology and technology and put another 5,000 farmers on the road to a living income.
- We've given the global coffee industry

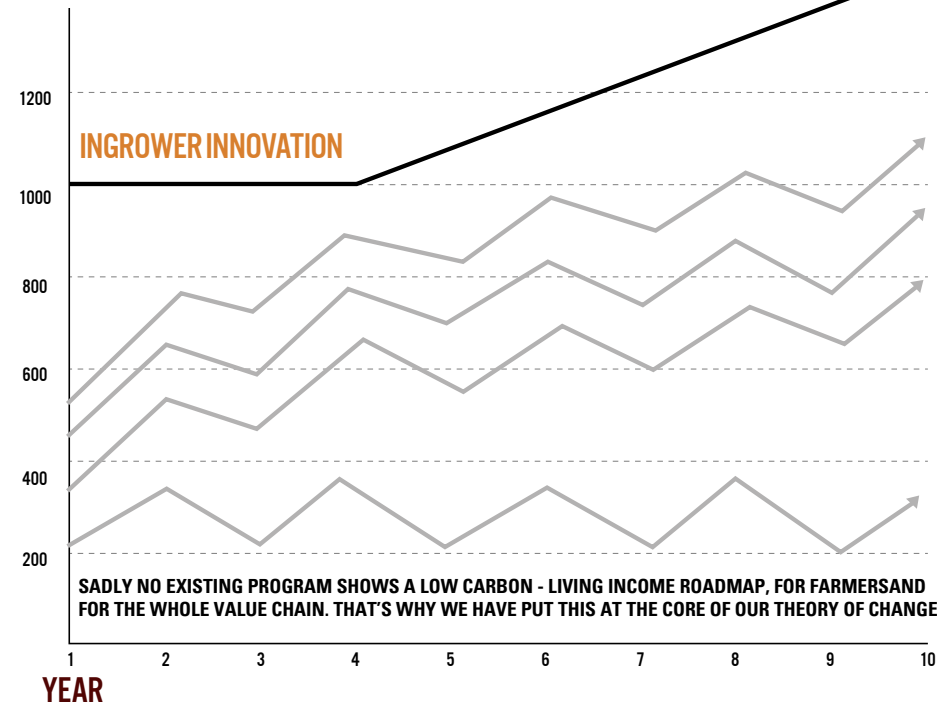
a viable and profitable platform for elevating the world's 5.5 million smallholder coffee farmers currently living below the poverty line.

To do this, we need to convince the entire global coffee chain to jump on board. We promise you we'll do everything we can to make this happen.

Yes, to all those reading this report – this is an invitation to collaborate!



INCOME



3438

FROM LIVING INCOME TO CLIMATE-POSITIVE, PROFITABLE FARMS

1012

FAIRCHAIN LOW - EMISSION WET MILL INCOME

906

FAIRCHAIN COFFEE QUALITY PREMIUM

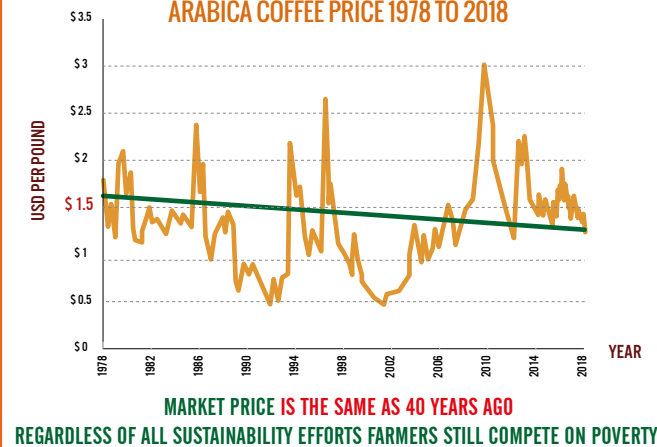
801

FAIRCHAIN REFORESTATION YIELD INCREASE

273

CURRENT SITUATION

ARABICA COFFEE PRICE 1978 TO 2018



DILEMMAS

DATA INTEGRITY - HOW TO ISOLATE IMPACT OF OUR INTERVENTIONS

Creating a Living Income study is hard work, especially when there is no precedent or work done on it before. For the past few years, we have been working hard to optimize yields and bean quality, resulting in a very promising jump in coffee income – from €267 to €596 on average and an amazing cupping result of 85¹⁷.

But without a reliable benchmark, how can we determine whether we are successful or not?

The results of all our interventions are difficult to analyze. The income increase may result directly from our interventions, but they could just as well be influenced by enterprising farmers doing a bit of backhand

trading with farmers outside our program (eager to benefit from the high prices we pay).

At the same time, farmer income is influenced by climate change. 2018 was a particularly tough year for Ethiopian farmers, where large portions of the harvest were destroyed by... frost. (Indeed. Frost in the tropics?!) We managed to offset the low quality yield with other coffee buyers, but the result was that coffee income dropped back down to €239.

Because we do not use pesticides, we also made the acquaintance of a little critter called the Coffee Berry Borer. These bugs feasted on a substantial part of the harvest, rendering them useless. Both Berry Borers and frost made it quit impossible to filter out the effects of our yield program. Fortunately,

in 2019 income jumped back up to €360¹⁸. But truth be told that was much less than hoped or expected.

The good news is our local team found a sustainable solution to battle Coffee Berry Borers: recycled plastic bottles. They used the bottles to trap the Borer, safeguarding the rest of the harvest. DIY ingenuity, bravo!

We are currently working closely with Jimma University in Ethiopia to better understand the effects of our interventions. Together we have selected a group of 200 farmers who the university will track in more detail. They will record our interventions with academic rigor and translate what they learn into data we can use to become smarter. Less storytelling, more storyproving, remember? ◀

DILEMMAS: WET MILL OWNERSHIP AND FARMER LOYALTY

As a radically transparent company, we always have to justify the impact investments we make and how they align with our business model. We invite anybody to look over our shoulders as we establish our supply chains and invest in new technologies.

We have no built-in control mechanisms towards our farmers other than proving our value to them. Our farmers are free to make their own decisions and there's nothing stopping them from reaping the benefits of our program and then offering their beans to the highest bidder.

Again, who can blame them? So naturally we are exploring ways to build greater trust and create even more loyalty. Co-ownership of our wet mill was one such program. Initially, we proposed a stable long-term price and volume with our farmers (a stable price 20% above the five-year average) combined with wet mill profit sharing.

But they showed no real interest. We soon found out why. During the harvest they actually brought less beans to the wet mill rather than more. Then they tried to negotiate a higher price for their beans.

It turned out they understood wet mill economics all too well¹⁹. In their thinking, the lower the volume they bring, the higher the price they would receive as our operational cost and thus lost per kilo

would explode. If only a few cherries were processed. And they were right! We took this lesson in market-driven economics to heart. Basically, we had proposed a long-term solution to farmers who don't have the luxury to think beyond their short-term problems.

We ended up abandoning the idea of co-ownership of the wet mill and in its place introduced a new profit-sharing model based on the Net Present Value NPV²⁰ of expected future processing volumes. And then we paid out that value to the farmers... now.

Maybe we should call it a longterm loyalty premium? Will this work? Maybe, maybe not. Let's find out together. Remember? Moyee is 50% experiment, 50% awesome coffee but 100% the future of business. ◀





Fikerte (27 years) - cleaner

FACES OF FAIRCHAIN - MEZGEBU

"I was born and raised on a coffee farm around Limu, Ethiopia. They call Limu the birthplace of Arabica because this is where it all started. I've spent my whole life working with coffee, just like my father. For the last few years I managed the FairChain wetmill in Limu. I never dreamed

of becoming a real manager. I don't understand all of the technology introduced yet but I do see how it helps us with our production. Although we didn't manage to become profitable yet we have high hopes this will be the case in the year to come. We will even open a second wet mill 25km

from here to connect another 600 coffee farmers to the international market. " <

"We will even open a second wet mill 25 kilometers from here to connect another 600 coffee farmers to the international market."



THE IMPORTANCE OF WORKING WITH A THEORY OF CHANGE (TOC)

FROM POVERTY TO PROFITABLE FARMERS

Moyee’s social impact agenda is focused on the first mile of the coffee chain – and by that we mean our farmers. We believe this is where we can realize the greatest and most long-lasting impact.

You’d think that farmers – the most important players in the global coffee chain – would be treated like rock stars in coffeeland, but old-school practices by profit-or-die multinationals have been incredibly efficient in keeping farmers down. How far down? Below the poverty line.

There are approximately 5.5 million smallholder coffee farmers in the world

that live in poverty. You’ll find the majority of these poor farmers in East Africa.

Ethiopia alone accounts for no less than 1 million coffee farmers living off less than \$3,60 a day, which is below the international poverty line. Half of them live on less than \$2 a day in extreme poverty. These famers and their families lack access to healthcare, education and reliable financial, technical and/or social services.

