

Falcon Coffees Ltd.

2024 CDP Corporate Questionnaire 2024

Word version

Important: this export excludes unanswered questions

This document is an export of your organization's CDP questionnaire response. It contains all data points for questions that are answered or in progress. There may be questions or data points that you have been requested to provide, which are missing from this document because they are currently unanswered. Please note that it is your responsibility to verify that your questionnaire response is complete prior to submission. CDP will not be liable for any failure to do so.

[Terms of disclosure for corporate questionnaire 2024 - CDP](#)

Contents

C1. Introduction

(1.1) In which language are you submitting your response?

Select from:

☒ English

(1.2) Select the currency used for all financial information disclosed throughout your response.

Select from:

☒ USD

(1.3) Provide an overview and introduction to your organization.

(1.3.2) Organization type

Select from:

☒ Privately owned organization

(1.3.3) Description of organization

Falcon Coffees ("Falcon") is a green coffee trader that sources coffee from twenty producing countries on behalf of over one thousand coffee roasters worldwide. We collaborate with hundreds of thousands of smallholder farmers globally, building and fostering supply chains for mutual profit and positive outcomes. Our work is compelled by the idea that participating in and preserving coffee supply chains has the potential to drive enormous socio-economic change, while harnessing environmental stewardship across the geo-political landscape of coffee-growing regions that is home to the vulnerable communities and fragile ecosystems on which the coffee industry relies. We lead operations from our headquarters in Lewes, UK with regional offices in the US, Germany, Peru, Malaysia, and Ethiopia. Our key operations include sourcing, export, logistics, transportation, and distribution. Our objective is to change the way coffee is traded for good, by shifting economic values from short-term profiteering to long-term sustainability through collaboration. We believe deeply in the preservation of coffee-growing communities and taking responsibility for our impact on them and the ecological environments where they live and farm. These principles guide all our endeavours within the pillars of environmental stewardship, social upliftment, and good governance. In 2023, we supported fifteen different impact initiatives globally, spanning our countries of sourcing activity and including climate-smart coffee processing practices, carbon sequestration, gender equity, and much more. Impact metrics (KPIs) and details on several of these initiatives can be found on our website at <https://www.falconcoffees.com/our-impact>. As members of Conservation International's Sustainable Coffee Challenge, we are committed to implementing time-bound targets to direct the reduction of our supply chain emissions. We are further committed to achieving net zero greenhouse gas emissions by 2050 and are in the process of developing this transition plan, which will further guide our strategy and focus for years to come.

[Fixed row]

(1.4) State the end date of the year for which you are reporting data. For emissions data, indicate whether you will be providing emissions data for past reporting years.

(1.4.1) End date of reporting year

12/31/2023

(1.4.2) Alignment of this reporting period with your financial reporting period

Select from:

☒ Yes

(1.4.3) Indicate if you are providing emissions data for past reporting years

Select from:

☒ Yes

(1.4.4) Number of past reporting years you will be providing Scope 1 emissions data for

Select from:

☒ 1 year

(1.4.5) Number of past reporting years you will be providing Scope 2 emissions data for

Select from:

☒ 1 year

(1.4.6) Number of past reporting years you will be providing Scope 3 emissions data for

Select from:

☒ 1 year

[Fixed row]

(1.4.1) What is your organization’s annual revenue for the reporting period?

201028000

(1.5) Provide details on your reporting boundary.

	Is your reporting boundary for your CDP disclosure the same as that used in your financial statements?
	Select from: ☒ Yes

[Fixed row]

(1.6) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?

ISIN code - bond

(1.6.1) Does your organization use this unique identifier?

Select from:

☒ No

ISIN code - equity

(1.6.1) Does your organization use this unique identifier?

Select from:

☒ No

CUSIP number

(1.6.1) Does your organization use this unique identifier?

Select from:

☒ No

Ticker symbol

(1.6.1) Does your organization use this unique identifier?

Select from:

☒ No

SEDOL code

(1.6.1) Does your organization use this unique identifier?

Select from:

☒ No

LEI number

(1.6.1) Does your organization use this unique identifier?

Select from:

☒ No

D-U-N-S number

(1.6.1) Does your organization use this unique identifier?

Select from:

☒ Yes

(1.6.2) Provide your unique identifier

081148986

Other unique identifier

(1.6.1) Does your organization use this unique identifier?

Select from:

☒ Yes

(1.6.2) Provide your unique identifier

UK Company Number: 09033135

[Add row]

(1.7) Select the countries/areas in which you operate.

Select all that apply

- ☒ Peru
- ☒ Germany
- ☒ Ethiopia
- ☒ Malaysia
- ☒ United States of America
- ☒ United Kingdom of Great Britain and Northern Ireland

(1.8) Are you able to provide geolocation data for your facilities?

	Are you able to provide geolocation data for your facilities?	Comment
	Select from: ☒ Yes, for all facilities	Addresses and geolocation data for all Falcon facilities provided in Section 1.8.1.

[Fixed row]

(1.8.1) Please provide all available geolocation data for your facilities.

Row 1

(1.8.1.1) Identifier

Falcon Coffees UK - Lewes

(1.8.1.2) Latitude

50.873619

(1.8.1.3) Longitude

0.012864

(1.8.1.4) Comment

Temple House 25-26 High St Lewes BN7 2LU United Kingdom

Row 2

(1.8.1.1) Identifier

Falcon Coffees North America - Austin

(1.8.1.2) Latitude

30.262345

(1.8.1.3) Longitude

-97.72369

(1.8.1.4) Comment

1706 East 6th St Austin, TX 78702

Row 3

(1.8.1.1) Identifier

Falcon Coffees Europe - Berlin

(1.8.1.2) Latitude

52.500193

(1.8.1.3) Longitude

13.419237

(1.8.1.4) Comment

Adalbertsstraße 6a 10999 Kreuzberg, Berlin, Germany

Row 5

(1.8.1.1) Identifier

Falcon Coffees Peru - Jaen

(1.8.1.2) Latitude

-5.687505

(1.8.1.3) Longitude

-78.791268

(1.8.1.4) Comment

Falcon Coffees Peru S.R.L. Frente Ferreteria Fronterita-1 Piso Blanca Sector Linderos Jaen Cajamarca Peru

Row 6

(1.8.1.1) Identifier

Falcon Coffee Ethiopia - Addis Ababa

(1.8.1.2) Latitude

8.989804

(1.8.1.3) Longitude

38.787656

(1.8.1.4) Comment

SNAP Plaza Building, 1st stair, Bole, Addis Ababa

Row 7

(1.8.1.1) Identifier

Falcon Coffees Asia - Johor

(1.8.1.2) Latitude

1.475771

(1.8.1.3) Longitude

103.762466

(1.8.1.4) Comment

Suite 1301, 13th Floor, City Plaza, Jalan Tebrau 80300 Johor Bahru, Johor
[Add row]

(1.11) Are greenhouse gas emissions and/or water-related impacts from the production, processing/manufacturing, distribution activities or the consumption of your products relevant to your current CDP disclosure?

Production

(1.11.1) Relevance of emissions and/or water-related impacts

Select from:

☒ No

(1.11.2) Primary reason emissions and/or water-related impacts from this activity are not relevant

Select from:

☒ Analysis in progress

(1.11.3) Explain why emissions and/or water-related impacts from this activity are not relevant

Falcon purchases green (unroasted) coffee that has already been harvested and processed and, as such, the agricultural activities related to coffee production, harvesting, and processing are outside of Falcon's operational control. For the purposes of this year's disclosure, Falcon's emissions reporting boundary will be operational control. The decision to report within "operational control" this year has many inputs, but chief amongst them are emissions factors for coffee farms. Having assessed the available data we found that emissions factors for coffee farms are far too generalised, failing to account for the numerous conditions coffee can grow in even in the same region. We began work on our own model for collecting farm-level data to calculate emissions in 2022 and we continue to expand upon this

data set. We aspire to have enough data amassed to report land-use emissions to a level of accuracy we are comfortable with in the coming years. While we work towards a more accurate methodology for calculating farm-level emissions, we acknowledge that work is urgently needed to mitigate upstream emissions. In the *Journal of Agricultural Science and Technology*, Bernard Killian et al calculated in their paper titled “Carbon Footprint across the Coffee Supply Chain: The Case of Costa Rican Coffee” that farm-level emissions (farming and milling) may contribute 31% of the emissions from a coffee supply chain. Though this is but one origin-specific estimate, it highlights the need for mitigation efforts. As a result, Falcon has an array of impact initiatives we lead and participate in at origin each year, including initiatives on water conservation, climate-smart agronomy, and more. For more detail on some of these initiatives and KPIs, please see: <http://www.falconcoffees.com/our-impact>.

Processing/ Manufacturing

(1.11.1) Relevance of emissions and/or water-related impacts

Select from:

☒ No

(1.11.2) Primary reason emissions and/or water-related impacts from this activity are not relevant

Select from:

☒ Analysis in progress

(1.11.3) Explain why emissions and/or water-related impacts from this activity are not relevant

There are two points in the coffee value chain in which coffee processing or manufacturing occurs. The first is post-harvest processing, in which coffees have fruit mucilage removed and the beans are dried and bulk bagged. The second is coffee roasting and packaging for consumption. In Falcon's operations, green (unroasted) coffees are purchased after post-harvest processing and then these green coffees are sold prior to roasting; no processing takes place while the coffee is within Falcon's operational control. For the purposes of this year's disclosure, Falcon's emissions reporting boundary will be operational control, and as such, processing and manufacturing are not included in our 2023 emissions calculations. The decision to report our emissions within "operational control" this year has many inputs. For upstream processing, we are in the midst of a multi-year initiative to develop a better calculation methodology (see previous row), which we anticipate the completion of in 2024. There is also significant complexity in processing/manufacturing downstream from Falcon's operational control. Falcon supplies coffee to over one thousand roasters in forty-five consuming countries and these customers represent a full spectrum of scale, from a consumer wishing to purchase a single kilo to large-scale commercial customers procuring over one hundred metric tons of coffee at a time. As a result, calculating the emissions of downstream processing with any accuracy is unavailable and is not currently relevant to our decision-making.

Distribution

(1.11.1) Relevance of emissions and/or water-related impacts

Select from:

☒ Both direct operations and upstream/downstream value chain

Consumption

(1.11.1) Relevance of emissions and/or water-related impacts

Select from:

☒ No

(1.11.2) Primary reason emissions and/or water-related impacts from this activity are not relevant

Select from:

☒ Outside the value chain of my organization

(1.11.3) Explain why emissions and/or water-related impacts from this activity are not relevant

Consumption of the end product is not part of Falcon's value chain nor within the operational control of Falcon. Falcon sells green (unroasted) coffee to over one thousand roasters in forty-five consuming countries who further process the product before selling it to distributors, retailers, or consumers. The wide array of methods in which the coffee could be further prepared, consumed, and disposed of makes estimating these emissions impractical and the data is not currently relevant to Falcon's decision-making.

[Fixed row]

(1.22) Provide details on the commodities that you produce and/or source.

Coffee

(1.22.1) Produced and/or sourced

Select from:

☒ Sourced

(1.22.2) Commodity value chain stage

Select all that apply

☒ Trading

(1.22.4) Indicate if you are providing the total commodity volume that is produced and/or sourced

Select from:

☒ Yes, we are providing the total volume

(1.22.5) Total commodity volume (metric tons)

33534

(1.22.8) Did you convert the total commodity volume from another unit to metric tons?

Select from:

☒ No

(1.22.11) Form of commodity

Select all that apply

☒ Other, please specify :Raw (green) coffee

(1.22.12) % of procurement spend

Select from:

☒ 91-99%

(1.22.13) % of revenue dependent on commodity

Select from:

☒ 100%

(1.22.14) In the questionnaire setup did you indicate that you are disclosing on this commodity?

Select from:

☒ Yes, disclosing

(1.22.15) Is this commodity considered significant to your business in terms of revenue?

Select from:

☒ Yes

(1.22.19) Please explain

Green coffee constitutes 100% of our total revenue. The only commodity sourced and sold by Falcon Coffees is green (unroasted) coffee.
[Fixed row]

(1.23) Which of the following agricultural commodities that your organization produces and/or sources are the most significant to your business by revenue?

Cotton

(1.23.1) Produced and/or sourced

Select from:

☒ No

Dairy & egg products

(1.23.1) Produced and/or sourced

Select from:

☒ No

Fish and seafood from aquaculture

(1.23.1) Produced and/or sourced

Select from:

☒ No

Fruit

(1.23.1) Produced and/or sourced

Select from:

☒ No

Maize/corn

(1.23.1) Produced and/or sourced

Select from:

☒ No

Nuts

(1.23.1) Produced and/or sourced

Select from:

☒ No

Other grain (e.g., barley, oats)

(1.23.1) Produced and/or sourced

Select from:

☒ No

Other oilseeds (e.g. rapeseed oil)

(1.23.1) Produced and/or sourced

Select from:

☒ No

Poultry & hog

(1.23.1) Produced and/or sourced

Select from:

☒ No

Rice

(1.23.1) Produced and/or sourced

Select from:

☒ No

Sugar

(1.23.1) Produced and/or sourced

Select from:

☒ No

Tea

(1.23.1) Produced and/or sourced

Select from:

☒ No

Tobacco

(1.23.1) Produced and/or sourced

Select from:

☒ No

Vegetable

(1.23.1) Produced and/or sourced

Select from:

☒ No

Wheat

(1.23.1) Produced and/or sourced

Select from:

☒ No

Other commodity

(1.23.1) Produced and/or sourced

Select from:

☒ Sourced

(1.23.2) % of revenue dependent on this agricultural commodity

Select from:

☒ 100%

(1.23.3) Is this commodity considered significant to your business in terms of revenue?

Select from:

☒ Yes

(1.23.4) Please explain

Falcon Coffees is a green coffee trader. The only agricultural commodity purchased and sold by Falcon is green (raw) coffee.
[Fixed row]

(1.24) Has your organization mapped its value chain?

(1.24.1) Value chain mapped

Select from:

☒ Yes, we have mapped or are currently in the process of mapping our value chain

(1.24.2) Value chain stages covered in mapping

Select all that apply

☒ Upstream value chain

☒ Downstream value chain

(1.24.3) Highest supplier tier mapped

Select from:

☒ Tier 3 suppliers

(1.24.4) Highest supplier tier known but not mapped

Select from:

☒ Tier 4+ suppliers

(1.24.6) Smallholder inclusion in mapping

Select from:

☒ Smallholders relevant and included

(1.24.7) Description of mapping process and coverage

Value chain mapping is imperative to Falcon's mission, vision, and values as well as to Falcon's risk management. Green coffee supply chains commonly have several stakeholders as coffee is being grown, harvested, processed, milled, transported, and exported. It is common for coffee to be transacted multiple times before leaving its country of origin. Without traceability to upstream actors, such as farmers and producer organizations, the ability to ensure that a fair price is being paid to the farmer or that labor laws and human rights are being adhered to is lost. Falcon has full Tier 1 upstream and downstream stakeholder mapping, which is recorded in Falcon's internal data management system. This includes the stakeholder's name, address, bank information, and key documentation (e.g., a signed Responsible Sourcing Policy for upstream stakeholders or Due Diligence Statements for downstream stakeholders). For upstream actors, Tiers 2 and 3 are commonly known and documented, oftentimes via Tier 1 purchase contracts. In 2023, 82% of Falcon's volume was mapped to at least Tier 2 or 3. It is also not uncommon to know Tier 2 downstream customers. Frequently coffee retailers or those selling private label coffees can dictate and guide the level of reporting and documentation accompanying Tier 1 sales.

[Fixed row]

(1.24.1) Have you mapped where in your direct operations or elsewhere in your value chain plastics are produced, commercialized, used, and/or disposed of?

	Plastics mapping	Value chain stages covered in mapping
	Select from: ☒ Yes, we have mapped or are currently in the process of mapping plastics in our value chain	Select all that apply ☒ Upstream value chain

[Fixed row]

(1.24.2) Which commodities has your organization mapped in your upstream value chain (i.e., supply chain)?

