

# 2022 SUSTAINABILITY

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## Executive summary







## INTRODUCTION

From cocoa farms to shipping lanes, our commitment is to make a meaningful impact on our society and create a sustainable future for generations to come.

Our approach to sustainability consists of a wide range of initiatives to reduce our impact on the planet and protect our community.

Through collaboration with farmers, customers, and organizations we have built sustainability programs that support environmentally responsible farming practices, promote gender equality, protect children, and enhance their livelihood while improving cocoa productivity in Peru.

## SOCIAL IMPACT

### ERADICATING CHILD LABOR

Machu Picchu Foods has a zero-tolerance policy for child labor. Every cacao farmer who takes part in our Organic Certifications Program must comply with our processes to protect children. Therefore, to accomplish our goal, we have rigorous monitoring visits to identify potential management of child labor occurrences in cacao farms.

In 2022, + 1,902 farmers were added to our child labor monitoring program, alongside participants of the previous year.

#### Key metrics

- 76** cases of children helping on their family's farm were identified.
- 0** number of cases of forced child labor, discrimination, and under-age workforce identified.

### PROMOTING PRODUCTIVITY AND GENDER EQUALITY

#### 1. Nuwa Muun Project

*Nuwa Muun* means "Great women" in Awajún, an indigenous language spoken mainly in the Peruvian Amazon. This capacity-building project is focused on one of our key stakeholders: working women in the Peruvian cacao industry.

Our goal is to enhance their productivity through educational and technical assistance, and financial support to ensure the economic sustainability of their farms, and families.

#### Key metrics

- 25** organic cocoa farmers benefited.
- 67** hectares in production.
- 115** tons of fertilizers delivered (2022).

#### 2. Fermentation boxes donation

Cocoa quality is affected by many different factors, and fermentation is the first critical process to develop the beans' natural flavors. To improve the quality and efficiency of this stage, we implement hexagonal fermenters for our organic cacao farmers in Ayacucho - Peru.

#### Key metrics

- 6** hexagonal fermenters delivered.
- 400** kilograms capacity (each).

### EDUCATION AS A PILLAR OF SUSTAINABLE DEVELOPMENT

#### 1. Ñawinchay Project

The Ñawinchay Project was created to promote reading habits and to reduce the digital gap in local cacao-producing communities where technology is almost non-existent.

We provide 8-inch tablets to +100 students in 3 primary schools in Maveni, Shapo, and Amargua, in Ayacucho. These devices had the BookSmart app installed, a virtual library app -developed by the NGO Worldreader- containing more than 150 e-books; all available to use without an internet connection.

#### Key metrics

- +100** tablets donated.
- +100** children benefited.

#### 2. School maintenance

School maintenance seeks to ensure safe and conducive conditions for all, from students to teachers, parents, and guardians. With the purpose of creating better learning environments for the return to in-person classes, we provided services to improve the school's existing infrastructure.

#### Key metrics

- 25** primary school students benefited.



# ENVIRONMENTAL IMPACT

## CARBON FOOTPRINT REPORTING

In 2022, Machu Picchu Foods released its first carbon footprint measuring with the commitment to account for the impact created by our operations and to reduce the impact on the environment and stakeholders. The calculation was based on the ISO 14064-1-2019 framework.

This same year, we were recognized by the Peruvian Ministry of the Environment for this first accomplishment in assessing and reporting the company's standards and management plan.

Our overall carbon footprint was 15,157.99 tCO<sub>2</sub>e, which is a +649.99 tCO<sub>2</sub>e increase in comparison to our previously reported footprint (2021). This increase was mainly driven by our growth in both manufacturing facilities.

## OUR MEASURED IMPACT

As an organization, we have established assessment actions to ensure compliance with our environmental obligations.

Last year was a year of continuing growth for our organization, generating an increase in energy consumption (2022 vs. 2021) due to implementing new production operating lines in our facilities.

Regarding our natural gas use, both manufacturing factories use renewable energy sources. As for our water and effluent management, we work on responsible consumption of resources through intensely measuring and reporting practices and offering all-year sensibilization campaigns and training to our employees. The gas emissions produced by industrial processes or equipment are monitored, and reported, to the national agency for environmental assessment and enforcement (OEFA).

## SOLID-WASTE MANAGEMENT

All solid material discarded is correctly disposed of and segregated in containers, for later storage in our central warehouse. With the purpose of involving all employees in proper waste segregation and management, we carry out training and communication campaigns to minimize our impact and stimulate behavioral change.

In 2022, we generated a total of 1,464.48 TN, representing an increase of 63.09 TN versus the previous year. The reusable solid waste is delivered to an authorized company for its subsequent recycling.

## RECICLAR PARA AYUDAR / RECYCLE TO HELP

Recycle to Help is an initiative by ANIQUEM –a local ONG that provides free rehabilitation for child burn survivors – to promote proper waste management as a strategy to co-finance the rehabilitation therapies of their patients.

In 2022, 54,702.90 Kg of cardboard, paper bags, and bond paper, among others, and 47 TN of Waste Electrical and Electronic Equipment (WEEE) were donated.

### Key metrics

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**63**

trees were saved

**34,733.9 KW/h**

of energy was saved

**26,272.05**

gallons of water were saved

**346.72 m<sup>3</sup>**

of space in the landfill was reduced