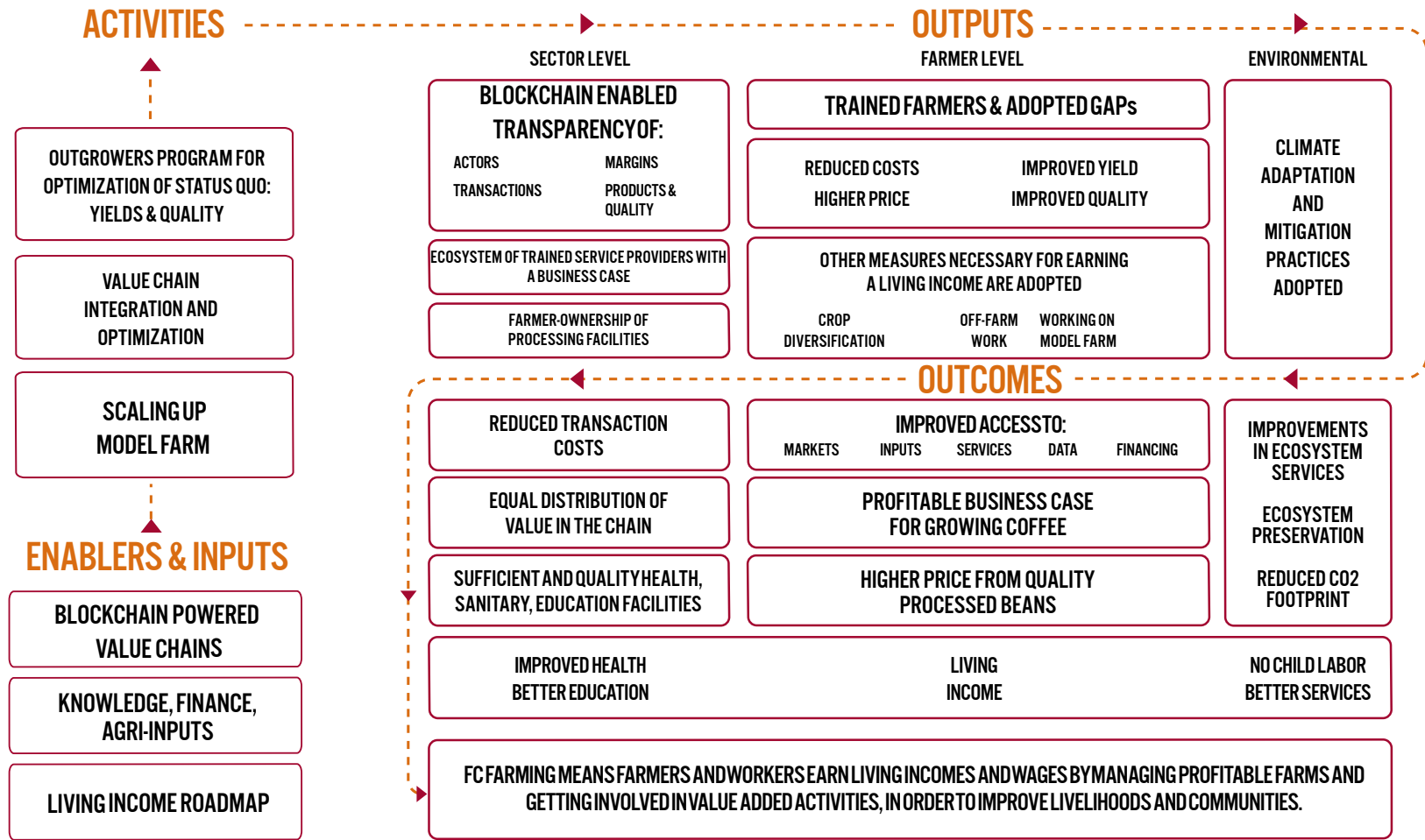
At the same time, they are held back by inefficient and opaque trading channels. And yet despite all these obstacles, they still manage to produce 95% of Ethiopia’s amazing coffee.

Their perseverance is nothing less than mind-blowing. Hats off! It is ridiculous for any company to claim they can change this situation all on their own. There is no golden formula. But if we are going to at least put a dent in global poverty, we need to remain open to new ideas and dive head-first into data-driven experiments.

At Moyee, we bring in an open-source approach to problemsolving. We believe in radical transparency and the power of data to enlighten, empower and incite change. The era of storytelling is over. We need to be storydoing and storyproving. In this Moyee wants to be a leader.

Our experiences have taught us that even purpose-driven companies need a theory of change to hold themselves accountable. For our own theory of change, we made a realistic assessment of the obstacles farmers need to overcome to achieve a living income. Things like land size, productivity, number of family members, etc. Then, together with the FairChain Foundation, we built our theory of change around an initial set of impact programs.

We are currently working closely with local governments and NGOs to develop so-called ‘impact consortia’ to help us reach our living income goals. <



LIVING INCOME RESULTS

FROM STORYTELLING TO STORYPROVING

At farmer level, we evolved our 20% FairChain premium above market price to coffee farmers achieve a living income. Our focus is on those farmers who live far below the poverty level. Before embarking on our living Income Program, it was important to set clear goals and define a theory of change that could guide our interventions.

Without these, we’d be storytelling and not storyproving. We also promised to build the program on radical transparency, meaning we’d openly share the data of our program

with whomever wanted to see it. We are currently collaborating with Jimma University in Ethiopia to beter isolate and track the impact of our interventions. We purposely projected a conservative yield increase for our farmers in order to establish a realistic benchmark for our farmers and for future projects. A benchmark that isn’t built around ‘best-case scenario’.

We will never claim to be the fairest coffee company on the planet, not while the industry remains so opaque. But we are moving closer to being able to say that we’re the least unfair coffee company on the planet. Clearly much more work and experimentation is needed. <



FAIRCHAIN FARMERS

FAIRCHAIN (FC) FARMERS	BENCHMARK	ACTUALS	ACTUALS	ACTUALS	ACTUALS	ACTUALS	ESTIMATED	ESTIMATED
FARMERS AROUND 1ST WETMIL	2015	2016	2017	2018	2019	2020	2021	2022
	80	183	331	425	568	311	568	568
BENCHMARK FARMERS I						100	100	100
FARMERS AROUND 2ST WETMIL							200	500
BENCHMARK FARMERS 2							100	100
CHERRIES (EFFECT YIELD INCREASE PROGRAM)		246,000	410,000	211,152	409,801	202,133	499,158	694,142
KILOS GREEN FOR ROASTERS		41,000	68,333	35,167	58,898	33,689	83,193	115,690
SUPPLIED TO US		90%	90%	90%	50%	50%	50%	50%
AVERAGE YIELD GREEN COFFEE (EFFECT YIELD INCREASE PROGRAM)	131	224	206	83	104	108	108	108

BENCHMARKS

ICO INT. ARABICA FARM-GATE PRICE II	EUR KG FARM-GATE	1.90	1.90	1.90	1.62	1.45	1.95	1.95	1.95
FT MINIMUM PRICE FARM - GATE PRICE	EUR KG FARM-GATE	1.99	1.99	1.99	1.99	1.99	1.99	1.99	1.99

FC IMPACT

FC CHERRY PRICE (CASH TO FARMERS) III	EUR KG CHERRY	0.21	0.38	0.41	0.41	0.42	0.55	0.55	0.55
FC FARM-GATE PRICE (7.8 KILO CHERRY PER KILO GREEN)	EUR KG FARM-GATE	1.48	2.97	3.22	3.20	3.28	4.31	4.31	4.31
FC LIVING INCOME DIFFERENTIAL IV	EUR KG FARM-GATE	0.00	1.50	1.50	1.50	1.50	1.00	0.50	0.00
WETMILL PROCESSING COSTS V	EUR KG FARM-GATE	0.00	1.65	1.65	1.65	1.65	1.65	1.55	1.40
FC LIVING INCOME COFFEE PRICE	EUR KG FARM-GATE	1.48	6.12	6.37	6.35	6.43	6.96	6.36	5.71

FAIRCHAIN - FAIRTRADE COMPARISON

	74%	308%	320%	319%	323%	350%	320%	287%
LIVING INCOME FROM MOYEE COFFEE VI	267	666	664	265	340	467	467	467
LIVING INCOME FROM REST COFFEE WHEN SOLD AT LOWER FAIRTRADE PRICE		45	41	16	206	215	215	215
LIVING INCOME FROM COFFEE NEEDED	650	650	650	650	650	650	650	650
LIVING INCOMRE GAP VII	-383	61	55	-369	-104	32	32	32