Coffee

(1.24.2.1) Value chain mapped for this sourced commodity

Select from:
☒ Yes

(1.24.2.2) Highest supplier tier mapped for this sourced commodity

Select from:

☒ Tier 3 suppliers

(1.24.2.3) % of tier 1 suppliers mapped

Select from:

☒ 100%

(1.24.2.4) % of tier 2 suppliers mapped

Select from:

☒ 26-50%

(1.24.2.5) % of tier 3 suppliers mapped

Select from:

☒ 1-25%

(1.24.2.7) Highest supplier tier known but not mapped for this sourced commodity

Select from:

☒ Tier 4+ suppliers

[Fixed row]

C2. Identification, assessment, and management of dependencies, impacts, risks, and opportunities

(2.1) How does your organization define short-, medium-, and long-term time horizons in relation to the identification, assessment, and management of your environmental dependencies, impacts, risks, and opportunities?

Short-term

(2.1.1) From (years)

0

(2.1.3) To (years)

1

(2.1.4) How this time horizon is linked to strategic and/or financial planning

This timeframe reflects the current reporting year and aligns with our budget planning cycle.

Medium-term

(2.1.1) From (years)

1

(2.1.3) To (years)

5

(2.1.4) How this time horizon is linked to strategic and/or financial planning

This timeframe is used for strategic planning and execution of significant projects.

Long-term

(2.1.1) From (years)

5

(2.1.2) Is your long-term time horizon open ended?

Select from:

☒ No

(2.1.3) To (years)

20

(2.1.4) How this time horizon is linked to strategic and/or financial planning

As an agricultural commodity, coffee faces meaningful climate-related change. Much of our long-term planning reflects the risks and opportunities of climate change prior to a 2050 horizon.
[Fixed row]

(2.2) Does your organization have a process for identifying, assessing, and managing environmental dependencies and/or impacts?

	Process in place	Dependencies and/or impacts evaluated in this process
	Select from: ☒ Yes	Select from: ☒ Both dependencies and impacts

[Fixed row]

(2.2.1) Does your organization have a process for identifying, assessing, and managing environmental risks and/or opportunities?

	Process in place	Risks and/or opportunities evaluated in this process	Is this process informed by the dependencies and/or impacts process?
	Select from: ☒ Yes	Select from: ☒ Both risks and opportunities	Select from: ☒ Yes

[Fixed row]

(2.2.2) Provide details of your organization's process for identifying, assessing, and managing environmental dependencies, impacts, risks, and/or opportunities.

Row 1

(2.2.2.1) Environmental issue

Select all that apply

☒ Climate change

(2.2.2.2) Indicate which of dependencies, impacts, risks, and opportunities are covered by the process for this environmental issue

Select all that apply

☒ Dependencies

☒ Impacts

☒ Risks

☒ Opportunities

(2.2.2.3) Value chain stages covered

Select all that apply

- ☒ Direct operations
- ☒ Upstream value chain
- ☒ Downstream value chain

(2.2.2.4) Coverage

Select from:

- ☒ Full

(2.2.2.5) Supplier tiers covered

Select all that apply

- ☒ Tier 1 suppliers
- ☒ Tier 2 suppliers

(2.2.2.7) Type of assessment

Select from:

- ☒ Qualitative and quantitative

(2.2.2.8) Frequency of assessment

Select from:

- ☒ More than once a year

(2.2.2.9) Time horizons covered

Select all that apply

- ☒ Short-term
- ☒ Medium-term
- ☒ Long-term

(2.2.2.10) Integration of risk management process

Select from:

- ☒ Integrated into multi-disciplinary organization-wide risk management process

(2.2.2.11) Location-specificity used

Select all that apply

- ☒ Site-specific
- ☒ Local
- ☒ Sub-national
- ☒ National

(2.2.2.12) Tools and methods used

Enterprise Risk Management

- ☒ Internal company methods

Databases

- ☒ Nation-specific databases, tools, or standards

Other

- ☒ Desk-based research
- ☒ External consultants
- ☒ Internal company methods
- ☒ Jurisdictional/landscape assessment
- ☒ Partner and stakeholder consultation/analysis

(2.2.2.13) Risk types and criteria considered

Acute physical

- ☒ Drought
- ☒ Heavy precipitation (rain, hail, snow/ice)

- ☒ Landslide
- ☒ Heat waves
- ☒ Cold wave/frost
- ☒ Cyclones, hurricanes, typhoons

- ☒ Flood (coastal, fluvial, pluvial, ground water)

Chronic physical

- ☒ Change in land-use
- ☒ Changing precipitation patterns and types (rain, hail, snow/ice)
- ☒ Changing temperature (air, freshwater, marine water)
- ☒ Changing wind patterns
- ☒ Heat stress

Policy

- ☒ Changes to international law and bilateral agreements
- ☒ Changes to national legislation

Market

- ☒ Availability and/or increased cost of certified sustainable material
- ☒ Availability and/or increased cost of raw materials
- ☒ Changing customer behavior
- ☒ Uncertainty in the market signals

Liability

- ☒ Non-compliance with regulations

(2.2.2.14) Partners and stakeholders considered

Select all that apply

- ☒ Customers
- ☒ Investors
- ☒ Regulators
- ☒ Suppliers

(2.2.2.15) Has this process changed since the previous reporting year?

Select from:

☒ No

(2.2.2.16) Further details of process

As a trader of specialty coffee, a significant part of Falcon's value lies in our ability to identify, assess, and manage risks, opportunities, impacts and dependencies across our value chain. We have a comprehensive, multi-disciplinary, company-wide approach to this process throughout the calendar year. I. Identification Falcon identifies climate-related risks and opportunities, dependencies, and impacts through two main channels. The first is a team of Falcon's origin and trade experts, who are each dedicated to operations in key regions spanning five continents. This team is responsible for collecting and aggregating upstream and downstream climate-related intelligence within their regions that have the potential to impact coffee supply chains. These risks, opportunities, dependencies, and impacts are most commonly short and medium-term and include both acute and chronic weather, pests, disease, and more. Much of this data is aggregated in a fortnightly report that is shared internally and externally. The second channel is through our sustainability team, which collects data on climate risks, opportunities, dependencies, and impacts from other sources, including academic and governmental resources and industry partnerships. Largely medium- and long-term, the risks and opportunities identified may be based on climate intelligence or the shifting regulatory landscape. II. Assessment Climate-related risks and opportunities are then assessed at Falcon based on their financial and strategic impact. We may assess these risks and opportunities against both their likelihood but also their potential impact on revenue or margin (as defined in Section 2.4). Frequently, however, the assessments focus on the strategic impact. Once identified, they are assessed in two ways. The first is via a strategic team including trade, operations, finance, and risk management. Meeting at least monthly, this group assesses intelligence from our fortnightly reporting and other sources. Their assessment may be made based on the anticipated timeframe of a physical condition (e.g., frost) as well as a risk or opportunity's scope (e.g., regionally isolated or country-wide) or prevalence (e.g., intermittent or widespread). Assessments may also include impact on supply (e.g., short or long-term reduction, shifts in harvest timeframes based on climate change), impact on quality, or impact on price volatility. The second is led by the sustainability team, which assesses their identified risks and opportunities based on their financial and strategic impact through an annual review cycle and as key risks and issues arise. III. Management Falcon's management of climate-related risks and opportunities varies widely, stemming from earlier assessments, but can sometimes reflect the risk management framework of acceptance, avoidance, transference, and reduction. Falcon may accept, for example, a reduction in the coffee quality from a producer partner due to a short-term, acute, climate-related issue such as a frost event in Brazil, if the long-term producer partnership is of such strategic value that supporting it with revenue is deemed of more value than damaging the relationship by avoiding business through an entire annual harvest. The downstream implications may include reduced margins. Falcon's process does not include End of Life management. For rationale, please see Section 1.11. Falcon's process has not changed in the last reporting year.

Row 3

(2.2.2.1) Environmental issue

Select all that apply

☒ Forests

(2.2.2.2) Indicate which of dependencies, impacts, risks, and opportunities are covered by the process for this environmental issue

Select all that apply

- ☒ Dependencies
- ☒ Impacts
- ☒ Risks

(2.2.2.3) Value chain stages covered

Select all that apply

- ☒ Upstream value chain

(2.2.2.4) Coverage

Select from:

- ☒ Partial

(2.2.2.5) Supplier tiers covered

Select all that apply

- ☒ Tier 1 suppliers
- ☒ Tier 2 suppliers
- ☒ Tier 3 suppliers

(2.2.2.7) Type of assessment

Select from:

- ☒ Qualitative and quantitative

(2.2.2.8) Frequency of assessment

Select from:

- ☒ Annually

(2.2.2.9) Time horizons covered

Select all that apply

- ☒ Short-term
- ☒ Medium-term

(2.2.2.10) Integration of risk management process

Select from:

- ☒ Integrated into multi-disciplinary organization-wide risk management process

(2.2.2.11) Location-specificity used

Select all that apply

- ☒ Site-specific

(2.2.2.12) Tools and methods used

Commercially/publicly available tools

- ☒ Other commercially/publicly available tools, please specify :Trade in Space

Enterprise Risk Management

- ☒ Internal company methods

International methodologies and standards

- ☒ Global Forest Watch

Databases

- ☒ Nation-specific databases, tools, or standards

Other

- ☒ Desk-based research
- ☒ External consultants
- ☒ Internal company methods

- ☒ Jurisdictional/landscape assessment
- ☒ Partner and stakeholder consultation/analysis

(2.2.2.13) Risk types and criteria considered

Chronic physical

- ☒ Change in land-use

Policy

- ☒ Changes to international law and bilateral agreements
- ☒ Changes to national legislation

Market

- ☒ Leakage markets

Technology

- ☒ Data access/availability or monitoring systems

Liability

- ☒ Non-compliance with regulations

(2.2.2.14) Partners and stakeholders considered

Select all that apply

- ☒ Customers
- ☒ Local communities
- ☒ Indigenous peoples
- ☒ Regulators
- ☒ Suppliers

(2.2.2.15) Has this process changed since the previous reporting year?

Select from:

☒ Yes

(2.2.2.16) Further details of process

As part of the European Union's (EU's) December 2019 approval of the "Green Deal," a deforestation regulation, "EUDR" (Regulation 20-23/1115), came into effect in 2023. Starting December 30, 2024, the regulation bans the import and export of several commodities that are not deforestation-free, including coffee. Importers must prove to European authorities that their products do not contribute to deforestation. This regulation represents a risk and an opportunity for importers of coffee into the EU. Falcon has developed a robust anti-deforestation process to identify, assess, and manage the risks, opportunities, and dependencies of this environmental challenge within our supply chains. Falcon's preexisting value chain mapping and traceability are instrumental in expediting the gathering of geolocation data from the individual farms and producer organizations that supply our coffee. With farms identified and geolocation data gathered Falcon performs data scrubbing and integrity checks before performing a deforestation assessment. Our technology partner, Trade in Space, provides multiple layers of analysis including the EU's Joint Research Center (JRC) map data and Global Forest Watch. With this, we can determine if there are any risks that need further investigation, which may take the form of additional timestamped satellite imagery or photography bearing metadata from the farms in question. This evaluation is then taken further with a risk assessment which studies several other areas that can contribute to risk, including the level of forestation in the area and the levels of corruption, as two examples. Local and national laws must also be evaluated to ensure compliance. Falcon's internal risk mitigation toolbox allows for further enhancements to transparency. If a farm is ultimately determined to have negligible risk, it enters Falcon's system as EUDR compliant. We manage compliance through enhancements to our internal contract management system, where farm IDs are cross-checked and added to contract-specific due diligence statements, along with our risk assessments, and are stored at a contract level for a minimum of five years. This represents a new process for Falcon starting in 2023 and is currently a partial upstream analysis only, which will expand further in 2024.

[Add row]

(2.2.7) Are the interconnections between environmental dependencies, impacts, risks and/or opportunities assessed?

(2.2.7.1) Interconnections between environmental dependencies, impacts, risks and/or opportunities assessed

Select from:

☒ Yes

(2.2.7.2) Description of how interconnections are assessed

As an agricultural commodity, coffee is sensitive to climate change given its reliance on key environmental factors. Coffee volume and quality are closely tied to the temperatures and precipitation patterns that coffee is exposed to. Using temperature as an example, complex sugars are most optimally generated by coffees exposed to a consistent variance of warmer temperatures during the day and cool temperatures at night. Without these consistent variances, sugars do not optimally develop and the resulting coffee flavor can be less complex. This highlights an interconnection between environmental dependence and Falcon's risk to volume and quality. The process for identifying alignment, synergies, contributions, and possible trade-offs between dependencies, impacts, risks, and opportunities is an inherent

part of the Falcon process described in Section 2.2.2. Falcon's expertise in understanding coffee's environmental dependencies in the regions from which we source allows for holistic assessment and management of our risks and opportunities. Acute or chronic physical changes to the climates our coffees rely on are evaluated and subsequent increases in risk or the development of opportunities will be managed accordingly.

[Fixed row]

(2.3) Have you identified priority locations across your value chain?

(2.3.1) Identification of priority locations

Select from:

☒ Yes, we are currently in the process of identifying priority locations

(2.3.2) Value chain stages where priority locations have been identified

Select all that apply

☒ Upstream value chain

(2.3.3) Types of priority locations identified

Sensitive locations

☒ Areas important for biodiversity

Locations with substantive dependencies, impacts, risks, and/or opportunities

☒ Locations with substantive dependencies, impacts, risks, and/or opportunities relating to forests

☒ Locations with substantive dependencies, impacts, risks, and/or opportunities relating to biodiversity

(2.3.4) Description of process to identify priority locations

Falcon initiated two new processes in 2023. As part of Falcon's 2023 Environmental and Social Action Plan, we initiated a biodiversity assessment process for the regions in which we source coffee. The first phase of this work, led by Falcon's Head of Science and Research, includes a geospatial analysis at the regional level and a literature review, to be completed in 2024. A determination of substantive risk and the metrics and thresholds to be used will be guided by the research and literature review. The second process Falcon has undertaken is a deforestation analysis and risk assessment across eighteen coffee-growing origins. In support of EUDR, which will be enforced starting December 30, 2024, Falcon has partnered with technology provider Trade in Space as a means of analyzing geolocation data from nearly two hundred different supply chains, covering hundreds of thousands of hectares. This, in combination with a risk assessment across dozens of regions

that looks further into forestation levels and a variety of social risks, will allow Falcon for the first time to be able to systematically identify those farms in our supply chains at greatest risk of forest loss. The definition of substantive, or non-negligible risk, is defined by the EU.

(2.3.5) Will you be disclosing a list/spatial map of priority locations?

Select from:

☒ No, we have a list/geospatial map of priority locations, but we will not be disclosing it

[Fixed row]

(2.4) How does your organization define substantive effects on your organization?

Risks

(2.4.1) Type of definition

Select all that apply

☒ Qualitative

☒ Quantitative

(2.4.2) Indicator used to define substantive effect

Select from:

☒ Revenue

(2.4.3) Change to indicator

Select from:

☒ Absolute decrease

(2.4.5) Absolute increase/ decrease figure

100000

(2.4.6) Metrics considered in definition

Select all that apply

☒ Time horizon over which the effect occurs

(2.4.7) Application of definition

When identifying or assessing climate-related risks, Falcon primarily evaluates substantive financial or strategic impact by using the concept of materiality to evaluate a low, medium, or high impact on revenues, margins, or access to credit. A margin impact of 1% or more, annually, is defined as a substantive impact for Falcon. Our quantifiable indicators for degrees of impact are as follows: • We consider low impacts to be those which impact our revenues by 100,000 or margins by 1%, •

We consider medium impacts to be those which impact revenues by 500,000 or margins by 5% • We consider large impacts to be those that impact revenues in excess of 1,000,000 or our margins by 10% or more. Qualitative indicators are those that cannot be easily quantified and may include, as an example, major changes to relevant regulation. With Falcon's sole commodity being an agricultural product, our business is particularly sensitive to climate-related risks and we must monitor these risks and their potential impacts closely.

Opportunities

(2.4.1) Type of definition

Select all that apply

☒ Quantitative

(2.4.2) Indicator used to define substantive effect

Select from:

☒ Revenue

(2.4.3) Change to indicator

Select from:

☒ Absolute increase

(2.4.5) Absolute increase/ decrease figure

100000

(2.4.6) Metrics considered in definition

Select all that apply

☒ Time horizon over which the effect occurs

(2.4.7) Application of definition

When identifying or assessing climate-related opportunities, Falcon evaluates substantive financial or strategic impact by using the concept of materiality to evaluate a low, medium, or high impact on revenues, margins, or access to credit. A margin impact of 1% or more, annually, is defined as a substantive impact for Falcon. Our quantifiable indicators for degrees of impact are as follows:

• We consider low impacts to be those which impact our revenues by 100,000 or margins by 1%, • We consider medium impacts to be those which impact revenues by 500,000 or margins by 5% • We consider large impacts to be those that impact revenues in excess of 1,000,000 or our margins by 10% or more.

[Add row]

(2.5) Does your organization identify and classify potential water pollutants associated with its activities that could have a detrimental impact on water ecosystems or human health?

(2.5.1) Identification and classification of potential water pollutants

Select from:

☒ No, we do not identify and classify our potential water pollutants

(2.5.3) Please explain

In 2024, Falcon will complete a study on developing a methodology for measuring carbon emissions at the farm level, in partnership with the University of Brighton. With this, Falcon has developed a tool through which coffee producers can identify and provide information on coffee processing activities that generate wastewater or have the potential to generate leachate, which may contaminate nearby waterways (e.g., composting areas and fermentation tanks). The development of this tool has been valuable for Falcon's understanding of sources of water pollutants in the upstream supply chain and the amount of emissions they produce. This work allowed Falcon to partner with customers in 2023 to develop on-farm mitigation investment projects. That said, investments are currently isolated to the pilot level and we feel that it is an overstatement to say that we have "identified and classified potential water pollutants" at scale.

[Fixed row]

(2.5.1) Describe how your organization minimizes the adverse impacts of potential water pollutants on water ecosystems or human health associated with your activities.

Row 1

(2.5.1.1) Water pollutant category

Select from:

- ☒ Other nutrients and oxygen demanding pollutants

(2.5.1.3) Value chain stage

Select all that apply

- ☒ Upstream value chain

(2.5.1.4) Actions and procedures to minimize adverse impacts

Select all that apply

- ☒ Assessment of critical infrastructure and storage condition (leakages, spillages, pipe erosion etc.) and their resilience
- ☒ Upgrading of process equipment/methods

[Add row]

C3. Disclosure of risks and opportunities

(3.1) Have you identified any environmental risks which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future?

Climate change

(3.1.1) Environmental risks identified

Select from:

☒ Yes, both in direct operations and upstream/downstream value chain

Forests

(3.1.1) Environmental risks identified

Select from:

☒ Yes, both in direct operations and upstream/downstream value chain

Water

(3.1.1) Environmental risks identified

Select from:

☒ Yes, only in our upstream/downstream value chain

(3.1.2) Primary reason why your organization does not consider itself to have environmental risks in your direct operations and/or upstream/downstream value chain

Select from:

☒ Environmental risks exist, but none with the potential to have a substantive effect on our organization

(3.1.3) Please explain

As a green coffee trader, the majority of Falcon's operations are led from typical office environments in major cities and, as a result, there is no significant water usage or municipal wastewater treatment. Some of Falcon's operations brew samples of coffee for evaluation and quality control, but this is negligible. As a result, the environmental risks we've identified for water are in our upstream and downstream value chains.

Plastics

(3.1.1) Environmental risks identified

Select from:

☒ No

(3.1.2) Primary reason why your organization does not consider itself to have environmental risks in your direct operations and/or upstream/downstream value chain

Select from:

☒ Environmental risks exist, but none with the potential to have a substantive effect on our organization

(3.1.3) Please explain

As a trader of specialty coffees, Falcon's plastics risk is during the storage and transportation of higher-quality coffees. These coffees are commonly stored in a jute bag lined with plastic, most frequently a multilaminate material not recycled at scale. In 2023, these plastic bag liners represented 163mt of CO2e. In 2022, Falcon started an initiative to reduce the emissions from these materials. While Falcon sees this as an opportunity to reduce emissions and make a positive impact, these plastics would not be defined as having a substantive effect on our organization.

[Fixed row]

(3.1.1) Provide details of the environmental risks identified which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future.

Climate change

(3.1.1.1) Risk identifier

Select from:

☒ Risk1

(3.1.1.3) Risk types and primary environmental risk driver

Chronic physical

☒ Changing precipitation patterns and types (rain, hail, snow/ice)

(3.1.1.4) Value chain stage where the risk occurs

Select from:

☒ Upstream value chain

(3.1.1.6) Country/area where the risk occurs

Select all that apply

☒ Colombia

(3.1.1.9) Organization-specific description of risk

Shifting rainfall patterns in Colombia are causing unpredictability in harvest cycles. Colombia has seen an increase in rainfall and is predicted to have a further increase in the years ahead. The World Bank Climate Change Group (CCG) has reported a statistically significant increase in rainfall, particularly between the months of March and December, recorded between 1950 and 2006. Looking forward, a report prepared by the Consultative Group on International Agricultural Research (CGIAR) for Falcon in 2023 has projected the regions of Antioquia and Caldas, both top coffee-sourcing regions for Falcon, to see a higher mean rainfall by 7-8mm annually, specifically in the first few months of the calendar year, for 2021-2040. Colombia is both the third largest coffee-producing country in the world and one of Falcon's top five origins for coffee by exported volume. The impact of the unpredictable, increased precipitation has been noticeable for Falcon. In 2021 and 2022, for example, a much longer than average La Nina episode brought heavy rains and long periods of unpredictable precipitation negatively impacted the flowering of coffee trees, which subsequently produce lower volumes of cherries. It also negatively impacts the maturation time of the fruit, as the trees require dry, hot weather to stress them into production. Further, unpredictable rains make the required processing step of coffee drying longer and more complicated, which drives up labour costs for producers.

(3.1.1.11) Primary financial effect of the risk

Select from:

☒ Decreased revenues due to reduced production capacity

(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

☒ Long-term

(3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

☒ Likely

(3.1.1.14) Magnitude

Select from:

☒ High

(3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

The annual coffee volume of Colombia dropped by roughly 3mm bags during the most recent prolonged La Nina episode. The overall impact of increasing and more erratic precipitation is a strained upstream supply chain. With this additional rainfall, coffee can be both lower in quality and more expensive to produce, which strains a coffee producer's working capital. Producers will have more difficulty in the timing and pricing of sales contracts and may experience a higher risk of rejected coffees or defaulted contracts. This strains Falcon's operation through higher costs and increased credit requirements and can challenge our downstream customers as they experience strains on product margins.

(3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

☒ Yes

(3.1.1.23) Anticipated financial effect figure in the long-term – minimum (currency)

24687000

(3.1.1.24) Anticipated financial effect figure in the long-term – maximum (currency)

(3.1.1.25) Explanation of financial effect figure

The potential financial impact figure provided represents Falcon's revenue from the Colombian market in 2023.

(3.1.1.26) Primary response to risk

Engagement

☒ Engage in multi-stakeholder initiatives

(3.1.1.27) Cost of response to risk

2797000

(3.1.1.28) Explanation of cost calculation

The cost of the response to risk published here represents Falcon's 2023 spend with Siruma.

(3.1.1.29) Description of response

Falcon's response to the increases in Colombia's current and future precipitation is to invest in risk reduction activities that combat the issues facing production and quality brought on by climate change. Given the strategic value of Colombia as a coffee-growing region, we believe that there is a means of mitigating the climate-related risk in some of our supply through a deepening of producer partnerships and an investment in those partnerships. As an example, in 2021 we established a joint venture with Siruma Coffee, a producer organisation working in the regions of Cauca, Tolima, and Caldas. Through our joint venture, Siruma provides agronomy training and support to their producers which allows them to combat the challenges plaguing production and coffee quality in their area. As their partner, Falcon has committed to purchase 100% of the specialty coffee produced within the organisation. This guarantee of sales at a price premium can be vital to producer organisations who require working capital from local lenders. Acting as collateral, it allows the producers access to the cost-effective funding that they need to invest in their agronomy support.

Forests

(3.1.1.1) Risk identifier

Select from:

☒ Risk2

(3.1.1.2) Commodity

Select all that apply

☒ Coffee

(3.1.1.3) Risk types and primary environmental risk driver

Policy

☒ Changes to regulation of existing products and services

(3.1.1.4) Value chain stage where the risk occurs

Select from:

☒ Downstream value chain

(3.1.1.6) Country/area where the risk occurs

Select all that apply

☒ Peru

☒ India

☒ Kenya

☒ Yemen

☒ Brazil

☒ Ethiopia

☒ Honduras

☒ Guatemala

☒ Indonesia

☒ Nicaragua

☒ Mexico

☒ Rwanda

☒ Uganda

☒ Ecuador

☒ Colombia

☒ Costa Rica

☒ El Salvador

☒ Bolivia (Plurinational State of)

(3.1.1.9) Organization-specific description of risk

On December 30, 2024, EUDR will be enforced and, with it, commodities like coffee will not be able to enter the EU without proof of not contributing to deforestation, namely in the form of analyzed geolocation data from associated coffee farms and detailed risk assessments on the related environments. This regulation has made a seismic shift in the coffee industry, as stakeholders all along the value chain work toward compliance. With the EU representing one-third of the coffee consumed globally each year, it is not a market that any actor wishes to lose access to. As the importer of record is the stakeholder who bears the liability in EUDR compliance, there is a particular focus on ensuring that Falcon (frequently, but not always, the importer of record) is prepared.

(3.1.1.11) Primary financial effect of the risk

Select from:

☒ Increased compliance costs

(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

☒ Short-term

☒ Medium-term

(3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

☒ Virtually certain

(3.1.1.14) Magnitude

Select from:

☒ High

(3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

The inability to achieve compliance for EUDR could create a number of effects, including fines for the importer of record, loss of customers within the EU, or loss of market access and therefore revenue.

(3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

☒ Yes

(3.1.1.19) Anticipated financial effect figure in the short-term – minimum (currency)

24446000

(3.1.1.20) Anticipated financial effect figure in the short-term – maximum (currency)

24446000

(3.1.1.21) Anticipated financial effect figure in the medium-term – minimum (currency)

24446000

(3.1.1.22) Anticipated financial effect figure in the medium-term – maximum (currency)

24446000

(3.1.1.25) Explanation of financial effect figure

This figure represents Falcon's 2023 revenues from the EU. As compliance for EUDR will occur on a supply chain by supply chain basis, however, it is unlikely that issues with achieving compliance would put total revenue at risk. The ability to maintain and grow EU revenues will depend on Falcon's ability to achieve compliance for all supply chains.

(3.1.1.26) Primary response to risk

Compliance, monitoring and targets

☒ Ensure no deforestation and no conversion in own operations

(3.1.1.27) Cost of response to risk

94000

(3.1.1.28) Explanation of cost calculation

The cost represents the technology and human resource costs to develop and maintain the new systems, tools, and processes for EUDR compliance. While we anticipate annual costs to reduce over time as we gain operational efficiencies, it remains to be seen what that reduction will look like.

(3.1.1.29) Description of response

Falcon's response to EUDR takes forms. First, we are internally developing the systems, tools, and processes we need to achieve compliance and generate the records required. Second, Falcon supports their upstream partners with guidance, information, and assistance with geolocation data collection where possible. Third, Falcon is acting as a resource for downstream customers, not only providing the documentation they, too, may require for EUDR compliance but also in the development of customer systems and processes.

Water

(3.1.1.1) Risk identifier

Select from:

☒ Risk3

(3.1.1.3) Risk types and primary environmental risk driver

Chronic physical

☒ Changing precipitation patterns and types (rain, hail, snow/ice)

(3.1.1.4) Value chain stage where the risk occurs

Select from:

☒ Upstream value chain

(3.1.1.6) Country/area where the risk occurs

Select all that apply

☒ Ethiopia

(3.1.1.7) River basin where the risk occurs

Select all that apply

☒ Other, please specify :Mostly the Genale Dawa, Omo Gibe, and Rift Valley

(3.1.1.9) Organization-specific description of risk

While Ethiopia ranks fifth in global coffee production, the sourcing and sale of high-quality Ethiopian coffees is an expertise of Falcon's. Ethiopia is one of Falcon's top five largest coffee origins by exported annual volume and is home to one of Falcon's regional operations offices, in Addis Ababa. The results of climate change in Ethiopia to date have been significant. The CCG has reported that average temperatures have increased by 1.0C since 1960 and the average number of 'hot days' (the hottest 10% of days annually) increased by 20% from 1960 to 2003. The increase in temperature lies in stark contrast to the decrease in precipitation, with the south-central part of the country experiencing a 20% decline in rainfall since 1960. The decline in rainfall is joined by an increased lack of predictability season-to-season and year-to-year, altering traditional rainfall patterns and increasing drought. The south-central area of Ethiopia most impacted by a decrease in rainfall is also the region home to some of the most notable areas of coffee production, including Djimmah, Limu, Sidama and Yirgacheffe. While precipitation issues can be challenging to combat, they are exacerbated by the coffee production model that dominates Ethiopia, where smallholder farming households account for approximately 95% of agricultural production. For coffee, farms operate in a largely subsistence farming model, which has little ability to efficiently combat decreased rainfall.

(3.1.1.11) Primary financial effect of the risk

Select from:

☒ Decreased revenues due to reduced production capacity

(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

☒ Long-term

(3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

☒ Likely

(3.1.1.14) Magnitude

Select from:

☒ High

(3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

The overall impact of this issue is a constrained and less predictable supply chain. As soil moisture and precipitation decrease, coffee yields decline, and the beans produced can be physically smaller and of poorer quality. Meanwhile, higher quality coffees continue to demand higher prices, and spikes in the commodities price over the course of a season can increase the likelihood of contract defaults, wherein producers choose to break contracts given the higher incremental earnings offered. This can strain Falcon's operations and test Falcon's risk management.

(3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

☒ Yes

(3.1.1.23) Anticipated financial effect figure in the long-term – minimum (currency)

34040000

(3.1.1.24) Anticipated financial effect figure in the long-term – maximum (currency)

34040000

(3.1.1.25) Explanation of financial effect figure

The potential financial impact figure provided represents Falcon's revenue from the Ethiopian market in 2023.

(3.1.1.26) Primary response to risk

Policies and plans

☒ Participation in environmental collaborative industry frameworks, initiatives and/or commitments

(3.1.1.27) Cost of response to risk

15000

(3.1.1.28) Explanation of cost calculation

This cost encompasses investments in three initiatives in climate-smart agriculture in 2023.

(3.1.1.29) Description of response

Falcon's response to the increases in Ethiopia's temperature and decreased precipitation is to invest in risk reduction activities that combat the issues facing production and quality brought on by climate change. Falcon supported multiple initiatives in climate-smart agriculture in Ethiopia in 2023. Each year, Falcon provides agronomy training to its strategic supply chains, which includes training on boosting coffee productivity in the current climate, improving coffee quality, and in selecting coffee varieties that are adaptable to climate change, withstanding disease, and provide the flavor and profile the market demands. Our agronomists also provide training and support for planting indigenous shade trees in coffee farms, which sequester carbon and can improve soil health and encourage biodiversity.
[Add row]

(3.1.2) Provide the amount and proportion of your financial metrics from the reporting year that are vulnerable to the substantive effects of environmental risks.

Climate change

(3.1.2.1) Financial metric

Select from:

☒ Revenue

(3.1.2.3) % of total financial metric vulnerable to transition risks for this environmental issue

Select from:

☒ Less than 1%

(3.1.2.5) % of total financial metric vulnerable to physical risks for this environmental issue

Select from:

☒ 21-30%

(3.1.2.7) Explanation of financial figures

While precise revenue calculations are not available for Falcon's 2023 disclosure, revenue ranges subject to vulnerability for both physical and transition risks are estimated here. In 2023, there were no transition risks directly related to climate change that were meaningful to the business, but coffee remains vulnerable to the

physical impacts of climate change, including more erratic temperatures and changes to mean temperature, and changes to total precipitation and precipitation patterns (see Risk 1 in Section 3.1.1). Countries including Colombia, Peru and Honduras are all experiencing physical changes that may impact coffee production.

Forests

(3.1.2.1) Financial metric

Select from:

☒ Revenue

(3.1.2.3) % of total financial metric vulnerable to transition risks for this environmental issue

Select from:

☒ 21-30%

(3.1.2.5) % of total financial metric vulnerable to physical risks for this environmental issue

Select from:

☒ Less than 1%

(3.1.2.7) Explanation of financial figures

While precise revenue calculations are not available for Falcon's 2023 disclosure, revenue ranges subject to vulnerability for both physical and transition risks are estimated here. In 2023, there were no significant physical risks surrounding forests for Falcon, but there was a notable transition risk as the coffee industry grappled with the implications of EUDR. With Europe being a large and growing portion of Falcon's business, we are prioritizing the development of our processes, tools and systems to support compliance with the new regulation to ensure market access for both Falcon and our suppliers.