- I To better understand the impact of our interventions, we established a control group to track the many variables that influence farmer yields #datadriven.
- II Coffee prices are normally quoted Free on Board (FOB). The rule of thumb here is that only 70% of payments reaches smallholder farmers themselves; the rest of the amount is absorbed in cooperations or larger direct trade farmholds. It is extremely difficult to precisely track how much money actually reaches individual farmers or workers.
- III Our focus is on individual smallholder farmers with less than 1 hectare of land and living far below the poverty line. Our interventions are designed to help put the poorest farmers on a path towards a living income. To do so requires adopting radical alternatives to existing practices.
- IV Our investments are focused on farmer training programs and living income projects. We are also open to adapting our programs based on farmer feedback and real-life practice. For example, when farmers told us they prefer higher coffee prices upfront to sharing in the profits of our wetmill activities in the future, we adjusted our program to meet their needs. As the program progresses we will phase out living income investments with one farmer group and refocus our funds to help new farmer groups.
- V Because the road to a living income is not straight, we invest in a wide variety if activties to increase our odds of succeeding. Higher prices are only part of the solution – higher yields, lower production and living costs are needed as well. We have documented our journey digitally via blogposts and our social media channels. The investments are admittedly high in the beginning, but become less as we reap the quality, yield and price benefits of our interventions.
- VI The average income for an Ethiopian farming family of 7 is EUR 521 annually. Our living income benchmark is EUR 1,055, which is based on incomes in Limmu, Ethiopia. Since we began researching living income in our chain we have made it the central focus of our interventions. It has not always been easy to establish benchmarks due to, among other things, a bad harvest in 2018. So we created a pool of 100 farmers (Limu 1) to better assess the impact of our interventions. Before our interventions, these farmers earned EUR 267 annually from coffee. Our intervention increased their income to 598. Close to what is need for a living income, but in 2019 it dropped dramatically, only to go up again in 2020. While continuing to work closely with and carefully monitor the progress of Limu 1 farmers, we have also begun a new living income intervention with 200 Ethiopian farmers (Limu 2). In 2021 we will expand our living income program to 12,000 farmers in southern Ethiopia and 2,600 farmers in Kenya. During this time, we will also unveil a campaign to reach new roasters to embrace and test our model.
- VII The FairChain model aims to help farmers achieve living incomes not only by improving quality and yields but also by lowering production costs. We believe that the FairChain model has the potential to replace development aid in countries rich in natural resources, such as coffee.

ENVIRONMENTAL

ENVIRONMENTAL

When we launched Moyee Coffee back in 2012 we had no clearly defined environmental goals. Our primary focus was to get our Ethiopian roastery up and running and quickly align our activities with regional smallholder farmers.

Of course, we knew that by supporting Ethiopian smallholders, who grow their coffee high in the mountains in a semi-agroforestry setting, we would have a small carbon footprint. But that's not exactly an environmental agenda, is it? As much as we applaud purpose-driven companies, earlier we explained that even purpose-driven companies need a theory of change to hold themselves accountable. For our own theory of change, we made a realistic assessment of the obstacles a farmer must overcome to

achieve a living income. Things like land size, productivity, number of family members, etc. Then, together with the FairChain Foundation, we built our theory of change around an initial set of impact programs. We have described in the previous chapters how we are working closely with local governments and NGOs to develop so-called 'impact consortia' to help us reach our living income goals.

As we learn more about the challenges our farmers face, it is becoming massively clear to us how intertwined their futures are with our futures. As forest dwellers, our farmers are on the frontline of climate change. Their environmentally-friendly farming methods protect forests – forests necessary for our own survival in the west.

That said, over the last 20 years Ethiopia has lost approximately 18% of its forests, the equivalent of 71,100 hectares, enough trees to absorb the entire annual CO2 emissions of The Netherlands. Each year, Ethiopia loses another 140,000 hectares to deforestation.

At Moyee, we believe the root cause of deforestation – and the climate change deforestation catalyzes – is poverty. When coffee production revenue is too low to support farming families, farmers swap their semi-agroforestry coffee production for cattle or food production so they can feed their children.

This is the great conundrum of the global coffee industry today. Big Coffee companies generate huge profits for themselves while

at the same time push millions of farmers under the poverty level, resulting in even more deforestation and even greater climate change. It's one of the most vicious circles of our time.

Over the last few years Moyee has been working hard to redesign our business model to not only battle deforestation, but to win back the forests already lost. By working in the coffee industry, we've become climate activists out of necessity. Our goal is to prove our business model can turn negative externalities into positive externalities. In addition to signing a pledge for net zero emissions by 2030, we are undergoing a number of significant projects specifically designed to achieve our environmental ambitions. Firstly, we are heavily committed

To our understanding Moyee is the only coffee company being carbon positive based on inseting not offsetting

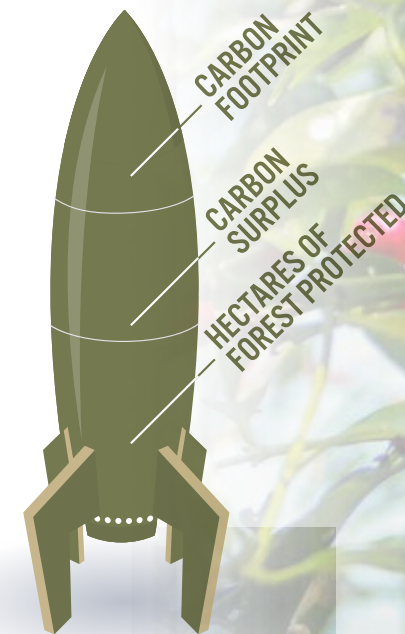
to our Caffeinated Reforestation project which, if successful, could redefine the way coffee is produced at farm level in Ethiopia.

Secondly, we are bringing all the expertise and know-how we've built up in Ethiopian to Kenya, where we are working with farming communities at the foot of Mount Kenya to lower our farmers' carbon footprint we are also upgrading our washing stations and dry mill.

Thirdly, we will double down on our True Price experiment in Colombia and bring this methodology to our activities in Ethiopia, Kenya and Uganda. ◀

A QUICK EXPLAINER

- **Carbon footprint:**
Average CO2 per kg of roasted coffee from farm to warehouse (in The Netherlands) for all our coffees.
- **Carbon surplus:**
CO2 absorption through forest protection and carbon inseting minus the carbon we use to produce and transport our roasted coffee. Yes you read this correctly.. we are carbon positive!
- **Hectares of forest maintained.**
Coffee should protect the forest not cause deforestation. So we report on how much hectares we protect ◀



IMPACT EXPLAINED

THE IMPORTANCE OF CARBON INSETTING

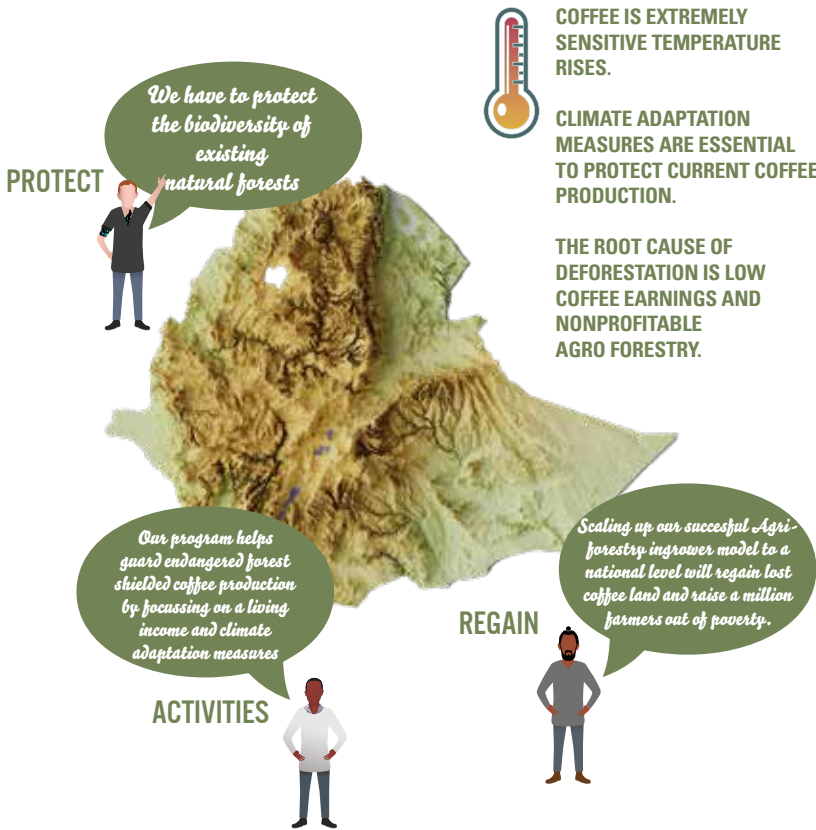
Most of you have heard of offsetting, but what in the world is insetting? These days corporate titans looking to ease their environmental conscience and/or balance out their carbon emissions can easily pay someone to plant a few trees for them or invest in a few green projects.

Increasingly, however, this practice – called carbon offsetting – has come under activist fire as being little more than greenwashing.

Some critics have even compared it to the Catholic Church's former practice of selling indulgences; as in, why change your behavior when you can buy off your sins?

To achieve net zero emissions by 2030, Moyee has integrated carbon-absorbing projects into our business model – projects focused on sustainable practices and reducing our carbon footprint within our own value chain.

This idea is generally referred to as carbon insetting, and it's the driving force behind our 1 Million Tree Planting campaign, our low-carbon project in Kenya and our Caffeinated Reforestation project in Mizan, Ethiopia. ◀



In the last 20 years Ethiopia lost 25 % of its forest, or this 3.9 million hectares equals all Co₂ emission of the netherlands each year an additional 140.000 ha is lost.²¹

WHY TRUE PRICING MATTERS

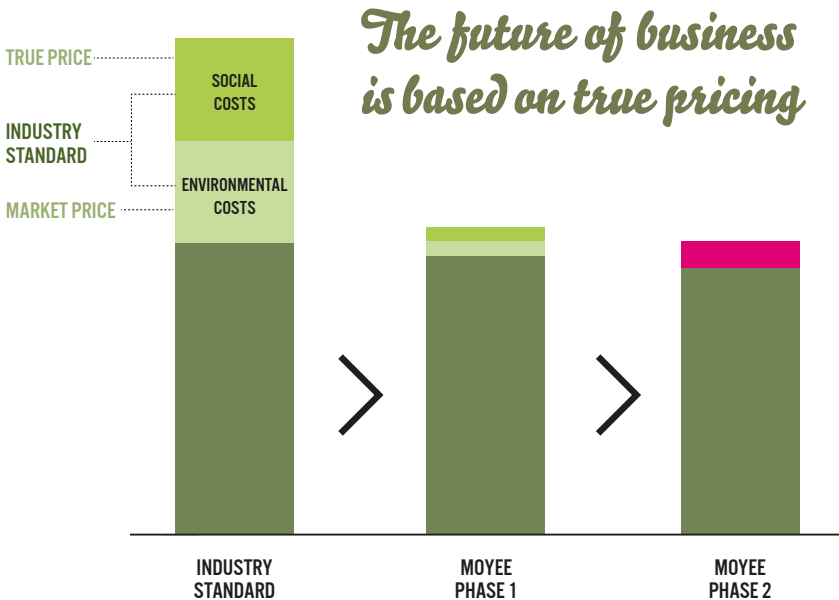
From a production perspective, everything we eat, drink, wear and consume causes some kind of harm. Behind the production curtains looms poverty, child labor, climate change, deforestation, loss of biodiversity, forced migration and other drivers of inequality.

Economists call all the dark elements created in the production process “negative externalities”. The major problem today is that the costs associated with all the negative externalities are almost always excluded in the pricing of products. They’re excluded in order to keep products artificially cheap. Huh?! How is that even possible?!

Let us explain. The classical economic theory guiding most business models today swear that the markets are always right. That the forces of supply and demand always lead to market equilibrium, and that competition always results in the efficient and fair allocation of resources.

But where can we find the monetization of negative externalities in this equilibrium? Well, we can’t because it’s not there. From an environmental perspective, this economic theory has failed us. This is why the Sustainable Development Goals (SDGs) established by the United Nations are so freakin’ important. It creates a shared blueprint for peace and prosperity for both people and planet. It rights the classical economic theory’s many wrongs. The UN’s SDGs require a radical mind shift in the way companies do business. Fortunately, radical mind shifts are Moyee’s raison d’être. From day one our mission has been to change the way coffee is grown, processed and sold.

By using the True Price method, we are finding ways to monetize the positive and negative externalities in our production process. The True Price method helps us better manage risks, steer innovations, reduce social and environmental costs and benchmark our prices against industry standards.



Our ambition is to offer the coffee world a business model that reduces negative externalities and helps fund positive externalities ranging from reforestation to climatesmart farms. The true price of a product is its market price plus the external environmental and social costs that went into producing it (see figure above).

Consumers today pay for the market price of a product. The external costs are almost always entirely ignored. Instead, these costs are passed down to other parties and our lovely planet. Our goal is to create a business model that generates positive externalities and cleans up 50 years of neo-liberal debris. Help us to Fix the Future! ◀

ACHIEVEMENTS

#1 START OF THE 1 MILLION TREE REVOLUTION

As we've discussed earlier in this report, poverty and deforestation go hand in hand. Which raises the question: can you tackle both problems simultaneously? This is precisely what we're attempting to do with our 1 Million Tree Revolution, a campaign focused on planting 1 million new coffee trees in our farming communities.

In addition to combating deforestation and absorbing an estimated 1.9 million kg of CO2 from the air (the equivalent of 3,800 return flights between Amsterdam and Barcelona), the new trees could also potentially double the income of our farmers on average. In 2020 we grew 400,000 seedlings in a local nursery, seedlings that are now ready to be planted with the help of a highly engaging consumer campaign (see our section on digitalization). ◀



#2 LOW-CARBON COFFEE KENYA

Unlike Ethiopian farmers, those in Kenya use loads of synthetic fertilizer. When we started our FairChain Farming program in Kenya changing this became our focus. Last year we trained the first 2,400 farmers and together with them built the first facility that produces bio-compost and bio-fertilizers at lower cost than that of existing

alternatives. Not only does this create jobs, but it also lowers the cost of production for farmers and increases their income, enhances soil fertility, improves the health of coffee plants and restores biodiversity. Intercropping is an important part of our strategy because it leads to greater farmer welfare and greater food security for their families. Profitable farmers are crucial to a prosperous planet. ◀



#3 RAINFOREST ALLIANCE CERTIFICATION

We've always been pretty outspoken about our dislike of certification programs. It's not personal, it's just that they are expensive and not designed for companies like Moyee already operating on the frontline of climate change. We'd rather invest all that money in our farmers, especially because most of what we do goes above and beyond typical certification norms.

We made the decision to join the Rainforest Alliance because, quite simply, some of our largest clients demanded it. And fair is fair, the environmental demands of RFA certification are quite useful. Since joining, we've certified 580 farmers in our FairChain Farming program. That said, we still believe certification programs are expensive. But it's easier to pay for certification than continuously explain all the reasons against it, so RFA certified we are. ◀



#4 WAKING UP TO LAST MILE

With so much focus on our farmers, we've often neglected impact programs closer to home in Amsterdam. Why bother with last-mile circularity, rooftop solar panels and office waste management when our farmers are living in poverty? Our mission was originally focused entirely on the first mile.

However, last year we stepped up our game and initiated an ambitious last-mile sustainability program that includes reusable bamboo coffee mugs, compostable to-go cups, a coffee waste upcycling service for our customers and recyclable bags. We were late to the last mile, we admit it, but we're doing our damndest to make amends. ◀



#5 TRUE COST PRICING IN COLOMBIA

In 2020, MVO Nederland invited Moyee to join the Futureproof Coffee Collective, a group of forward-thinking coffee companies interested in exploring True Cost Pricing. We have begun experimenting with True Cost Pricing for our farmer project in

Floridablanca, Colombia. This project gives us greater insight and hands-on knowledge into the True Price methodology not only in Colombia, but also our impact programs in Kenya and Ethiopia. ◀



THE NAKED FACTS

CARBON FOOTPRINT

When talking environmental goals, the figure our stakeholders care about most is our carbon footprint. So this is ours: **5.4 kg CO2 for every 1kg bag of packaged Moyee coffee.** This calculation was made with the help of Green Insights, a sustainable consulting company.

We think we can improve on this carbon footprint – dramatically. Broken down, we can see our carbon footprint is lowest at the farmer level. This is because our farmers hand-pick the cherries and avoid pesticides and artificial fertilizers. Zoom out however and we see the real carbon villain in our chain is transport, mainly because we airfreight much of our beans from Ethiopia to Amsterdam instead of shipping them. This is a major, major flaw in our supply

chain. But here too we are mending our ways. Shipping instead of flying our beans from Ethiopia will dramatically lower our carbon footprint by 2.43kg per bag (!).

Another ‘quick win’ on the carbon footprint front was shipped to Ethiopia in 2020: a container full of solar panels. We will use these panels to replace the diesel generator at our Ethiopian wet mill, which will immediately lower our carbon footprint even further. Hurrah! ◀

CARBON SURPLUS

At the time of printing this report our supply chain enjoyed a carbon surplus of 795 tons, which means we absorb 795 tons more CO2 than we emit. Uniquely, this surplus is largely the result of our own

ambitious carbon insetting, a program that involves protecting the forests in our own supply chain (rather than, say, adopting a forest in Norway or offsetting our CO2 emissions with cash money).

Carbon surplus is calculated by subtracting the CO2 emissions within the supply chain from the total CO2 absorption through forest protection in our supply chain.