Water

(3.1.2.1) Financial metric

Select from:

☒ Revenue

(3.1.2.3) % of total financial metric vulnerable to transition risks for this environmental issue

Select from:

☒ Less than 1%

(3.1.2.5) % of total financial metric vulnerable to physical risks for this environmental issue

Select from:

☒ 21-30%

(3.1.2.7) Explanation of financial figures

While precise revenue calculations are not available for Falcon's 2023 disclosure, revenue ranges for both physical and transition risks are estimated here. In 2023, there were no meaningful transition risks associated with water for Falcon, but Falcon sources coffee from countries with physical vulnerabilities to water (see Risk 3 in Section 3.1.1). In 2020, as an example, Ethiopia experienced a severe drought that decreased the nation's coffee production by 65%. Those coffees that were produced suffered more quality issues, with a specific defect (quakers) jumping from 4-6% to 7-10%. Falcon is investing in a number of opportunities to make their supply chains more resilient in the face of this issue (3.1.1).

[Add row]

(3.2) Within each river basin, how many facilities are exposed to substantive effects of water-related risks, and what percentage of your total number of facilities does this represent?

Row 1

(3.2.1) Country/Area & River basin

Ethiopia

☒ Other, please specify :Largely the Genale Dawa, Omo Gibe, and Rift Valley

(3.2.2) Value chain stages where facilities at risk have been identified in this river basin

Select all that apply

☒ Upstream value chain

(3.2.6) Number of facilities in upstream value chain exposed to water-related risk in this river basin

(3.2.10) % organization's total global revenue that could be affected

Select from:

☒ 11-20%

(3.2.11) Please explain

These three river basins in Ethiopia are home to the majority of Falcon's producers in the country. Ethiopia contains decreasing soil moisture, decreasing precipitation, and increasing risks with drought, which highlights the value to Falcon of their climate-smart partnerships and investments in the area. With the majority of the coffee producers in Ethiopia being subsistence smallholder farmers, their ability to react to climate change is reduced. In these cases, the yield from each coffee tree becomes extremely important. Since 2021, Falcon Coffees has partnered with Technoserve in Ethiopia on The Stumping Project, a fundraising initiative to support producers in increasing their coffee production through tree rejuvenation and Good Agricultural Practices (GAPs). Through this program, farmers can see yields of two to four times their original levels within three years. For more information, see <https://thestumpingproject.com/>

[Add row]

(3.3) In the reporting year, was your organization subject to any fines, enforcement orders, and/or other penalties for water-related regulatory violations?

	Water-related regulatory violations	Comment
	Select from: ☒ No	Falcon was not subject to any fines, enforcement orders, and/or other penalties for water-related regulatory violations.

[Fixed row]

(3.5) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?

Select from:

☒ No, and we do not anticipate being regulated in the next three years

(3.6) Have you identified any environmental opportunities which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future?

Climate change

(3.6.1) Environmental opportunities identified

Select from:

☒ Yes, we have identified opportunities, and some/all are being realized

Forests

(3.6.1) Environmental opportunities identified

Select from:

☒ Yes, we have identified opportunities, and some/all are being realized

Water

(3.6.1) Environmental opportunities identified

Select from:

☒ No

(3.6.2) Primary reason why your organization does not consider itself to have environmental opportunities

Select from:

☒ Opportunities exist, but none anticipated to have a substantive effect on organization

(3.6.3) Please explain

Upstream from Falcon's owned operations, coffee processing uses water and produces wastewater. Strengthening the practices around composting, wastewater management, and low water usage in processing can significantly impact local environments and watersheds. Falcon partners with a number of supply chains

promoting water-smart practices, including Catholic Relief Service's Blue Harvest program in El Salvador (for more on the impact Blue Harvest has made on local waterways, go to: www.blueharvest.org). While there are water-related opportunities, we do not believe them to be substantive to the overall business at this time.
[Fixed row]

(3.6.1) Provide details of the environmental opportunities identified which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future.

Climate change

(3.6.1.1) Opportunity identifier

Select from:

☒ Opp1

(3.6.1.2) Commodity

Select all that apply

☒ Coffee

(3.6.1.3) Opportunity type and primary environmental opportunity driver

Products and services

☒ Development of new products or services through R&D and innovation

(3.6.1.4) Value chain stage where the opportunity occurs

Select from:

☒ Upstream value chain

(3.6.1.5) Country/area where the opportunity occurs

Select all that apply

☒ Peru

☒ Honduras

- ☒ Brazil
- ☒ Rwanda
- ☒ Colombia
- ☒ Ethiopia

- ☒ Guatemala
- ☒ Nicaragua
- ☒ El Salvador

(3.6.1.8) Organization specific description

Regulation, legislation and the rise in the use of environmental and social criteria on which the capital markets make investment decisions are driving the rapid growth in demand for climate action. Falcon has undertaken research and development to deliver an innovative carbon measurement methodology and an associated carbon mitigation framework to accurately and efficiently calculate on-farm carbon footprints to help deliver these goals.

(3.6.1.9) Primary financial effect of the opportunity

Select from:

- ☒ Increased revenues resulting from increased demand for products and services

(3.6.1.10) Time horizon over which the opportunity is anticipated to have a substantive effect on the organization

Select all that apply

- ☒ Medium-term

(3.6.1.11) Likelihood of the opportunity having an effect within the anticipated time horizon

Select from:

- ☒ Very likely (90–100%)

(3.6.1.12) Magnitude

Select from:

- ☒ Low

(3.6.1.14) Anticipated effect of the opportunity on the financial position, financial performance and cash flows of the organization in the selected future time horizons

Delivering an innovative carbon measurement methodology and mitigation framework will have a beneficial impact on Falcon, both in retaining its current business and enhancing its potential to secure additional business. By demonstrating an ability to measure Scope 3 emissions and provide guidance on mitigation or sequestration, Falcon will be able to increase its value proposition across a growing number of clients as climate-related reporting and regulations come into effect in the coming years. As well as supporting clients, Falcon's producers will benefit from this work by gaining an understanding of how to mitigate emissions, thereby increasing market demand and the value of their crop. Providing resources to farmers as a means to enhance producer livelihoods has been a key part of Falcon's business strategy since 2008.

(3.6.1.15) Are you able to quantify the financial effects of the opportunity?

Select from:

☒ Yes

(3.6.1.19) Anticipated financial effect figure in the medium-term - minimum (currency)

250000

(3.6.1.20) Anticipated financial effect figure in the medium-term - maximum (currency)

250000

(3.6.1.23) Explanation of financial effect figures

This income derives from consulting projects in partnership with customers to perform carbon emissions analysis for a group of farms in origin.

(3.6.1.24) Cost to realize opportunity

150000

(3.6.1.25) Explanation of cost calculation

The cost indicates the cost borne by Falcon which was 50% of the cost of the grant-funded collaboration. The project included the appointment of a suitably qualified and experienced university graduate to work full-time on this project alongside existing Falcon staff. The grant requires that knowledge should be transferred to existing Falcon staff so they are able to apply the knowledge after the period of funding. This will mean that key staff will forfeit a portion of their current work obligations to participate in this project representing a further 'in-kind' investment. The costs associated with developing the methodology do not include the costs necessary to utilise the methodology.

(3.6.1.26) Strategy to realize opportunity

Falcon's strategy for undertaking this research & innovation project has been to partner with environmental economists at the University of Brighton. The partnership was awarded a grant in July 2021 from Innovate UK to undertake a Knowledge Transfer Partnership (KTP). With this grant, Falcon and the University of Brighton have created a methodology to measure carbon emissions in the lifecycle of a coffee tree, including all post-harvest and logistical processes up to delivery to Falcon's roaster clients.

Forests

(3.6.1.1) Opportunity identifier

Select from:

☒ Opp2

(3.6.1.2) Commodity

Select all that apply

☒ Coffee

(3.6.1.3) Opportunity type and primary environmental opportunity driver

Products and services

☒ Development of new products or services through R&D and innovation

(3.6.1.4) Value chain stage where the opportunity occurs

Select from:

☒ Upstream value chain

(3.6.1.5) Country/area where the opportunity occurs

Select all that apply

☒ Peru

☒ India

☒ Kenya

☒ Yemen

☒ Mexico

☒ Rwanda

☒ Uganda

☒ Ecuador

- ☒ Brazil
- ☒ Ethiopia
- ☒ Honduras
- ☒ Guatemala
- ☒ Indonesia
- ☒ Nicaragua

- ☒ Colombia
- ☒ Costa Rica
- ☒ El Salvador
- ☒ Bolivia (Plurinational State of)

(3.6.1.8) Organization specific description

While the upcoming enforcement of EUDR presents a risk to coffee supply chain stakeholders, Falcon also envisions an opportunity. Through compliance with EUDR, coffee supply chains will, for the first time, realize a level of traceability not seen before at this scale. With coffee being traceable to precise geolocation (EUDR requires a specificity of six decimal places, which is a level of specificity of approximately 11 centimeters), Falcon can evaluate coffees purchased and sold against a variety of environmental and social factors. A customer's coffee can, for example, be evaluated for proximity to biodiversity hotspots or conservation areas. The coffee's harvest locations can be compared to localized climate impact data or proximity to vulnerable waterways. This data can unlock a new means of partnership and investment in coffee origins, providing quantifiable evidence for new investments and initiatives.

(3.6.1.9) Primary financial effect of the opportunity

Select from:

- ☒ Increased revenues resulting from increased demand for products and services

(3.6.1.10) Time horizon over which the opportunity is anticipated to have a substantive effect on the organization

Select all that apply

- ☒ Medium-term

(3.6.1.11) Likelihood of the opportunity having an effect within the anticipated time horizon

Select from:

- ☒ Likely (66–100%)

(3.6.1.12) Magnitude

Select from:

- ☒ Low

(3.6.1.14) Anticipated effect of the opportunity on the financial position, financial performance and cash flows of the organization in the selected future time horizons

This opportunity could develop into services provided to producers and customers seeking to partner on mitigating environmental or social issues in their supply chains. The effect of this could be a strengthening or expansion of existing partnerships or attracting new customers.

(3.6.1.15) Are you able to quantify the financial effects of the opportunity?

Select from:

☒ No

(3.6.1.24) Cost to realize opportunity

94000

(3.6.1.25) Explanation of cost calculation

The cost represents the technology and human resource costs to develop and maintain the new systems, tools, and processes for EUDR compliance. While we anticipate annual costs to reduce over time as we gain operational efficiencies, it remains to be seen what that reduction will look like. Note: The opportunity cost reflected here is redundant to, not incremental to, the cost listed in Section 3.1.1 Risk 2.

(3.6.1.26) Strategy to realize opportunity

To realize this opportunity, Falcon must establish a process for supporting and enhancing producer data privacy rights for non-EUDR purposes. If a path forward is successfully created, Falcon can compare the geolocation data to third-party environmental and social regional data sets.
[Add row]

(3.6.2) Provide the amount and proportion of your financial metrics in the reporting year that are aligned with the substantive effects of environmental opportunities.

Climate change

(3.6.2.1) Financial metric

Select from:

☒ Revenue

(3.6.2.2) Amount of financial metric aligned with opportunities for this environmental issue (unit currency as selected in 1.2)

50000

(3.6.2.3) % of total financial metric aligned with opportunities for this environmental issue

Select from:

☒ Less than 1%

(3.6.2.4) Explanation of financial figures

While direct revenue impact may be limited on an annualized basis (this current value is extrapolated from current customer projects), the larger value in this opportunity lies with brand equity, enhanced partnerships, and opportunities lying in further R&D (e.g., biodiversity, regenerative agriculture).

Forests

(3.6.2.1) Financial metric

Select from:

☒ Revenue

(3.6.2.3) % of total financial metric aligned with opportunities for this environmental issue

Select from:

☒ Less than 1%

(3.6.2.4) Explanation of financial figures

While the exact impact on revenue is unknown at this time, there is the potential for direct revenue in the form of supplier partnerships as well as positive impacts on brand equity and future R&D.

[Add row]

C4. Governance

(4.1) Does your organization have a board of directors or an equivalent governing body?

(4.1.1) Board of directors or equivalent governing body

Select from:

☒ Yes

(4.1.2) Frequency with which the board or equivalent meets

Select from:

☒ Quarterly

(4.1.3) Types of directors your board or equivalent is comprised of

Select all that apply

☒ Executive directors or equivalent

(4.1.4) Board diversity and inclusion policy

Select from:

☒ No

[Fixed row]

(4.1.1) Is there board-level oversight of environmental issues within your organization?

	Board-level oversight of this environmental issue
Climate change	Select from: ☒ Yes
Forests	Select from: ☒ Yes
Water	Select from: ☒ Yes
Biodiversity	Select from: ☒ Yes

[Fixed row]

(4.1.2) Identify the positions (do not include any names) of the individuals or committees on the board with accountability for environmental issues and provide details of the board's oversight of environmental issues.

Climate change

(4.1.2.1) Positions of individuals or committees with accountability for this environmental issue

Select all that apply

☒ Chief Executive Officer (CEO)

(4.1.2.2) Positions' accountability for this environmental issue is outlined in policies applicable to the board

Select from:

☒ No

(4.1.2.4) Frequency with which this environmental issue is a scheduled agenda item

Select from:

- ☒ Scheduled agenda item in some board meetings – at least annually

(4.1.2.5) Governance mechanisms into which this environmental issue is integrated

Select all that apply

- ☒ Reviewing and guiding the assessment process for dependencies, impacts, risks, and opportunities
- ☒ Overseeing reporting, audit, and verification processes
- ☒ Overseeing and guiding the development of a business strategy
- ☒ Reviewing and guiding annual budgets
- ☒ Reviewing and guiding innovation/R&D priorities

(4.1.2.7) Please explain

Climate-related issues are managed at the highest governance level in the company, by Falcon's Chief Executive Officer (CEO), who is a member of our board and who is responsible for Falcon's vision and sustainability strategy. Our CEO is responsible for presenting to the board quarterly, which includes high-level financial, business, and strategic updates. Our Director of Sustainability then delivers the climate-related risks and opportunities report, which, as an example, includes updates on our climate-related R&D and new projects. Our CEO's climate responsibility includes oversight of our management against climate-related risk and the approval of major climate-related innovations and the budgets associated. As an example, our CEO has championed our multi-year project with the University of Brighton to develop a carbon emissions calculation methodology for coffee farms, ensuring board-level visibility and needed funding from 2022 to 2024. Our CEO oversaw the consideration of trade-offs for this initiative prior to its inception, weighing cost with commercial potential, amongst other considerations.

Forests

(4.1.2.1) Positions of individuals or committees with accountability for this environmental issue

Select all that apply

- ☒ Chief Executive Officer (CEO)

(4.1.2.2) Positions' accountability for this environmental issue is outlined in policies applicable to the board

Select from:

- ☒ No

(4.1.2.4) Frequency with which this environmental issue is a scheduled agenda item

Select from:

- ☒ Scheduled agenda item in some board meetings – at least annually

(4.1.2.5) Governance mechanisms into which this environmental issue is integrated

Select all that apply

- ☒ Reviewing and guiding the assessment process for dependencies, impacts, risks, and opportunities
- ☒ Overseeing reporting, audit, and verification processes
- ☒ Monitoring supplier compliance with organizational requirements
- ☒ Reviewing and guiding annual budgets
- ☒ Reviewing and guiding innovation/R&D priorities

(4.1.2.7) Please explain

Forest-related issues are managed at the highest governance level in the company, by Falcon's Chief Executive Officer (CEO), who is a member of our board and who is responsible for Falcon's vision and sustainability strategy. Our CEO is responsible for presenting to the board quarterly, which includes high-level financial, business, and strategic updates. Our Director of Sustainability then delivers reporting on deforestation, particularly as it relates to regulatory compliance. Falcon's compliance with the upcoming EU Deforestation Regulation (EUDR) has been overseen and monitored by our CEO. This process has included financial investment, the development of processes and reporting capability, and a thorough understanding of risk through significant R&D.