A major contributor to our carbon surplus is the 373 hectares of agroforestry used by our farmers. Soon we’ll be able to increase our surplus even more by planting 400,000 coffee trees, which will absorb another 1,900 tons of CO2.

But even without including these 400,000 trees into our calculations, we can now safely say that Moyee is climate positive

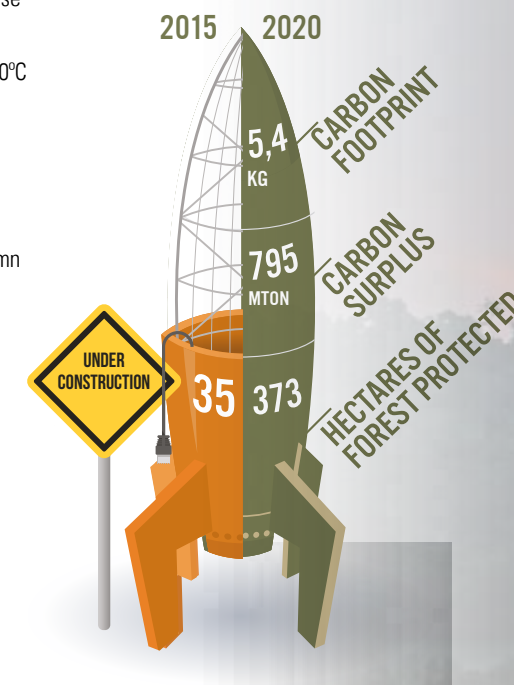
up to 184,000 kg of roasted coffee. (To find out more about this program, please visit moyeecoffee.com/farmers-impact-dashboard.) Of course, calculating one’s carbon footprint is tricky business and involves lots and lots of intangibles. In our calculations, we’ve only included the tangibles over which we have control, which means to the point of sale.

We do however have a pretty good idea of the footprint of our coffees once they enter catering, businesses and people’s homes. Drinking coffee at home accounts for up to 30% of coffee’s total carbon footprint. Drink it in cafes, and that number increases to 50%. The amount of energy used to make a single espresso – and the amount of coffee needed to make it – is pretty crazy when you think about it.

Compare that to filter coffee, which is by far the most eco-friendly way to make coffee.

With filter coffee, you waste little because the measurements are precise, and you only need to heat the water to roughly 90°C (instead the typical 92°C to 99°C used in most espresso machines).

So if you’re been pondering that V60 or Chemex, maybe it’s time you buy the damn thing! ◀



A GLIMPSE INTO THE FUTURE

WORK LEFT TO DO

- Replace air transport from Addis by ship like we did with our Kenyan coffees.
- Become a waste-free office by 2025.
- Upcycle the coffee husk at farm level to natural fertilizer, baking powder and pectine.
- Unveil Ethiopia's first solar-powered wet mill.
- Kickstart our low-carbon coffee project in collaboration with the Kenyan Coffee Research Institute, Agriterra, and the FairChain Foundation with the support by the Dutch Government. The aim of this project is to create a coffee chain with the lowest possible emissions, to contribute to the living

income of our farmers and to increase food safety for 7,200 Kenyan smallholder farmers and their communities. All coffee will be roasted in our Kenyan roastery and the entire chain will be visible on a blockchain platform, which will enable Moyee's community to connect with our farmers and directly impact their lives.

- As part of the Futureproof Coffee Collective in Floridablanca, Colombia, we will work with a True Price tool that assesses the actual costs and impact on local biodiversity, water use and soil quality related to coffee production. To further reduce our soil impact and water usage we will replace multiple small water plants located on individual

farms with a collective wet mill and single water treatment plant accessible by multiple farmers. We will also contribute to the creation of buffer zone to protect the nearby La Judía National Park adjacent to our farmers.

- We will boost our climate positivity by another 988 tons through our FairChain Caffeinated Reforestation Program, beginning with 247 hectares in Mizan, Ethiopia. This program addresses the dilemma of scale, farmer living income and biodiversity protection through ingrowing (see next chapter).

BY 2025:

- 7,200 farmers in Kenya will produce low-carbon coffee completely free of artificial fertilizers.
- Our (re)forestation program will grow 1,000 hectares and have helped another 250 farmers become profitable.
- We will have a viable and profitable blueprint for the Ethiopian coffee sector capable of elevating 1 million farmers out of poverty and transforming 3.6 million 'lost' hectares of forest into profitable semi agroforestry farms with increased biodiversity.

DILEMMAS

MIZAN FARM: IN SEARCH OF A NEW PARADIGM

Ever tried living entirely off less than 1 hectare of land? Well, 95% of Ethiopian coffee farmers do. It's not much, trust us. So when we began searching for ways to help turn poverty farmers into profitable farmers, we had to address the issue of scale.

Of course, addressing scale alone is risky business as it leads to outsized focus on maximizing efficiency and profit as practiced by modern industrial style coffee farms – industrial farms that replace natural (and naturally shaded) forests with monocrops.

Sure, their overuse of toxic herbicides, pesticides and synthetic fertilizers, alongside

wasteful water practices, increases yields, but they ultimately destroy topsoil faster than it can be replaced. So no, industrial farming is not the solution for raising smallholder coffee farmers out of poverty.

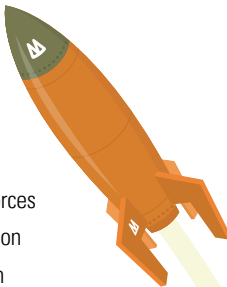
Environmentally speaking, it would be better to stop drinking coffee altogether. God forbid! We at Moyee have made it our mission to be part of the solution, not the problem. When we opened our doors in 2012, we were not climate activists, nor did we pretend to be. None of us were manning the front lines of Seattle or Paris.

But in the past eight years we have personally witnessed the degradation of Ethiopia's natural coffee landscapes through climate change. We've seen firsthand coffee farmers too poor and powerless to battle on

their own the economic and political forces that lead to deforestation. For this reason we created Mizan, a model coffee farm in the Ethiopian highlands that is totally aligned with FairChain's economic, social and environmental impact goals.

To be clear, we are coffee roasters, not coffee farmers. But to create a new paradigm for growing, producing and distributing coffee, we realized we had to literally get our hands dirty and step into farming.

With our Mizan farm, we have removed as many obstacles as possible to put our FairChain theory into practice. The goal is to create a blueprint for coffee production that will help farmers and forests not only survive the 21st century, but thrive in it. ◀



MIZAN FARM



PROFITABLE FARMERS

The objective is clear: to create sustainable livelihoods for our farmers without depleting Mother Nature's support systems and natural ecosystems. To help us achieve this objective, we created an 'ingrowers' program. With ingrowing, we are dividing 10 hectares of land between four farmers, or 2.5 hectares each. Each farming family will operate a system based on stable prices calculated according to a true cost method. <

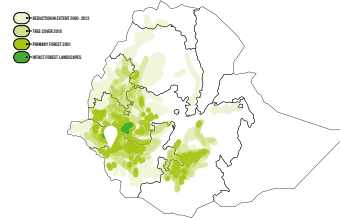
X200 FARMER FAMILIES

We anticipate that this ingrowing program will lead to increasingly greater yields and, as a result, offer the participating farmers living income returns. The ingrowing program involves 200 farming families in all, a sample size large enough to convince Ethiopian policymakers to embark on much needed land reform. <

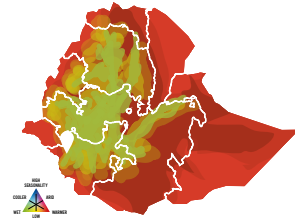
OUTPUT
MORE LAND
FOOD SECURITY
GOOD HOUSING
HYGIENE
HEALTHCARE
EDUCATION
SAVINGS