Water

(4.1.2.1) Positions of individuals or committees with accountability for this environmental issue

Select all that apply

- ☒ Chief Executive Officer (CEO)

(4.1.2.2) Positions' accountability for this environmental issue is outlined in policies applicable to the board

Select from:

- ☒ No

(4.1.2.4) Frequency with which this environmental issue is a scheduled agenda item

Select from:

☒ Sporadic – agenda item as important matters arise

(4.1.2.5) Governance mechanisms into which this environmental issue is integrated

Select all that apply

☒ Reviewing and guiding innovation/R&D priorities

(4.1.2.7) Please explain

Water-related issues are managed at the highest governance level in the company, by Falcon's Chief Executive Officer (CEO), who is a member of our board and who is responsible for Falcon's vision and sustainability strategy. Water-related issues are presented on an as-needed basis, as important discussion points arise. In 2023, Falcon became a founding partner of a landscape-level initiative in Huila, Colombia. Currently in a pilot phase, the initiative seeks to improve water and wastewater management, monitor and reduce emissions, and increase climate-smart farming practices. The innovative approach has had board-level visibility, and we are eager to evaluate the results over the next three years.

Biodiversity

(4.1.2.1) Positions of individuals or committees with accountability for this environmental issue

Select all that apply

☒ Chief Executive Officer (CEO)

(4.1.2.2) Positions' accountability for this environmental issue is outlined in policies applicable to the board

Select from:

☒ No

(4.1.2.4) Frequency with which this environmental issue is a scheduled agenda item

Select from:

☒ Sporadic – agenda item as important matters arise

(4.1.2.5) Governance mechanisms into which this environmental issue is integrated

Select all that apply

- ☒ Reviewing and guiding the assessment process for dependencies, impacts, risks, and opportunities
- ☒ Reviewing and guiding annual budgets
- ☒ Reviewing and guiding innovation/R&D priorities

(4.1.2.7) Please explain

Biodiversity-related issues are managed at the highest governance level in the company, by Falcon's Chief Executive Officer (CEO), who is a member of our board and who is responsible for Falcon's vision and sustainability strategy. Biodiversity-related issues are presented on an as-needed basis, as important discussion points arise. There has been a significant increase of interest in measuring coffee farming's impacts on biodiversity from Falcon's customers in recent years and, as a result, Falcon has been advancing internal R&D and innovation in response to the opportunity. Falcon's CEO has been closely engaged with Falcon's Head of Science and Research to develop and fund this work.

[Fixed row]

(4.2) Does your organization's board have competency on environmental issues?

Climate change

(4.2.1) Board-level competency on this environmental issue

Select from:

- ☒ Yes

(4.2.2) Mechanisms to maintain an environmentally competent board

Select all that apply

- ☒ Consulting regularly with an internal, permanent, subject-expert working group
- ☒ Engaging regularly with external stakeholders and experts on environmental issues
- ☒ Having at least one board member with expertise on this environmental issue

(4.2.3) Environmental expertise of the board member

Experience

- ☒ Executive-level experience in a role focused on environmental issues

- ☒ Management-level experience in a role focused on environmental issues
- ☒ Staff-level experience in a role focused on environmental issues
- ☒ Experience in an organization that is exposed to environmental-scrutiny and is going through a sustainability transition

Forests

(4.2.1) Board-level competency on this environmental issue

Select from:

- ☒ Yes

(4.2.2) Mechanisms to maintain an environmentally competent board

Select all that apply

- ☒ Consulting regularly with an internal, permanent, subject-expert working group
- ☒ Engaging regularly with external stakeholders and experts on environmental issues
- ☒ Having at least one board member with expertise on this environmental issue

(4.2.3) Environmental expertise of the board member

Experience

- ☒ Executive-level experience in a role focused on environmental issues
- ☒ Management-level experience in a role focused on environmental issues
- ☒ Staff-level experience in a role focused on environmental issues
- ☒ Experience in an organization that is exposed to environmental-scrutiny and is going through a sustainability transition

Water

(4.2.1) Board-level competency on this environmental issue

Select from:

☒ Yes

(4.2.2) Mechanisms to maintain an environmentally competent board

Select all that apply

- ☒ Consulting regularly with an internal, permanent, subject-expert working group
- ☒ Engaging regularly with external stakeholders and experts on environmental issues
- ☒ Having at least one board member with expertise on this environmental issue

(4.2.3) Environmental expertise of the board member

Experience

- ☒ Executive-level experience in a role focused on environmental issues
- ☒ Management-level experience in a role focused on environmental issues
- ☒ Staff-level experience in a role focused on environmental issues
- ☒ Experience in an organization that is exposed to environmental-scrutiny and is going through a sustainability transition

[Fixed row]

(4.3) Is there management-level responsibility for environmental issues within your organization?

	Management-level responsibility for this environmental issue
Climate change	Select from: ☒ Yes
Forests	Select from: ☒ Yes
Water	Select from:

	Management-level responsibility for this environmental issue
	☒ Yes
Biodiversity	Select from: ☒ Yes

[Fixed row]

(4.3.1) Provide the highest senior management-level positions or committees with responsibility for environmental issues (do not include the names of individuals).

Climate change

(4.3.1.1) Position of individual or committee with responsibility

Executive level

☒ Chief Executive Officer (CEO)

(4.3.1.2) Environmental responsibilities of this position

Dependencies, impacts, risks and opportunities

- ☒ Assessing environmental dependencies, impacts, risks, and opportunities
- ☒ Assessing future trends in environmental dependencies, impacts, risks, and opportunities

Strategy and financial planning

- ☒ Developing a business strategy which considers environmental issues
- ☒ Managing major capital and/or operational expenditures relating to environmental issues
- ☒ Managing priorities related to innovation/low-environmental impact products or services (including R&D)

(4.3.1.4) Reporting line

Select from:

- ☒ Reports to the board directly

(4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:

- ☒ Quarterly

(4.3.1.6) Please explain

Climate-related issues are managed at the highest governance level in the company, by Falcon's Chief Executive Officer (CEO), who is ultimately responsible for Falcon's vision and sustainability strategy. Within this responsibility, our CEO supports the integration of climate-related issues into our strategy and, as our sustainability strategy is informed by our climate risk assessments, this also entails the management of our climate-related risks and opportunities. As a mission-driven company focused on social and environmental responsibility in coffee supply chains, we feel that it is imperative that our work in sustainability is ingrained into our company's identity and values. We feel the most effective means to do this is through CEO engagement. Our CEO is informed and monitors our climate-related issues through a number of channels. While climate information is received by a wide array of industry stakeholders and partners, the Head of Science and Research, Director of Sustainability, Chief Financial Officer (CFO), and Chief Trade Officer (CTO) are main channels of those climate issues which are impacting or have the potential to impact our operations. Monitoring of these issues can take a number of forms, but come primarily through regularly scheduled meetings with the Director of Sustainability, CFO, and CTO, as well as weekly trade and risk meetings. These insights can then inform changes to risk management and annual financial planning.

Forests

(4.3.1.1) Position of individual or committee with responsibility

Executive level

- ☒ Chief Executive Officer (CEO)

(4.3.1.2) Environmental responsibilities of this position

Dependencies, impacts, risks and opportunities

- ☒ Assessing environmental dependencies, impacts, risks, and opportunities
- ☒ Assessing future trends in environmental dependencies, impacts, risks, and opportunities

Strategy and financial planning

- ☒ Developing a business strategy which considers environmental issues
- ☒ Managing major capital and/or operational expenditures relating to environmental issues
- ☒ Managing priorities related to innovation/low-environmental impact products or services (including R&D)

(4.3.1.4) Reporting line

Select from:

- ☒ Reports to the board directly

(4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:

- ☒ Quarterly

(4.3.1.6) Please explain

Forest-related issues are managed at the highest governance level in the company, by Falcon's Chief Executive Officer (CEO), who is ultimately responsible for Falcon's vision and sustainability strategy. As a mission-driven company focused on social and environmental responsibility in coffee supply chains, we feel that it is imperative that our work in sustainability is ingrained into our company's identity and values. We feel the most effective means to do this is through CEO engagement. Our CEO is primarily informed and monitors our forest-related issues through Falcon's Director of Sustainability, Chief Trading Officer (CTO), and Head of Science and Research. Monitoring of forest-related issues is primarily through scheduled meetings. With the upcoming enforcement of the EU Deforestation Regulation (EUDR), meetings on forest-related issues have increased. Our CEO has been engaged with the management of priorities and capital/operational expenditures.

Water

(4.3.1.1) Position of individual or committee with responsibility

Executive level

- ☒ Chief Executive Officer (CEO)

(4.3.1.2) Environmental responsibilities of this position

Dependencies, impacts, risks and opportunities

- ☒ Assessing environmental dependencies, impacts, risks, and opportunities
- ☒ Assessing future trends in environmental dependencies, impacts, risks, and opportunities

Strategy and financial planning

- ☒ Managing priorities related to innovation/low-environmental impact products or services (including R&D)

(4.3.1.4) Reporting line

Select from:

- ☒ Reports to the board directly

(4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:

- ☒ As important matters arise

(4.3.1.6) Please explain

Water-related issues are managed at the highest governance level in the company, by Falcon's Chief Executive Officer (CEO), who is ultimately responsible for Falcon's vision and sustainability strategy. As a mission-driven company focused on social and environmental responsibility in coffee supply chains, we feel that it is imperative that our work in sustainability is ingrained into our company's identity and values. We feel the most effective means to do this is through CEO engagement. Our CEO is primarily informed and monitors our water-related issues through Falcon's Director of Sustainability and Head of Science and Research. Monitoring of water-related issues is primarily through scheduled meetings as important matters arise. As with our other environmental issues, our CEO assesses current and future risks and opportunities and guides our major financial investments and priorities in innovation through data from these meetings.

Biodiversity

(4.3.1.1) Position of individual or committee with responsibility

Executive level

- ☒ Chief Executive Officer (CEO)

(4.3.1.2) Environmental responsibilities of this position

Dependencies, impacts, risks and opportunities

- ☒ Assessing environmental dependencies, impacts, risks, and opportunities
- ☒ Assessing future trends in environmental dependencies, impacts, risks, and opportunities

Strategy and financial planning

- ☒ Developing a business strategy which considers environmental issues
- ☒ Managing major capital and/or operational expenditures relating to environmental issues
- ☒ Managing priorities related to innovation/low-environmental impact products or services (including R&D)

(4.3.1.4) Reporting line

Select from:

- ☒ Reports to the board directly

(4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:

- ☒ As important matters arise

(4.3.1.6) Please explain

Biodiversity-related issues are managed at the highest governance level in the company, by Falcon's Chief Executive Officer (CEO), who is ultimately responsible for Falcon's vision and sustainability strategy. As a mission-driven company focused on social and environmental responsibility in coffee supply chains, we feel that it is imperative that our work in sustainability is ingrained into our company's identity and values. We feel the most effective means to do this is through CEO engagement. Our CEO is primarily informed and monitors our biodiversity-related issues through Falcon's Head of Science and Research and Chief Trading Officer (CTO). Monitoring of biodiversity-related issues is primarily through scheduled meetings as important matters arise. As with our other environmental issues, our CEO assesses current and future risks and opportunities and guides our major financial investments and priorities in innovation through data from these meetings.

[Add row]

(4.5) Do you provide monetary incentives for the management of environmental issues, including the attainment of targets?

Climate change

(4.5.1) Provision of monetary incentives related to this environmental issue

Select from:

☒ No, but we plan to introduce them in the next two years

(4.5.3) Please explain

Falcon's organization has achieved their desired progress against climate-related issues to date without implementing additional incentives (or disincentives), but we recognize that if an organization is not at least equally incentivized toward financial and non-financial goals that non-financial goals stand a risk of being deprioritized. As a result, Falcon is researching incentives for its environmental goals.

Forests

(4.5.1) Provision of monetary incentives related to this environmental issue

Select from:

☒ No, and we do not plan to introduce them in the next two years

(4.5.3) Please explain

Falcon's organization has achieved their desired progress against forest-related issues to date without implementing additional incentives (or disincentives). We will continue to monitor our progress against our goals and may revisit this idea if we find it warranted in future years.

Water

(4.5.1) Provision of monetary incentives related to this environmental issue

Select from:

☒ No, and we do not plan to introduce them in the next two years

(4.5.3) Please explain

Falcon's organization has achieved their desired progress against water-related issues to date without implementing additional incentives (or disincentives). We will continue to monitor our progress against our goals and may revisit this idea if we find it warranted in future years.

[Fixed row]

(4.6) Does your organization have an environmental policy that addresses environmental issues?

	Does your organization have any environmental policies?
	Select from: ☒ Yes

[Fixed row]

(4.6.1) Provide details of your environmental policies.

Row 1

(4.6.1.1) Environmental issues covered

Select all that apply

- ☒ Forests
- ☒ Water
- ☒ Biodiversity

(4.6.1.2) Level of coverage

Select from:

- ☒ Organization-wide

(4.6.1.3) Value chain stages covered

Select all that apply

- ☒ Upstream value chain

(4.6.1.4) Explain the coverage

Falcon's Responsible Sourcing Policy is a document required by all upstream green coffee suppliers, typically as part of the supplier onboarding process with a recommitment required every few years.

(4.6.1.5) Environmental policy content

Environmental commitments

- ☒ Commitment to comply with regulations and mandatory standards
- ☒ Other environmental commitment, please specify : "Minimising environmental harm and destruction in line with the UN's Agenda 21 Section II: Conservation and Management of Resources for Development"

Forests-specific commitments

- ☒ Other forests-related commitment, please specify : "Minimising environmental harm and destruction in line with the UN's Agenda 21 Section II: Conservation and Management of Resources for Development"

Water-specific commitments

- ☒ Other water-related commitment, please specify : "Minimising environmental harm and destruction in line with the UN's Agenda 21 Section II: Conservation and Management of Resources for Development"

Social commitments

- ☒ Adoption of the UN International Labour Organization principles
- ☒ Commitment to respect internationally recognized human rights

(4.6.1.6) Indicate whether your environmental policy is in line with global environmental treaties or policy goals

Select all that apply

- ☒ Yes, in line with another global environmental treaty or policy goal, please specify : The International Labour Organization's Core Conventions (<https://normlex.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12000:0::NO::>)

(4.6.1.7) Public availability

Select from:
☒ Publicly available

(4.6.1.8) Attach the policy

Falcon Coffees Responsible Sourcing Policy_2024.pdf
[Add row]

(4.10) Are you a signatory or member of any environmental collaborative frameworks or initiatives?

	Are you a signatory or member of any environmental collaborative frameworks or initiatives?
	Select from: ☒ No, and we do not plan to within the next two years

[Fixed row]

(4.11) In the reporting year, did your organization engage in activities that could directly or indirectly influence policy, law, or regulation that may (positively or negatively) impact the environment?

(4.11.1) External engagement activities that could directly or indirectly influence policy, law, or regulation that may impact the environment

Select all that apply
☒ Yes, we engaged indirectly through, and/or provided financial or in-kind support to a trade association or other intermediary organization or individual whose activities could influence policy, law, or regulation

(4.11.2) Indicate whether your organization has a public commitment or position statement to conduct your engagement activities in line with global environmental treaties or policy goals

Select from:

☒ Yes, we have a public commitment or position statement in line with global environmental treaties or policy goals

(4.11.3) Global environmental treaties or policy goals in line with public commitment or position statement

Select all that apply

☒ Another global environmental treaty or policy goal, please specify :The International Labour Organization's Core Conventions:
<https://normlex.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12000:0::NO::>

(4.11.4) Attach commitment or position statement

Falcon Coffees Responsible Sourcing Policy_2024.pdf

(4.11.5) Indicate whether your organization is registered on a transparency register

Select from:

☒ No

(4.11.8) Describe the process your organization has in place to ensure that your external engagement activities are consistent with your environmental commitments and/or transition plan

Falcon seeks to thoroughly understand each of the trade associations and organisations we seek to work with prior to our partnerships. The mission and purpose of each organisation is directly or indirectly aligned with our own mission and values. As a result, the few that we have partnered with since our founding are primarily concerned with improving the coffee industry for all stakeholders in the value chain through sustainability. The mission of World Coffee Research (WCR), as an example, is to "Grow, protect and enhance supplies of quality coffee while improving the livelihoods of the families who produce it". Given coffee's reliance on a healthy and stable climate, the industry partnerships we maintain are frequently proponents of combatting climate change, which can take the form of positively influencing regulations, policy, or law.

[Fixed row]

(4.11.2) Provide details of your indirect engagement on policy, law, or regulation that may (positively or negatively) impact the environment through trade associations or other intermediary organizations or individuals in the reporting year.

Row 1

(4.11.2.1) Type of indirect engagement

Select from:

- ☒ Indirect engagement via a trade association

(4.11.2.4) Trade association

Global

- ☒ Other global trade association, please specify :World Coffee Research, Global Coffee Platform

(4.11.2.5) Environmental issues relevant to the policies, laws, or regulations on which the organization or individual has taken a position

Select all that apply

- ☒ Climate change
- ☒ Forests
- ☒ Water

(4.11.2.6) Indicate whether your organization's position is consistent with the organization or individual you engage with

Select from:

- ☒ Consistent

(4.11.2.7) Indicate whether your organization attempted to influence the organization or individual's position in the reporting year

Select from:

- ☒ Yes, we publicly promoted their current position

(4.11.2.8) Describe how your organization's position is consistent with or differs from the organization or individual's position, and any actions taken to influence their position

These two industry organizations support sustainability in coffee in the face of climate change. World Coffee Research's mission is to, "unite the global coffee industry to drive science-based agricultural solutions to urgently secure a diverse and sustainable supply of quality coffee today and for generations to come". They are largely focused on the risks that climate change is presenting to coffee and the ways we can scientifically work to ensure a future for coffee. We are in strong support of their mission and approach. We have been members of their association in previous years and have been supporting some of their scientific trials. Global Coffee Platform (GCP) is, "a multi-stakeholder membership association dedicated to advance coffee sustainability towards the vision of a thriving, sustainable coffee sector for generations to come... United in the belief that coffee sustainability is a shared responsibility, GCP Members and GCP's Network of Country Platforms work together to achieve transformational change on prosperity for one million coffee farmers by 2030". GCP's Sustainability Reference Code has been a unifying instrument toward baseline sustainability in coffee farming around the globe. Falcon is in strong support of their mission and vision.

(4.11.2.9) Funding figure your organization provided to this organization or individual in the reporting year (currency)

25836.91

(4.11.2.10) Describe the aim of this funding and how it could influence policy, law or regulation that may impact the environment

The funds provided by Falcon are used at the discretion of World Coffee Research and the Global Coffee Platform (GCP) and both organizations can influence policy, law or regulation in the course of their operations. As a recent example, GCP, "co-signed a letter to Ursula von der Leyen, President of the European Commission calling for urgent action for effective EUDR implementation in the coffee sector. The letter identifies several critical issues that threaten the ability of the sector to meet the regulation's objectives effectively and without unintended consequences for smallholder coffee farmers and smaller companies". The letter voiced industry support for anti-deforestation measures while advocating for the changes needed to make the process achievable and sustainable for coffee smallholders worldwide.

(4.11.2.11) Indicate if you have evaluated whether your organization's engagement is aligned with global environmental treaties or policy goals

Select from:

☒ No, we have not evaluated

[Add row]

(4.12) Have you published information about your organization's response to environmental issues for this reporting year in places other than your CDP response?

Select from:

☒ Yes

(4.12.1) Provide details on the information published about your organization's response to environmental issues for this reporting year in places other than your CDP response. Please attach the publication.

Row 1

(4.12.1.1) Publication

Select from:

☒ In mainstream reports, in line with environmental disclosure standards or frameworks

(4.12.1.2) Standard or framework the report is in line with

Select all that apply

☒ TCFD

(4.12.1.3) Environmental issues covered in publication

Select all that apply

☒ Climate change

(4.12.1.4) Status of the publication

Select from:

☒ Complete

(4.12.1.5) Content elements

Select all that apply

☒ Governance

☒ Risks & Opportunities

☒ Strategy

☒ Emissions figures

(4.12.1.6) Page/section reference

(4.12.1.7) Attach the relevant publication

Falcon-TCFD-2023.pdf

(4.12.1.8) Comment

Falcon's annual TCFD report can also be found publically available in a link at the bottom of their main webpage, at: <https://www.falconcoffees.com/wp-content/uploads/2022/01/Falcon-TCFD-Brochure.pdf>

Row 2

(4.12.1.1) Publication

Select from:

☒ In mainstream reports, in line with environmental disclosure standards or frameworks

(4.12.1.2) Standard or framework the report is in line with

Select all that apply

☒ Other, please specify :Streamlined Energy and Carbon Reporting (SECR)

(4.12.1.3) Environmental issues covered in publication

Select all that apply

☒ Climate change

(4.12.1.4) Status of the publication

Select from:

☒ Complete

(4.12.1.5) Content elements

Select all that apply

☒ Risks & Opportunities

☒ Emissions figures

(4.12.1.6) Page/section reference

page 10

(4.12.1.7) Attach the relevant publication

Falcon Coffees Ltd Financial Statements 2023 - Final.pdf

(4.12.1.8) Comment

SECR reporting is required as part of Falcon's financial statements, all of which are publicly available.

[Add row]

C5. Business strategy

(5.1) Does your organization use scenario analysis to identify environmental outcomes?

Climate change

(5.1.1) Use of scenario analysis

Select from:

☒ No, but we plan to within the next two years

(5.1.3) Primary reason why your organization has not used scenario analysis

Select from:

☒ Lack of available methodologies

(5.1.4) Explain why your organization has not used scenario analysis

The scenario analysis models that have been explored by Falcon have not yet, to date, provided any outputs that would have a significant impact on Falcon's strategy. This is mostly due to Falcon's existing high adoption of renewable energy, all-around low Scope 1 and Scope 2 energy use, and its low number of office or operational locations. It would not be pragmatic to invest the time and resources required to do an analysis with a model like the International Energy Agency's (IEA's) Sustainable Development Scenario (SDS). However, Falcon's understanding of the potential impacts of climate change on its operations is growing and it is understood that these climate-related impacts could be severe. For these reasons, it is important that a model with relevant outputs is found or developed. Falcon will continue to consider and investigate options.

Forests

(5.1.1) Use of scenario analysis

Select from:

☒ No, but we plan to within the next two years

(5.1.3) Primary reason why your organization has not used scenario analysis

Select from:

- ☒ Lack of internal resources, capabilities, or expertise (e.g., due to organization size)

(5.1.4) Explain why your organization has not used scenario analysis

Falcon's primary focus is developing a scenario analysis for climate change. Once complete, we can expand our understanding of the implications on forests and water.

Water

(5.1.1) Use of scenario analysis

Select from:

- ☒ No, but we plan to within the next two years

(5.1.3) Primary reason why your organization has not used scenario analysis

Select from:

- ☒ Lack of internal resources, capabilities, or expertise (e.g., due to organization size)

(5.1.4) Explain why your organization has not used scenario analysis

Falcon's primary focus is developing a scenario analysis for climate change. Once complete, we can expand our understanding of the implications on forests and water.

[Fixed row]

(5.2) Does your organization's strategy include a climate transition plan?

(5.2.1) Transition plan

Select from:

- ☒ No, but we are developing a climate transition plan within the next two years

(5.2.15) Primary reason for not having a climate transition plan that aligns with a 1.5°C world

Select from:

- ☒ Lack of internal resources, capabilities, or expertise (e.g., due to organization size)

(5.2.16) Explain why your organization does not have a climate transition plan that aligns with a 1.5°C world

Falcon's climate strategy is meaningfully influenced by our climate-related risks and opportunities. In any given year, Falcon is an active participant in many impact projects in coffee-origin countries, a significant amount of which are geared toward climate-smart agricultural adaptation in strategically important origins that are being impacted by climate change. Initiatives include the installation of energy and water-smart depulping equipment, drying beds, climate-smart agronomy support, drought resistant coffee varieties, and more. For more detail, please see www.falconcoffees.com/our-impact. Within our operational control, Falcon has also taken measures to reduce our emissions, including a zero-waste-to-landfill initiative that has been in place at our headquarters since 2019. Where possible, our offices rely on renewable energy. As a green coffee trader and importer, however, approximately 93% of the calculated emissions within our operational control (Scope 1/2/3 inclusive) are those coming from third-party transportation (largely commercial trucking and ocean freight). These industries have been and remain prohibitively slow in embracing renewable energy alternatives to meet demand and, as a result, a meaningful part of Falcon's carbon strategy for the short-term horizon relies on carbon sequestration purchases, which lie outside of current SBTi Net Zero guidance. Yet we are committed to seeking alternative methods to our emissions reduction efforts. We are working toward greater clarity and a clearer transition path, which ideally would be ready to publish within the next two years.

[Fixed row]

(5.3) Have environmental risks and opportunities affected your strategy and/or financial planning?

(5.3.1) Environmental risks and/or opportunities have affected your strategy and/or financial planning

Select from:

- ☒ Yes, both strategy and financial planning

(5.3.2) Business areas where environmental risks and/or opportunities have affected your strategy

Select all that apply

- ☒ Products and services
☒ Investment in R&D

[Fixed row]

(5.3.1) Describe where and how environmental risks and opportunities have affected your strategy.

Products and services

(5.3.1.1) Effect type

Select all that apply

☒ Opportunities

(5.3.1.2) Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area

Select all that apply

☒ Climate change

(5.3.1.3) Describe how environmental risks and/or opportunities have affected your strategy in this area

In 2022, Falcon conducted extensive research into the emissions associated with growing and processing coffee and found that a wide range of methods, scope, and emissions factors are used for calculating emissions, creating inconsistencies and inaccuracies in reported emissions. Falcon saw this as an issue and an opportunity and initiated a research and development project to develop a reliable and efficient method to account for carbon emissions at the farm level. This work, in partnership with the University of Brighton, has allowed Falcon to both create the tools and methods for this work and to extend emissions accounting work as a service to our suppliers and customers. This provides Falcon and our suppliers and customers with a strategic advantage.

Investment in R&D

(5.3.1.1) Effect type

Select all that apply

☒ Opportunities

(5.3.1.2) Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area

Select all that apply

☒ Forests

(5.3.1.3) Describe how environmental risks and/or opportunities have affected your strategy in this area

The European Union's Deforestation Regulation (EUDR) has had a significant impact on the coffee industry over the last two years. While EUDR does present risks to market access amongst other things, Falcon sees compliance with the regulation as an opportunity to advance our traceability and transparency in our coffee supply. Over the last year, Falcon has invested in deforestation technology and in the development of tools and systems to collect and analyze geolocation data and evaluate potential risks in coffee-growing regions. Through this process, we have been able to provide ourselves as a resource to our suppliers, offering guidance, support, and, in some cases, resources to perform geolocation mapping on their behalf. We have also been able to provide our customers with the data they need to achieve regulatory compliance. While compliance is a necessary outcome, Falcon's traceability systems will now allow for a more granular understanding of how the production of the coffees that Falcon procures intersects with biodiversity hotspots and environmentally sensitive forests and waterways. We believe this will unlock a new chapter of partnership with our suppliers and investment in some of the world's more fragile ecosystems.

[Add row]

(5.3.2) Describe where and how environmental risks and opportunities have affected your financial planning.

Row 1

(5.3.2.1) Financial planning elements that have been affected

Select all that apply

- ☒ Revenues
- ☒ Direct costs

(5.3.2.2) Effect type

Select all that apply

- ☒ Risks

(5.3.2.3) Environmental issues relevant to the risks and/or opportunities that have affected these financial planning elements

Select all that apply

- ☒ Forests

(5.3.2.4) Describe how environmental risks and/or opportunities have affected these financial planning elements

The European Union's Deforestation Regulation (EUDR) will be enforced starting December 30, 2024. As a result, Falcon has planned for the financial investment of developing and maintaining the tools and systems required for regulatory compliance for ourselves and our customers. We have also assessed potential impacts to revenues as many upstream supply chain actors make similar investments in compliance technologies.

Row 2

(5.3.2.1) Financial planning elements that have been affected

Select all that apply

☒ Direct costs

(5.3.2.2) Effect type

Select all that apply

☒ Opportunities

(5.3.2.3) Environmental issues relevant to the risks and/or opportunities that have affected these financial planning elements

Select all that apply

☒ Climate change

(5.3.2.4) Describe how environmental risks and/or opportunities have affected these financial planning elements

While climate change poses risks to the coffee industry, we see our ability to respond to this risk in a science-based, data-driven way as an opportunity for ourselves and our supply chain partners. As a result, we continue to invest in headcount for our sustainability team. Falcon's sustainability team includes a biochemist and our Head of Science and Research carries a doctorate in agroecology.

[Add row]

(5.4) In your organization’s financial accounting, do you identify spending/revenue that is aligned with your organization’s climate transition?

	Identification of spending/revenue that is aligned with your organization's climate transition	Methodology or framework used to assess alignment with your organization's climate transition
	<i>Select from:</i> ☒ Yes	<i>Select all that apply</i> ☒ Other methodology or framework

[Fixed row]

(5.4.1) Quantify the amount and percentage share of your spending/revenue that is aligned with your organization's climate transition.

Row 1

(5.4.1.1) Methodology or framework used to assess alignment

Select from:

☒ Other, please specify :OPEX aligned with climate transition is flagged.

(5.4.1.5) Financial metric

Select from:

☒ OPEX

(5.4.1.6) Amount of selected financial metric that is aligned in the reporting year (currency)

280000

(5.4.1.7) Percentage share of selected financial metric aligned in the reporting year (%)

4

(5.4.1.8) Percentage share of selected financial metric planned to align in 2025 (%)

(5.4.1.9) Percentage share of selected financial metric planned to align in 2030 (%)

(5.4.1.12) Details of the methodology or framework used to assess alignment with your organization's climate transition

Spending that is associated with Falcon's climate transition is both budgeted for and flagged throughout the course of the financial year. Examples of spending that is associated with Falcon's climate transition includes, but it not limited to, our investments in carbon sequestration, investments in climate-smart agronomy, and deforestation technology services. Not included in this spending figure, however, is much of the internal human resources used to administer and manage climate transition projects and the travel required. We anticipate this spending to grow slightly as a percentage of overall OPEX in the coming years, but then match the growth in OPEX spending thereafter. While our annual financials are third-party audited, the quantification of OPEX spending specifically aligned with our climate transition is not.

[Add row]

(5.9) What is the trend in your organization's water-related capital expenditure (CAPEX) and operating expenditure (OPEX) for the reporting year, and the anticipated trend for the next reporting year?

(5.9.1) Water-related CAPEX (+/- % change)

(5.9.2) Anticipated forward trend for CAPEX (+/- % change)

(5.9.3) Water-related OPEX (+/- % change)

(5.9.4) Anticipated forward trend for OPEX (+/- % change)

(5.9.5) Please explain

Outside of small volumes used to brew samples of coffee within our quality control functions, Falcon's water usage is for the day-to-day needs of an office environment. Falcon's percentages of current and forward-looking CAPEX and OPEX not being quantified, however, is misleading. As a result of the minimal overall impact Falcon's organization has on water, we have chosen to focus our efforts on water conservation upstream in the coffee supply chain. Coffee processing uses water and produces wastewater. Strengthening the practices around composting, wastewater management, and low water usage in processing can significantly impact local environments and watersheds. Falcon partners with a number of supply chains promoting water-smart practices, including Catholic Relief Service's Blue Harvest program in El Salvador. For more on the incredible impact Blue Harvest has made on local waterways, see: www.blueharvest.org

[Fixed row]

(5.10) Does your organization use an internal price on environmental externalities?

(5.10.1) Use of internal pricing of environmental externalities

Select from:

☒ No, and we do not plan to in the next two years

(5.10.3) Primary reason for not pricing environmental externalities

Select from:

☒ Lack of internal resources, capabilities, or expertise (e.g., due to organization size)

(5.10.4) Explain why your organization does not price environmental externalities

While establishing an internal carbon price could benefit Falcon's data-driven approach toward investment in environmental externalities, particularly carbon emissions, the implementation of a pricing system and its adoption into our financial and strategic planning is a significant undertaking. We do not have the internal resources to further investigate and implement a transition of this nature at this time, though we remain engaged in research on the topic. It may be a viable opportunity in the future.

[Fixed row]

(5.11) Do you engage with your value chain on environmental issues?

	Engaging with this stakeholder on environmental issues	Environmental issues covered
Suppliers	Select from: ☒ Yes	Select all that apply ☒ Climate change ☒ Forests
Smallholders	Select from: ☒ Yes	Select all that apply
Customers	Select from: ☒ Yes	Select all that apply ☒ Climate change ☒ Forests
Investors and shareholders	Select from: ☒ Yes	Select all that apply ☒ Climate change ☒ Forests
Other value chain stakeholders	Select from: ☒ Yes	Select all that apply ☒ Plastics

[Fixed row]

(5.11.1) Does your organization assess and classify suppliers according to their dependencies and/or impacts on the environment?