FOREST COVER

● REDUCED FOREST COVER (2000-2015)
● HIGH FOREST COVER
● PRIMARY FOREST ZONE
● DEGRADED FOREST LANDSCAPE

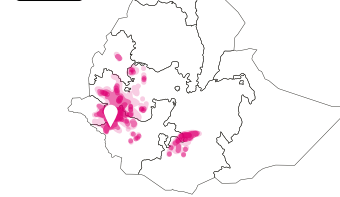


CLIMATE



BIODIVERSITY INTACT

● HIGH BIODIVERSITY INTACT
● LOW BIODIVERSITY INTACT

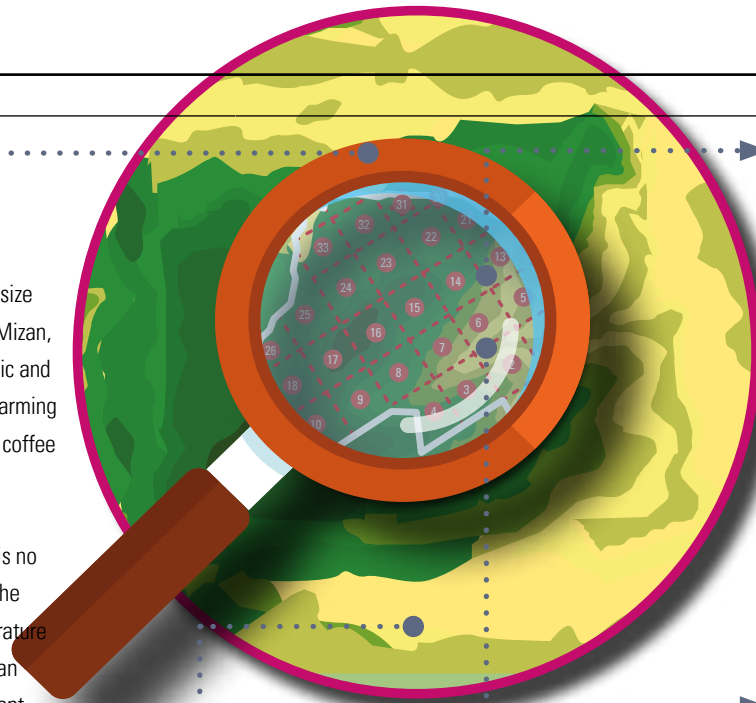


CLIMATE CHANGE & DEFORESTATION

1) Every year in Ethiopia a forest area 7x the size of Amsterdam is lost to deforestation. With Mizan, we want to prove that it makes both economic and environmental sense to protect sustainable farming practices throughout the country's remaining coffee forests.

2) The choice of location for our Mizan farm is no accident. This is a region that will be among the first to significantly suffer from further temperature rises. An important part of our mission at Mizan is to explore the various ways farmers can adapt to – and perhaps even profit from – climate change through smarter water usage, intercropping and reforestation.

3) Without a new economic paradigm there is a very real risk that Ethiopia will lose much of its current forest-shielded coffee production to Brazilian-style industrial monocrop production. By embracing a True Cost methodology in Mizan, we are exploring how to grow coffee at scale while keeping biodiversity intact. It is vital for our farmers and for the planet that we succeed. <



SHARED INFRASTRUCTURE

Intercropping is often seen as a method to make smallholders more resilient to market fluctuations and dependency on cash crops. Put simply, it is a means of survival. But our goal at Moyee is thriving farmers, not surviving ones. Great gains can be created through shared infrastructure. By investing in a centralized processing facility (wet mill) and transforming the mill's waste into food industry ingredients, we can potentially double farmer income. The same can be said

REGENERATIVE FARMING

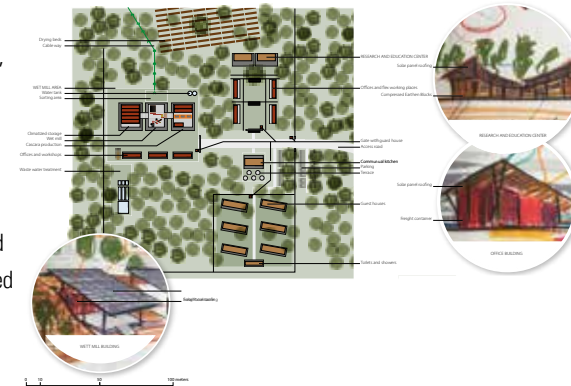
The hard fact is, coffee production must become part of the solution for climate change, deforestation and biodiversity loss, not part of the problem. To this end,

OUTPUT
CARBON SEQUESTRATION
STOPS DEFORESTATION
CLIMATE RESILIENCE AND ADAPTATION
BETTER CROPS
LESS COSTS



for centralized food processing activities for cattle and fruit. Through shared infrastructure like climatized storage, we can shorten the farm-to-storage period from months to days. This directly benefits roasting coffee at origin, by the way, as green beans traditionally travel for months around the globe before reaching a climatized storage, during which time they lose much of their unique flavors and characteristics. <

the Mizan farm includes an educational center comprising classrooms, a laboratory and offices that will provide regenerative farming training to 200 ingrowers and some 1,500 surrounding outgrowers. We



are inviting universities and institutes like The Food and Agriculture Organization (FAO) and the United Nations Development Programme (UNDP) to set up independent research programs that lead to shared experiences and best practices. We have already identified 3,000 hectares of 'lost forest' ripe for regeneration, with hundreds of thousands of more hectares still available nationwide. Anyone willing to invest in solving climate change is invited to join us in Mizan. Let's fix the future by raising one strong fist against climate change. <



'Since I am the only person that is busy with the marketing in Ethiopia I can tell u that here a photo like this would work: traditional values with international standards'

Nolawi (28) - marketing and sales manager

FACES OF FAIRCHAIN - SICCO MANSHOLT.

DUTCH MINISTER OF AGRICULTURE IN THE POST WAR REBUILT

"During his ministry, Sicco radically modernized Dutch agriculture. With a mix of guaranteed minimum prices and heavy investing in education and scaling his policy led to a huge increase in productivity and the success of the Dutch Agri-sector. In the period after his retirement he was

strongly influenced by the Club of Rome. Mansholt regretted the introduction of agricultural subsidies and limitless scaling. In what we call our MiniPlan Mansholt we like to take these lessons to heart and focus on an approach that combines scale with protecting and regaining biodiversity.

And replace a supply chain dependent on development by one with thriving not surviving coffee farmers. But his attempts to reverse this failed, partly because of resistance from the farmers who had meanwhile become dependent on subsidies from Brussels." ◀

"During his ministry, Sicco radically modernized Dutch agriculture. With a mix of guaranteed minimum prices and heavy investing in education and scaling this led to a huge increase in productivity and the success of the Dutch Agri-sector."



THE IMPORTANCE OF DIGITALIZATION

STORYPROVING

Many sustainable initiatives are difficult or impossible to monitor. Partly for this reason, Moyee has opted for total transparency. Blockchain is a good tool for this. It gives everyone the opportunity to see everything Moyee does: payments to farmers, who earns what in the chain, etc.

Impact and sustainability are only valuable concepts if they are accompanied by clear objectives and an assessment mechanism. Moyee goes beyond storytelling to storyproving. <

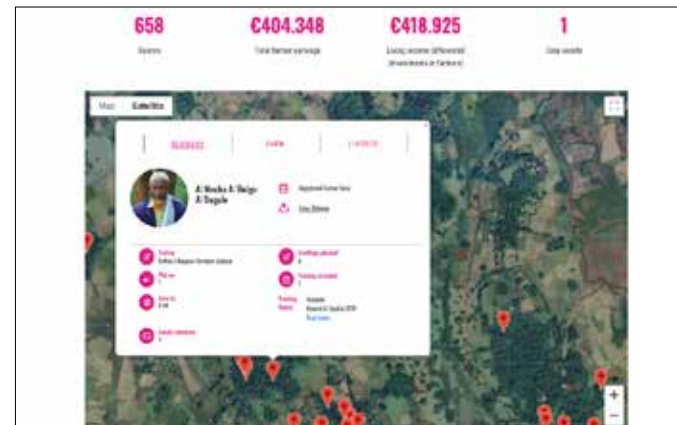
GO AHEAD!
SEE FOR YOURSELF



LIVING INCOME ROADMAP

We created a farmer dashboard in order to establish a direct relationship between farmers that produce our beans and those who drink it. As a 'live' dashboard, it offers real-time status of our Living Income Roadmap for each individual farmer we work with.

Understanding the conditions of individual farmers, the precise location of their farms, the size of both their farming plots and their

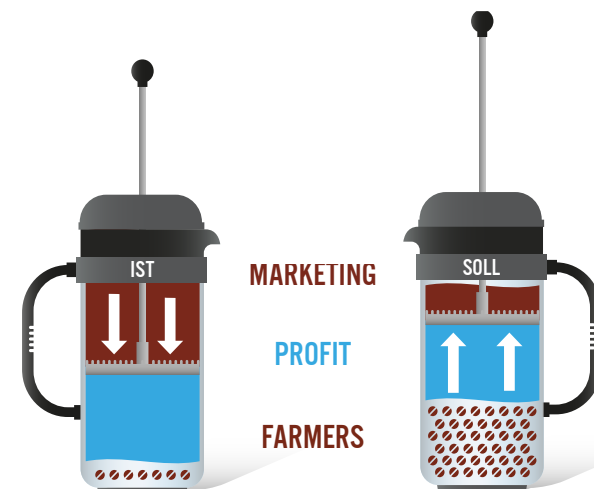


families, the income they earn from coffee, the amount of coffee trees they harvest – all this data enables us to calculate living income benchmarks and progress. In turn, they influence the trainings we offer projected yield increases, the quality of their beans. Put simply, our farmer impact dashboard helps us leave no farmer behind! <

Check it out at <https://www.moyeecoffee.com/farmers-impact-dashboard>

REDISTRIBUTION BY DESIGN

Technology, as they say, is agnostic – neither good nor bad. It's how you use it that makes a difference. So it goes with the blockchain. Blockchain technology is helping us revolutionize the industry by introducing much-needed transparency and organization. In our case, blockchain is also helping us get more money into the right hands at farmer level. At the same time, blockchain's decentralized ledger is slowly replacing baseless marketing claims with clear traceability and quantifiable impact.