Climate change

(5.11.1.1) Assessment of supplier dependencies and/or impacts on the environment

Select from:

☒ Yes, we assess the dependencies and/or impacts of our suppliers

(5.11.1.2) Criteria for assessing supplier dependencies and/or impacts on the environment

Select all that apply

- ☒ Basin/landscape condition
- ☒ Dependence on ecosystem services/environmental assets

(5.11.1.3) % Tier 1 suppliers assessed

Select from:

- ☒ 51-75%

(5.11.1.4) Define a threshold for classifying suppliers as having substantive dependencies and/or impacts on the environment

While the case could be made that all coffee producers have a substantive dependency on the environment, for this purpose Falcon's threshold includes both a vulnerability assessment and a revenue dependency. Suppliers that are estimated to derive at least 25-30% of their revenue from environmentally sensitive products such as coffee in addition to those being considered highly vulnerable to issues being driven by climate change are assessed as suppliers in greater need of additional support.

(5.11.1.5) % Tier 1 suppliers meeting the thresholds for substantive dependencies and/or impacts on the environment

Select from:

- ☒ 1-25%

Forests

(5.11.1.1) Assessment of supplier dependencies and/or impacts on the environment

Select from:

- ☒ Yes, we assess the dependencies and/or impacts of our suppliers

(5.11.1.2) Criteria for assessing supplier dependencies and/or impacts on the environment

Select all that apply

- ☒ Impact on deforestation or conversion of other natural ecosystems

(5.11.1.3) % Tier 1 suppliers assessed

Select from:

☒ 26-50%

(5.11.1.4) Define a threshold for classifying suppliers as having substantive dependencies and/or impacts on the environment

Falcon embarked on an initiative to internally assess our suppliers' impacts on deforestation in 2023. Suppliers with a statistically significant volume of unresolved deforestation risk as per the definitions put forth by EUDR are considered to have an impact on deforestation.

(5.11.1.5) % Tier 1 suppliers meeting the thresholds for substantive dependencies and/or impacts on the environment

Select from:

☒ 1-25%

[Fixed row]

(5.11.2) Does your organization prioritize which suppliers to engage with on environmental issues?

Climate change

(5.11.2.1) Supplier engagement prioritization on this environmental issue

Select from:

☒ Yes, we prioritize which suppliers to engage with on this environmental issue

(5.11.2.2) Criteria informing which suppliers are prioritized for engagement on this environmental issue

Select all that apply

☒ In line with the criteria used to classify suppliers as having substantive dependencies and/or impacts relating to climate change

☒ Procurement spend

☒ Strategic status of suppliers

☒ Supplier performance improvement

- ☒ Vulnerability of suppliers

(5.11.2.4) Please explain

Coffee's global supply chains are overwhelmingly reliant on millions of smallholder coffee producers, each with an average of two hectares of farmland or less. The Conservation International and Solidaridad joint publication Coffee Barometer estimates there are approximately 12.5 million coffee farmers spread over 70 countries (<https://coffeebarometer.org/explore-coffee-barometer/>). This structure provides inherent complexity to supplier engagement on environmental issues such as climate change as each producer can be uniquely impacted by their particular landscape's condition and their farm's reliance on ecosystem services and environmental assets (as noted in 5.11.1). As a result, Falcon must prioritize their supplier engagement on climate change. Falcon's engagement on climate change is primarily associated with coffee harvesting and processing. Among other things, Falcon's engagement is built on producer reliance on the landscape's condition and their farm's reliance on ecosystem services and environmental assets, but also on social and operational factors as well including the size and value of the relationship (spend/strategic status), opportunity for impact, and the socioeconomic vulnerability of a farmer group.

Forests

(5.11.2.1) Supplier engagement prioritization on this environmental issue

Select from:

- ☒ Yes, we prioritize which suppliers to engage with on this environmental issue

(5.11.2.2) Criteria informing which suppliers are prioritized for engagement on this environmental issue

Select all that apply

- ☒ In line with the criteria used to classify suppliers as having substantive dependencies and/or impacts relating to forests
- ☒ Business risk mitigation
- ☒ Procurement spend
- ☒ Regulatory compliance
- ☒ Strategic status of suppliers

(5.11.2.4) Please explain

With the upcoming enforcement of the European Union's Deforestation Regulation (EUDR), Falcon has needed to prioritize which suppliers to engage with on the issue of forests and deforestation for regulatory compliance purposes. This process, which has involved, in part, the collection and analysis of the geolocation data of our suppliers' farmland (the regulation is associated with where coffees are harvested and processed), has been built with a focus on those suppliers that are established suppliers to Falcon's EU market, further prioritizing those of strategic and financial value.

[Fixed row]

(5.11.5) Do your suppliers have to meet environmental requirements as part of your organization's purchasing process?

Climate change

(5.11.5.1) Suppliers have to meet specific environmental requirements related to this environmental issue as part of the purchasing process

Select from:

☒ Yes, suppliers have to meet environmental requirements related to this environmental issue, but they are not included in our supplier contracts

(5.11.5.2) Policy in place for addressing supplier non-compliance

Select from:

☒ Yes, we have a policy in place for addressing non-compliance

(5.11.5.3) Comment

Falcon's Responsible Sourcing Policy (RSP) contains a number of high-level environmental requirements that our suppliers are asked to read, acknowledge, and sign off on. They are required to, "comply and keep up to date with national tax, employment, environmental and other applicable laws in the country where the supplier has its primary residence as well as regulatory requirements related with its operation in countries where the supplier functions", "maintain good practices that would take a precautionary approach to the environment by minimising environmental harm and destruction in line with the UN's Agenda 21 Section II: Conservation and Management of Resources for Development. Wherever practical, implement recycling and reuse programs to minimize demand of resources including water and plastics", "be knowledgeable of banned and restricted pesticides in countries to which their coffees are destined and to adhere to those bans and restrictions in their operations", and to "expect similar commitment to these standards from your suppliers and other business relationships".

Forests

(5.11.5.1) Suppliers have to meet specific environmental requirements related to this environmental issue as part of the purchasing process

Select from:

☒ Yes, environmental requirements related to this environmental issue are included in our supplier contracts

(5.11.5.2) Policy in place for addressing supplier non-compliance

Select from:

- ☒ Yes, we have a policy in place for addressing non-compliance

(5.11.5.3) Comment

Compliance with EUDR, as an example, is a contractual requirement for all coffees destined for the EU or for customers requesting EUDR compliance.
[Fixed row]

(5.11.6) Provide details of the environmental requirements that suppliers have to meet as part of your organization's purchasing process, and the compliance measures in place.

Climate change

(5.11.6.1) Environmental requirement

Select from:

- ☒ Adoption of the UN International Labour Organization Principles

(5.11.6.2) Mechanisms for monitoring compliance with this environmental requirement

Select all that apply

- ☒ Grievance mechanism/ Whistleblowing hotline

(5.11.6.3) % tier 1 suppliers by procurement spend required to comply with this environmental requirement

Select from:

- ☒ 100%

(5.11.6.4) % tier 1 suppliers by procurement spend in compliance with this environmental requirement

Select from:

- ☒ 100%

(5.11.6.7) % tier 1 supplier-related scope 3 emissions attributable to the suppliers required to comply with this environmental requirement

Select from:

☒ None

(5.11.6.8) % tier 1 supplier-related scope 3 emissions attributable to the suppliers in compliance with this environmental requirement

Select from:

☒ None

(5.11.6.9) Response to supplier non-compliance with this environmental requirement

Select from:

☒ Other, please specify :Retainment, suspension, and engagement are dependent upon severity and scope of issue.

(5.11.6.10) % of non-compliant suppliers engaged

Select from:

☒ Less than 1%

(5.11.6.11) Procedures to engage non-compliant suppliers

Select all that apply

☒ Providing information on appropriate actions that can be taken to address non-compliance

☒ Re-integrating suppliers back into upstream value chain based on the successful and verifiable completion of activities

(5.11.6.12) Comment

It is Falcon's preference to engage with their long-term supply chain partners, if possible. The opportunity for engagement is dependent upon the scope and severity of the issue.

Forests

(5.11.6.1) Environmental requirement

Select from:

☒ No deforestation or conversion of other natural ecosystems

(5.11.6.2) Mechanisms for monitoring compliance with this environmental requirement

Select all that apply

☒ Geospatial monitoring tool

(5.11.6.3) % tier 1 suppliers by procurement spend required to comply with this environmental requirement

Select from:

☒ 26-50%

(5.11.6.4) % tier 1 suppliers by procurement spend in compliance with this environmental requirement

Select from:

☒ 26-50%

(5.11.6.5) % tier 1 suppliers with substantive environmental dependencies and/or impacts related to this environmental issue required to comply with this environmental requirement

Select from:

☒ 1-25%

(5.11.6.6) % tier 1 suppliers with substantive environmental dependencies and/or impacts related to this environmental issue that are in compliance with this environmental requirement

Select from:

☒ 1-25%

(5.11.6.9) Response to supplier non-compliance with this environmental requirement

Select from:

- ☒ Retain and engage

(5.11.6.10) % of non-compliant suppliers engaged

Select from:

- ☒ 1-25%

(5.11.6.11) Procedures to engage non-compliant suppliers

Select all that apply

- ☒ Assessing the efficacy and efforts of non-compliant supplier actions through consistent and quantified metrics
- ☒ Providing information on appropriate actions that can be taken to address non-compliance

(5.11.6.12) Comment

It is Falcon's preference to engage with their long-term supply chain partners, if possible. Engagement in this case may include reforestation efforts.
[Add row]

(5.11.7) Provide further details of your organization's supplier engagement on environmental issues.

Climate change

(5.11.7.2) Action driven by supplier engagement

Select from:

- ☒ Adaptation to climate change

(5.11.7.3) Type and details of engagement

Information collection

- ☒ Collect environmental risk and opportunity information at least annually from suppliers

(5.11.7.4) Upstream value chain coverage

Select all that apply

☒ Tier 1 suppliers

(5.11.7.5) % of tier 1 suppliers by procurement spend covered by engagement

Select from:

☒ 1-25%

(5.11.7.6) % of tier 1 supplier-related scope 3 emissions covered by engagement

Select from:

☒ 1-25%

(5.11.7.9) Describe the engagement and explain the effect of your engagement on the selected environmental action

To enhance the supply chain transparency of one of Falcon's largest customers, Falcon administers a supplier sustainability survey each year on topics including emissions, and environmental protection including waterways and riparian zones. This survey allows our suppliers to track progress against their environmental goals and highlight opportunities for supply chain improvement.

(5.11.7.10) Engagement is helping your tier 1 suppliers meet an environmental requirement related to this environmental issue

Select from:

☒ No, this engagement is unrelated to meeting an environmental requirement

(5.11.7.11) Engagement is helping your tier 1 suppliers engage with their own suppliers on the selected action

Select from:

☒ Yes

Forests

(5.11.7.1) Commodity

Select from:

☒ Coffee

(5.11.7.2) Action driven by supplier engagement

Select from:

☒ No other supplier engagement

[Add row]

(5.11.8) Provide details of any environmental smallholder engagement activity

Row 1

(5.11.8.1) Commodity

Select from:

☒ Coffee

(5.11.8.2) Type and details of smallholder engagement approach

Capacity building

☒ Disseminate technical materials

☒ Offer on-site technical assistance and extension services

☒ Organize capacity building events

☒ Provide training, support and best practices on sustainable agriculture practices and nutrient management

(5.11.8.3) Number of smallholders engaged

10311

(5.11.8.4) Effect of engagement and measures of success

As part of Falcon's mission to drive socio-economic change in coffee supply chains, we invest in agronomy and technical assistance for our producer organizations. Through increases in volume and quality, producers earn more money to invest in their farms and families. Measuring the metrics of volume produced and quality ("cup score") over time, our long-term agronomy and technical assistance resources can support volume or quality increases year over year. The number of smallholders listed here are those in three of our agronomy and technical assistance programs, in Peru and Ethiopia. Our work in Peru has generated significant quality increases and participants have placed in Peru's annual "Cup of Excellence" awards as a result.

[Add row]

(5.11.9) Provide details of any environmental engagement activity with other stakeholders in the value chain.

Climate change

(5.11.9.1) Type of stakeholder

Select from:

☒ Customers

(5.11.9.2) Type and details of engagement

Education/Information sharing

☒ Educate and work with stakeholders on understanding and measuring exposure to environmental risks

☒ Share information about your products and relevant certification schemes

(5.11.9.3) % of stakeholder type engaged

Select from:

☒ Less than 1%

(5.11.9.4) % stakeholder-associated scope 3 emissions

Select from:

☒ None

(5.11.9.5) Rationale for engaging these stakeholders and scope of engagement

Falcon's initiative to develop more efficient and accurate tools and methods for calculating coffee farm emissions will not be complete until 2024, but Falcon has already been able to leverage its output for meaningful value to our customers. We have partnered with two progressive customers to calculate some of their supply chain emissions using this new method and its tools. These pilots served a dual purpose, to provide customers with emissions data and to further validate Falcon's process and expand their data sets.

(5.11.9.6) Effect of engagement and measures of success

The outcomes from these initiatives have been a new, more detailed level of understanding of customer emissions from on-farm activities as well as an expanded data set for Falcon to validate its method and tools with. Falcon has also been able to provide emissions findings to the coffee producers, with details on key drivers. While the current metric of success is the generation of emissions data itself, Falcon is also currently working on services that further support emissions mitigation activities.

Forests

(5.11.9.1) Type of stakeholder

Select from:

☒ Investors and shareholders

(5.11.9.2) Type and details of engagement

Education/Information sharing

☒ Educate and work with stakeholders on understanding and measuring exposure to environmental risks

(5.11.9.3) % of stakeholder type engaged

Select from:

☒ 100%

(5.11.9.5) Rationale for engaging these stakeholders and scope of engagement

While the EUs upcoming deforestation regulation does not directly impact most US coffee roasters, having visibility to the issues being raised and addressed is valuable for long-term strategic planning. Falcon has been providing updates on EUDR and Falcon's strategy and compliance activities to their shareholders quarterly. Falcon has also been supporting their sister organization, Rwanda Trading Company, with their data evaluation and compliance efforts.

(5.11.9.6) Effect of engagement and measures of success

Falcon's shareholders have increased visibility to key deforestation issues in coffee as well as an understanding of compliance and the challenges therein. Falcon's sister company has been able to leverage the work Falcon has provided and can now offer 100% EUDR compliance in their operations, which can be considered success in advance of the EUDR enforcement date.

[Add row]

(5.12) Indicate any mutually beneficial environmental initiatives you could collaborate on with specific CDP Supply Chain members.

Row 1

(5.12.1) Requesting member

Select from:

(5.12.2) Environmental issues the initiative relates to

Select all that apply

☒ Climate change

(5.12.4) Initiative category and type

Innovation

☒ Other innovation, please specify :Falcon can offer an on-farm emissions calculations method that takes just 30-45 minutes to complete.

(5.12.5) Details of initiative

Falcon can offer an accurate, efficient means to measure or audit on-farm emissions. Falcon's process takes 30-45 minutes and may lead to meaningful resource savings compared to other emissions calculation methods.

(5.12.6) Expected benefits

Select all that apply

☒ Improved resource use and efficiency

(5.12.7) Estimated timeframe for realization of benefits

Select from:

☒ 0-1 year

(5.12.8) Are you able to estimate the lifetime CO2e and/or water savings of this initiative?

Select from:

☒ No

(5.12.11) Please explain

While the total timeframe varies depending on the country of origin and supply chain size, studies can be executed in as little as six to eight weeks.

[Add row]

(5.13) Has your organization already implemented any mutually beneficial environmental initiatives due to CDP Supply Chain member engagement?

(5.13.1) Environmental initiatives implemented due to CDP Supply Chain member engagement

Select from:

☒ No, and we do not plan to within the next two years

(5.13.2) Primary reason for not implementing environmental initiatives

Select from:

☒ Not an immediate strategic priority

(5.13.3) Explain why your organization has not implemented any environmental initiatives

Falcon Coffees and Keurig Dr Pepper ("Keurig") have a longstanding partnership built around sustainable sourcing. Falcon supplies third-party certified coffees to Keurig and is the sole provider of Keurig's Honduran coffees from Comicovel, a producer organization engaged in the sustainability initiative Blue Harvest (see Section 3.6.3 for more detail on Blue Harvest). While Falcon and Keurig do not have any explicit environmental initiatives being implemented outside of their sustainable sourcing, the relationship is one focused on sustainability and environmental consciousness.