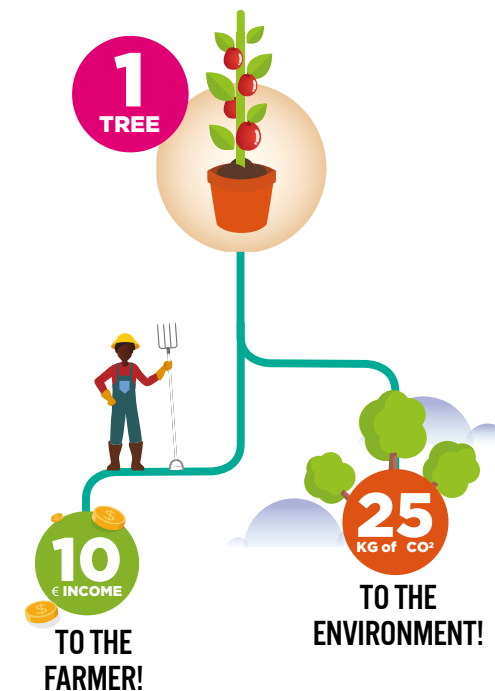
Since our founding, Moyee has always said: 'You pay for quality coffee, the impact you get for free.' Our mission is to redistribute value more evenly across the entire coffee chain, keep prices competitive for high-quality coffee and help achieve living incomes for our producers. We don't believe in profit, but in RESIDUAL VALUE – value that can be shared across our entire impact ecosystem. Our FairChain business model is specifically designed to redistribute. All to create many winners instead of a chosen few. <

TURN MARKETING INTO IMPACT

Moyee places a living income for farmers at the centre of our FairChain Farming Program. Paying the farmers 2 to 3 times more than the typical supermarket coffee helps, but is not enough. Those who claim that paying premiums will fix the future deny the need for a holistic approach in which brands, NGO's and governments work together on yield and quality increase, digitalization, access to credit, healthcare and education.

Searching for ways to fund our living income interventions, we looked at our marketing budget. Instead of creating TV commercials featuring famous faces to grow our movement, we designed a loyalty program in which our fans can spend our marketing budget on impact programs of choice. We started with

planting coffee trees, but also contribute to other programs like clean water and vaccinations. Each kilo of coffee contains a € 1 token that enables a farmer to buy a coffee plant. These trees will double farmer income, protect the valuable forest and make sure our entire production chain is carbon neutral. Good for them, good for us! <



CORPORATE SCHIZOPHRENIA

ON CAPITAL AND OWNERSHIP

One small company can only do so much... That Moyee even made it this far is a minor miracle. Establishing a company in Ethiopia was in itself an enormous challenge.

A greater challenge still was taking on the Big Bucks of Big Coffee – and the propaganda Big Bucks buys. But even with all the odds stacked against us, our game’s still on. In fact, now that we’ve got our hands dirty and taken a few good knocks, our ambitions are higher than ever. The same can be said for our pretty audacious Mission Zero (zero poverty, zero net emission, zero deforestation).

Back in 2019 Moyee restructured the company to remove the remaining obstacles standing in the way of Mission Zero (admittedly, a business model built around sharing the wealth is not music to the average shareholder’s ears).

Moving forward, we are speaking with leading economists and thinkers to find ways to design a shareholder structure that extends more equality across our chain, both to our producers and those who drink us. Stay tuned!

In his shockingly accurate book "The Divide", Jason Hickel hits the nail on the head when he says that all these years we’ve been told development aid is working; that the global South is catching up to the North; that poverty has been cut in half over the past 30 years; that poverty is a natural phenomenon that can be fixed with aid; that it will be eradicated by 2030. It’s a comforting tale we are being told, one that is endorsed by powerful governments and corporations. But is it true? Uh, no frickin’ way, not even close. Since 1960, the income gap between North and South has roughly tripled in size. Today 4.3 billion people, or 60% of the world's population, live on less than \$5 a day. The richest eight people in the world

now control the same amount of wealth as the poorest 50% of the global population. So what, precisely, is causing this growing divide? Poverty is not a natural phenomenon, but a political one: Poverty doesn’t just exist, it is created.

In his monumental 2013 tome "Capital in the Twenty-First Century", Thomas Piketty noted that every human society must justify its inequalities to ward off the risk of political and social collapse. Put simply, each generation creates its own contradictory discourses and ideologies to legitimize inequality.

But how can you justify the eight richest people owning more than 3.5 billion people? You can’t, no way. So it’s up to companies like Moyee, however small, to prove there’s a better way. There, we’ve said it: we want to grow. Not only grow, but to become as big as possible. Because only then can we clean up

the rubbish. Only through size can we convince the world there is a better way.

We promise you in the coming years we will grow into the company we always envisioned ourselves to be. There is a new egalitarian world on the horizon, a new ideology of equality and of social ownership, education and the sharing of knowledge and power. Forget the doom and gloom, friends. It’s time to look at the bright side of human nature. ◀

WE CAN FIX THE FUTURE. AND WE WILL

FACES OF FAIRCHAIN - KATE RAWORTH

RENEGADE ECONOMIST AND WRITER OF THE BOOK "DOUGHNUT ECONOMICS"

"Humanity’s 21st century challenge is to meet the needs of all within the means of the planet. In other words, to ensure that no one falls short on life’s essentials, while ensuring that collectively we do not overshoot our pressure on earth’s life-supporting systems, on which we

fundamentally depend – such as a stable climate, fertile soils and a protective ozone layer. The Doughnut of social and planetary boundaries is a playfully serious approach to framing that challenge, and it acts as a compass for human progress this century. If we want business that's fit for 21st century

goals then we need to look at the design of business itself. Be a detective about the companies you love or loathe - how do their purpose, networks, governance, ownership and finance shape what they can do or be in the world?" ◀

“We can talk all we like about the design of the product, but what ultimately matters is the design of the company itself.”



For the fact checkers



1
Rutger Bergman <https://thecorrespondent.com/466/the-neoliberal-era-is-ending-what-comes-next/>

2
The Arabica bean is a high-quality type of coffee bean that represents 60% of global production. It's sister, the Robusta bean, is of lower quality and mostly used for mass production.

3
Source: http://www.dimattinacoffee.com.au/blog/entry/coffee_second_only_to_oil_is_coffee_really_the_second_largest_commodity

4
Annual worldwide sales: coffee 90 billion; gold 87 billion. Source: Dimattinacoffee blog

5
S. Ponte, The Latte Revolution, 2001.

6
<http://www.ecx.com.et/Pages/MarketDataPage.aspx>

7
<https://www.reuters.com/article/coffee-farmers/coffee-price-slump-leaves-farmers-earning-less-than-a-cent-a-cup-idUSL8N1YJ4D2>

8
International Coffee Organization, World Production 2014/15.

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https://apps.fas.usda.gov/newgainapi/api/report/downloadreportbyfilename?filename=Coffee%20Annual_Addis%20Ababa_Ethiopia_5-29-2019.pdf

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10
<https://data.worldbank.org/indicator/DT.ODA.ALLD.CD?locations=ET>

11
<https://data.worldbank.org/indicator/DT.ODA.ALLD.CD?locations=ET>

12
Ball-park figure: coffee income can potentially triple or quadruple for producing countries. Check page 43 for more detail.

13
ISO = The international Organisation for Standardisation. <https://www.iso.org/home.html>

14
Check the Annex for an explanation on this Living Income study

15
Original idea was to let the farmers co-own the wet mill but they showed no interest so we now consider a different approach. See dilemmas.

16
5,000 is a bold number. But we've actually seen companies openly target 50,000 farmers on a living income. Seriously? We applaud their ambition, but when applied to Ethiopia this would mean double annual yield to roughly 500kg per farmer AND sel a total of 2.5 million kilograms. We are big believers in moonshots, but we Storyproving means credible goals and progres reporting.!

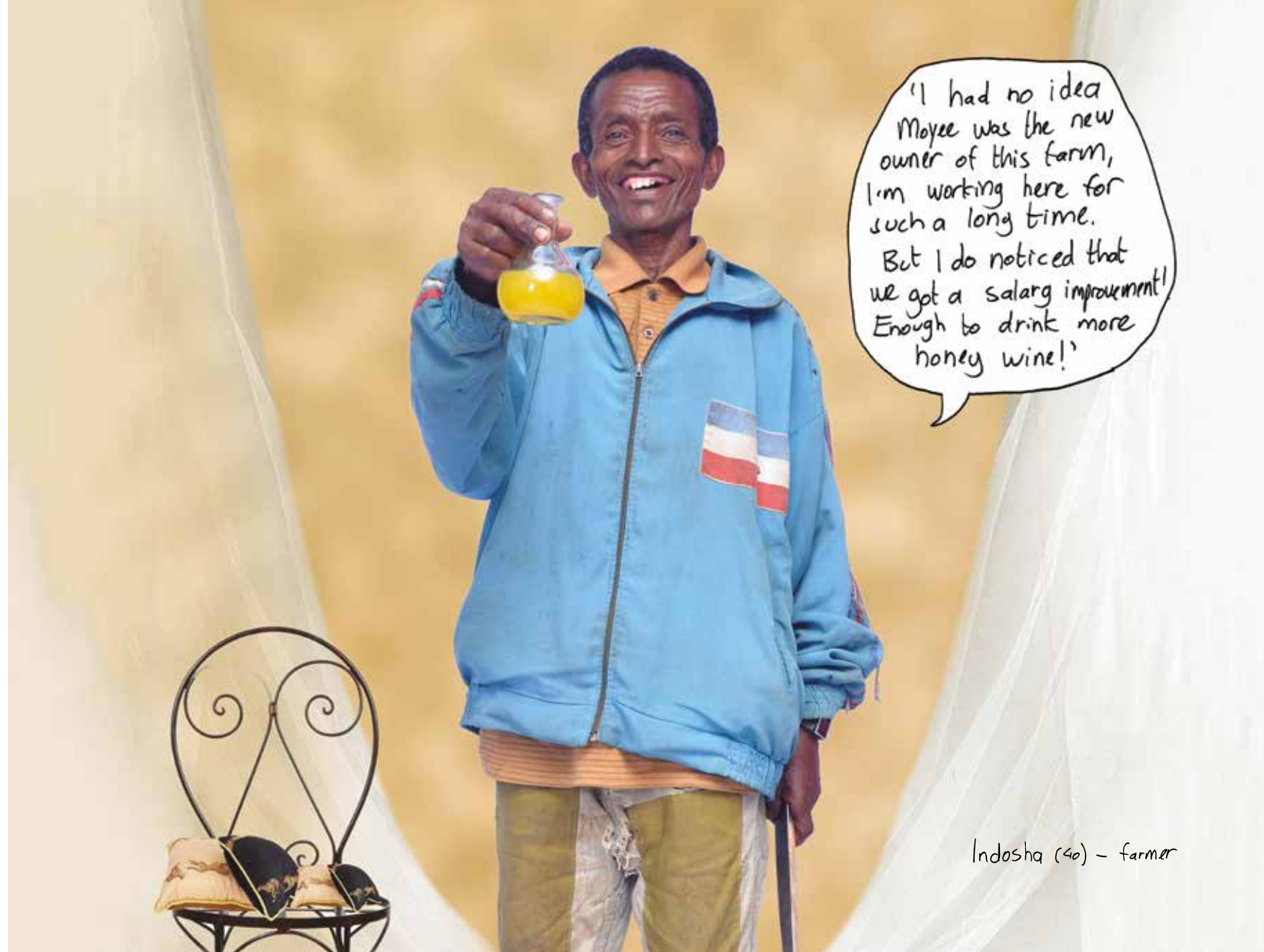
17
For those less intimate with specialty coffee lingo this is a very high quality score. Average coffee has scored in its low 70's if at all they measure.

18
Be sure to read the "Dilemma – Data" part to understand the relevance of this number.

19
We explained to them the needed investments and the importance of a close cooperation since the needed investments would only turn into profit when enough coffee would be processed.

20
Net Present Value (NPV) methodology values future profits in present time.

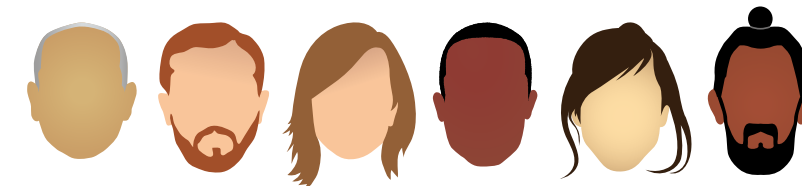
21
<https://rainforests.mongabay.com/20ethiopia.htm>.

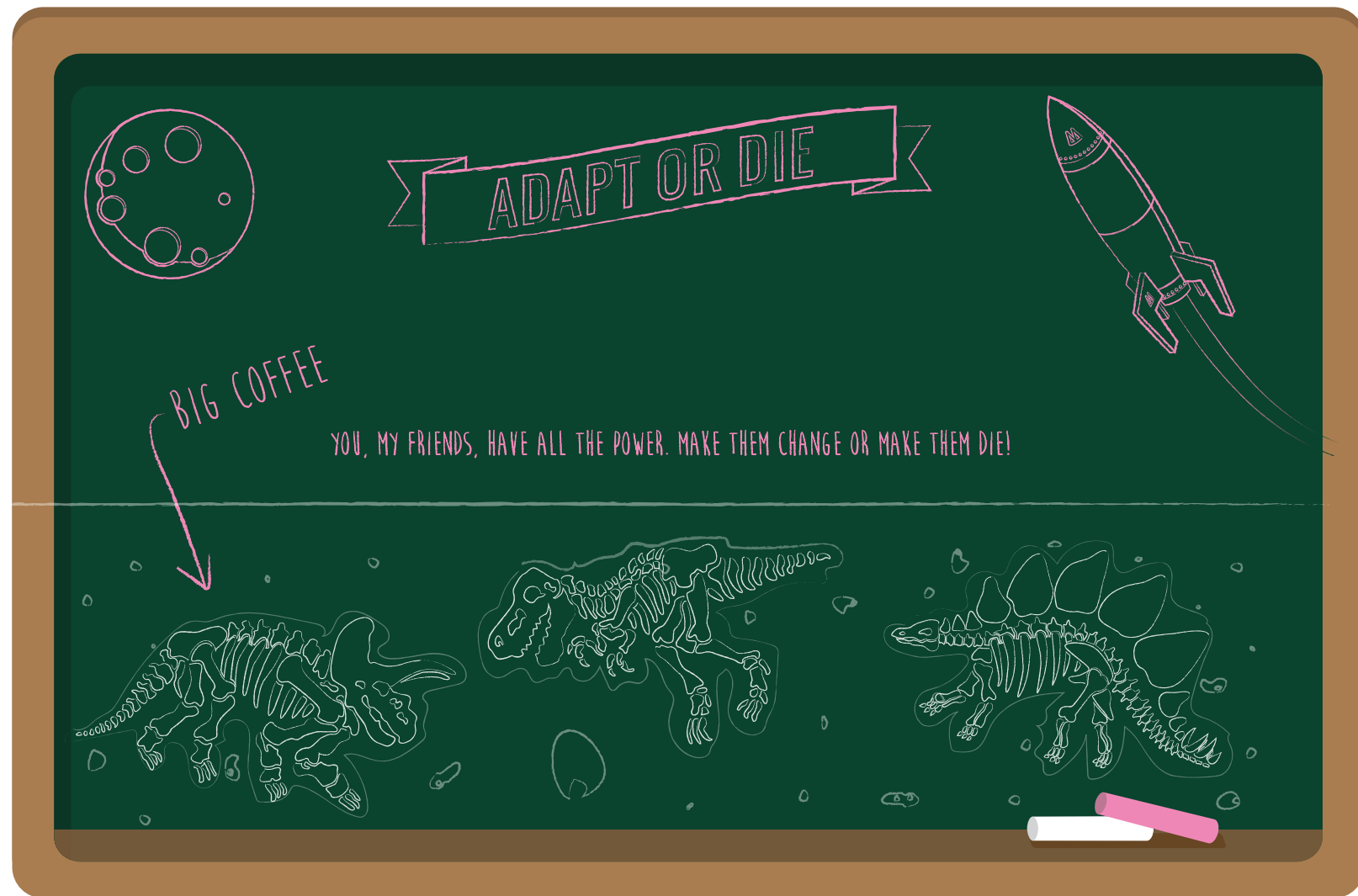


Indosha (40) - farmer

THANK YOU!

If you made it all the way here, then you are either already drinking Moyee FairChain coffee or probably should be; but hey, don't drink us out of do-goodism or even compassion. Drink us because we're the best damn cup of coffee you're likely to find this side of the moon. That's right; we dare you to drink our coffee. Every sip counts, baby! Thanks for reading... <





Adapt or die. LADIES AND GENTS,
FANS AND FRIENDS, THE TIME HAS
COME TO WAKE UP AND SMELL THE
COFFEE. STOP PANDERING TO THE
BIG COFFEE DINOSAURS, THEY HAVE
NO FUTURE.

The future of coffee is FairChain.





TRY HARD,
FAIL HARD,
TRY HARDER.