[Fixed row]

C6. Environmental Performance - Consolidation Approach

(6.1) Provide details on your chosen consolidation approach for the calculation of environmental performance data.

	Consolidation approach used	Provide the rationale for the choice of consolidation approach
Climate change	Select from: ☒ Operational control	<i>Falcon's responses use "operational control" as the consolidation approach for the calculation of all environmental performance data.</i>
Forests	Select from: ☒ Operational control	<i>Falcon's responses use "operational control" as the consolidation approach for the calculation of all environmental performance data.</i>
Water	Select from: ☒ Operational control	<i>Falcon's responses use "operational control" as the consolidation approach for the calculation of all environmental performance data.</i>
Plastics	Select from: ☒ Operational control	<i>Falcon's responses use "operational control" as the consolidation approach for the calculation of all environmental performance data.</i>
Biodiversity	Select from: ☒ Operational control	<i>Falcon's responses use "operational control" as the consolidation approach for the calculation of all environmental performance data.</i>

[Fixed row]

C7. Environmental performance - Climate Change

(7.1) Is this your first year of reporting emissions data to CDP?

Select from:

☒ No

(7.1.1) Has your organization undergone any structural changes in the reporting year, or are any previous structural changes being accounted for in this disclosure of emissions data?

	Has there been a structural change?
	Select all that apply ☒ No

[Fixed row]

(7.1.2) Has your emissions accounting methodology, boundary, and/or reporting year definition changed in the reporting year?

(7.1.2.1) Change(s) in methodology, boundary, and/or reporting year definition?

Select all that apply

☒ Yes, a change in methodology

(7.1.2.2) Details of methodology, boundary, and/or reporting year definition change(s)

This year Falcon has access to more robust emissions factors including IEA grid electricity factors. Using these factors to recalculate may not have a significant impact on reported emissions but it is a change towards more accurate data. We have also acquired software that allows for easier, more reliable calculation of emissions for freighting goods.

[Fixed row]

(7.1.3) Have your organization's base year emissions and past years' emissions been recalculated as a result of any changes or errors reported in 7.1.1 and/or 7.1.2?

(7.1.3.1) Base year recalculation

Select from:

☒ Yes

(7.1.3.2) Scope(s) recalculated

Select all that apply

☒ Scope 1

☒ Scope 2, location-based

☒ Scope 2, market-based

☒ Scope 3

(7.1.3.3) Base year emissions recalculation policy, including significance threshold

Falcon has chosen to recalculate based on the acquisition of a more robust data set for emissions factors. The calculated emissions may not be altered significantly but having more reliable emission factors, especially for scope 2, was deemed worthy of making the change. Additionally, errors were found in the previous year's calculations for Scope 2 location-based emissions and employee commute emissions.

(7.1.3.4) Past years' recalculation

Select from:

☒ Yes

[Fixed row]

(7.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.

Select all that apply

- ☒ The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)
- ☒ The Greenhouse Gas Protocol Agricultural Guidance: Interpreting the Corporate Accounting and Reporting Standard for the Agricultural Sector
- ☒ The Greenhouse Gas Protocol: Scope 2 Guidance

(7.3) Describe your organization's approach to reporting Scope 2 emissions.

(7.3.1) Scope 2, location-based

Select from:

- ☒ We are reporting a Scope 2, location-based figure

(7.3.2) Scope 2, market-based

Select from:

- ☒ We are reporting a Scope 2, market-based figure

(7.3.3) Comment

Falcon has access to energy supplier emission factors for its offices in the UK, US, and Germany. This allows for dual reporting of market and location-based figures, as suggested by the GHG protocol Scope 2 and CDP's technical note on accounting of Scope 2 emissions.

[Fixed row]

(7.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1, Scope 2 or Scope 3 emissions that are within your selected reporting boundary which are not included in your disclosure?

Select from:

☒ Yes

(7.4.1) Provide details of the sources of Scope 1, Scope 2, or Scope 3 emissions that are within your selected reporting boundary which are not included in your disclosure.

Row 1

(7.4.1.1) Source of excluded emissions

Scope 2 and 3 emissions relating to Falcon's Malaysia office.

(7.4.1.2) Scope(s) or Scope 3 category(ies)

Select all that apply

- ☒ Scope 2 (location-based)
- ☒ Scope 2 (market-based)
- ☒ Scope 3: Waste generated in operations
- ☒ Scope 3: Employee commuting

(7.4.1.4) Relevance of location-based Scope 2 emissions from this source

Select from:

- ☒ Emissions are relevant but not yet calculated

(7.4.1.5) Relevance of market-based Scope 2 emissions from this source

Select from:

- ☒ Emissions are relevant but not yet calculated

(7.4.1.6) Relevance of Scope 3 emissions from this source

Select from:

- ☒ Emissions are relevant but not yet calculated

(7.4.1.9) Estimated percentage of total Scope 3 emissions this excluded source represents

0.5

(7.4.1.10) Explain why this source is excluded

Falcon's Malaysian office entity was established in 2022, but it did not have an established physical presence for a period of time thereafter. Emissions for our Malaysian office will be reported starting in the 2024 CDP disclosure.

(7.4.1.11) Explain how you estimated the percentage of emissions this excluded source represents

We have observed that the emissions for other offices make up a very small percentage of our Scope 3 emissions. There is no reason this would be different for the Malaysian office, which is smaller than the other offices, with just four staff.

[Add row]

(7.5) Provide your base year and base year emissions.

Scope 1

(7.5.1) Base year end

12/31/2019

(7.5.2) Base year emissions (metric tons CO2e)

6.47

(7.5.3) Methodological details

Appropriate emissions factors were used to convert either distance, weight, or volume of an emissive activity into a measurement of metric tons of CO2e. The factors used were from the UK DEFRA conversion factors that are provided annually. These emissions factors are developed for the UK but we assume they are more widely applicable. Robust data sets are not available for the other countries needed.

Scope 2 (location-based)

(7.5.1) Base year end

12/31/2019

(7.5.2) Base year emissions (metric tons CO2e)

9.59

(7.5.3) Methodological details

Energy use was collected from each of the offices and a country-specific emission factor was found to convert this kWh value to a metric ton CO2e value. For location-based Scope 2, a general grid factor was used for each country.

Scope 2 (market-based)

(7.5.1) Base year end

12/31/2019

(7.5.2) Base year emissions (metric tons CO2e)

1.47

(7.5.3) Methodological details

This value includes the emissions from electricity use from the four offices Falcon had in operation in 2019. For offices where the electricity supplier was using 100% renewable energy, the emissions were counted as 0.

Scope 3 category 1: Purchased goods and services

(7.5.1) Base year end

12/31/2019

(7.5.2) Base year emissions (metric tons CO2e)

148.1

(7.5.3) Methodological details

Emissions from plastic packaging used to preserve coffee during transport and storage

Scope 3 category 2: Capital goods

(7.5.1) Base year end

12/31/2019

(7.5.2) Base year emissions (metric tons CO2e)

0.0

(7.5.3) Methodological details

None purchased

Scope 3 category 3: Fuel-and-energy-related activities (not included in Scope 1 or 2)

(7.5.1) Base year end

12/31/2019

(7.5.2) Base year emissions (metric tons CO2e)

0.0

(7.5.3) Methodological details

Not relevant

Scope 3 category 4: Upstream transportation and distribution

(7.5.1) Base year end

12/31/2019

(7.5.2) Base year emissions (metric tons CO2e)

1282.68

(7.5.3) Methodological details

Shipping of coffee

Scope 3 category 5: Waste generated in operations

(7.5.1) Base year end

12/31/2019

(7.5.2) Base year emissions (metric tons CO2e)

2.37

(7.5.3) Methodological details

General waste from offices

Scope 3 category 6: Business travel

(7.5.1) Base year end

12/31/2019

(7.5.2) Base year emissions (metric tons CO2e)

158.26

(7.5.3) Methodological details

Travel of employees funded by Falcon

Scope 3 category 7: Employee commuting

(7.5.1) Base year end

12/31/2019

(7.5.2) Base year emissions (metric tons CO2e)

11.94

(7.5.3) Methodological details

Each employees commute, based on days worked, distance and vehicle type.

Scope 3 category 8: Upstream leased assets

(7.5.1) Base year end

12/31/2019

(7.5.2) Base year emissions (metric tons CO2e)

0.0

(7.5.3) Methodological details

Not relevant

Scope 3 category 9: Downstream transportation and distribution

(7.5.1) Base year end

12/31/2019

(7.5.2) Base year emissions (metric tons CO2e)

5971.47

(7.5.3) Methodological details

Shipping of coffee: emissions based on the mass of coffee, transport method, and distance. This also includes emissions from warehousing.

Scope 3 category 10: Processing of sold products

(7.5.1) Base year end

12/31/2019

(7.5.2) Base year emissions (metric tons CO2e)

0

(7.5.3) Methodological details

Outside of scope

Scope 3 category 11: Use of sold products

(7.5.1) Base year end

12/31/2019

(7.5.2) Base year emissions (metric tons CO2e)

0.0

(7.5.3) Methodological details

Outside of scope

Scope 3 category 12: End of life treatment of sold products

(7.5.1) Base year end

12/31/2019

(7.5.2) Base year emissions (metric tons CO2e)

0.0

(7.5.3) Methodological details

Outside of scope

Scope 3 category 13: Downstream leased assets

(7.5.1) Base year end

12/31/2019

(7.5.2) Base year emissions (metric tons CO2e)

0.0

(7.5.3) Methodological details

Not relevant

Scope 3 category 14: Franchises

(7.5.1) Base year end

12/31/2019

(7.5.2) Base year emissions (metric tons CO2e)

0.0

(7.5.3) Methodological details

Not relevant

Scope 3 category 15: Investments

(7.5.1) Base year end

12/31/2019

(7.5.2) Base year emissions (metric tons CO2e)

0.0

(7.5.3) Methodological details

Not relevant

Scope 3: Other (upstream)

(7.5.1) Base year end

12/31/2019

(7.5.2) Base year emissions (metric tons CO2e)

0.0

(7.5.3) Methodological details

Not relevant

Scope 3: Other (downstream)

(7.5.1) Base year end

12/31/2019

(7.5.2) Base year emissions (metric tons CO2e)

0.0

(7.5.3) Methodological details

Not relevant
[Fixed row]

(7.6) What were your organization's gross global Scope 1 emissions in metric tons CO2e?

Reporting year

(7.6.1) Gross global Scope 1 emissions (metric tons CO2e)

8.047

(7.6.3) Methodological details

Our Scope 1 emissions primarily originate from fuel consumption associated with the use of cars and motorbikes for farm inspections in Ethiopia and Peru. In both cases the amount of fuel used is reported and emissions factors are used to translate that value into mass of CO2e.

Past year 1

(7.6.1) Gross global Scope 1 emissions (metric tons CO2e)

12.31

(7.6.2) End date

(7.6.3) Methodological details

Our Scope 1 emissions primarily originate from fuel consumption associated with the use of cars and motorbikes for farm inspections in Ethiopia and Peru. In both cases the amount of fuel used is reported and emissions factors are used to translate that value into mass of CO2e.

[Fixed row]

(7.7) What were your organization's gross global Scope 2 emissions in metric tons CO2e?

Reporting year

(7.7.1) Gross global Scope 2, location-based emissions (metric tons CO2e)

12.721

(7.7.2) Gross global Scope 2, market-based emissions (metric tons CO2e) (if applicable)

2.486

(7.7.4) Methodological details

Location-based Scope 2 emissions were calculated using IEA emissions factors for the relevant country/region and year. In Falcon's UK, US, and German offices we are able to opt for emission-free energy due to access to suppliers that use a 100% renewable energy mix or purchase REGOs (Renewable Energy Guarantee of Origin). This allows us to report the emissions as "0" for our market-based Scope 2 from these origins.

Past year 1

(7.7.1) Gross global Scope 2, location-based emissions (metric tons CO2e)

12.766

(7.7.2) Gross global Scope 2, market-based emissions (metric tons CO2e) (if applicable)

2.009

(7.7.3) End date

12/31/2022

(7.7.4) Methodological details

Location-based Scope 2 emissions were calculated using IEA emissions factors for the relevant country/region and year. In our UK, US, and German offices we are able to opt for emission-free energy due to access to suppliers that use a 100% renewable energy mix or purchase REGOs. This allows us to report the emissions as "0" for our market-based scope 2 from these origins.

[Fixed row]

(7.8) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services

(7.8.1) Evaluation status

Select from:

☒ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO₂e)

455

(7.8.3) Emissions calculation methodology

Select all that apply

☒ Supplier-specific method

☒ Waste-type-specific method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

(7.8.5) Please explain

Falcon uses a variety of packaging materials to transport green coffee from the country of origin to destination warehouses. These materials include many types of plastic bags that range in size from 30kg in capacity to multiple tonnes as well as jute bags, a natural fibre. The quantity and type of bag used are recorded for each shipment and this allows the total mass of each material type to be calculated. The mass of each material is then multiplied by the emission factor for that material to give the mass of emitted CO₂e. The emissions factors for all the plastic packaging came from experts in sustainable packaging that Falcon is collaborating with to try and find a more environmentally friendly alternative to the current plastic. The emission factor for the jute (natural fibre) bags came from the academic paper "Carbon footprint and energy use in jute and allied fibre production" by Singh et al. (2018) from the Indian Journal of Agricultural Sciences. The emissions from growing and processing the coffee that Falcon trades are not included in the calculations at this time. Falcon has done extensive research into the emissions associated with growing and processing coffee and found a wide range of methods, scope, and emissions factors are used for calculating emissions, creating inconsistencies and inaccuracies in reported emissions. As such, Falcon has initiated a project to develop a method and collaborate with other industry stakeholders to account for carbon emissions at the farm level.

Capital goods

(7.8.1) Evaluation status

Select from:

☒ Not relevant, explanation provided

(7.8.5) Please explain

After assessing our operations, we confirmed that our company does not generate Scope 3 emissions from capital goods. We do not own or utilize capital goods that contribute to greenhouse gas emissions or have a significant environmental impact. As a result, we have no Scope 3 emissions associated with this source.

Fuel-and-energy-related activities (not included in Scope 1 or 2)

(7.8.1) Evaluation status

Select from:

☒ Not relevant, explanation provided

(7.8.5) Please explain

Due to the lack of available well-to-tank data for Ethiopian fuel, with this being our only location with significant fuel usage, we will not be reporting on it at this time. Losses from transmission and distribution account for only a small amount of the emissions and therefore it will not be included here.

Upstream transportation and distribution

(7.8.1) Evaluation status

Select from:

☒ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

3576

(7.8.3) Emissions calculation methodology

Select all that apply

☒ Distance-based method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

(7.8.5) Please explain

Upstream transportation and distribution emissions are generated from the shipping of coffee and its storage in warehouses. Emissions from transport by ship were calculated using the Intermodal Freight calculator provided by Climatiq. For each coffee shipment, the calculator takes the weight, start and end location, and method of transport for each leg of the journey to calculate emissions. Emissions calculations from warehouses used a mixture of site-specific and average-data methods. Falcon reached out to each of its warehousing companies with a survey asking for the energy consumption of each warehouse and the average amount of coffee it stored, which allows for the calculation of the emissions from warehouses in proportion to a specific amount of coffee. Falcon tracks how much and how long the coffee is stored in each warehouse. All these factors together allow for the calculation of the emissions due to the storage of Falcon's coffee in a year. The response rate from the warehouses was low, but an average value was calculated from the respondent warehouses and extrapolated for the emissions from the non-respondent warehouses. The location of the warehouse determined the emissions factor for converting energy use (which was all from electricity) to emissions. For the UK, the factor came from BEIS (Department for Business, Energy & Industrial Strategy). For the US warehouses, emission factors from the Environmental Protection Agency (EPA) were used based on the eGRID subregion in which the warehouse was located. Country-specific residual mix factors were used for the remaining warehouses.

Waste generated in operations

(7.8.1) Evaluation status

Select from:

☒ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

1.24

(7.8.3) Emissions calculation methodology

Select all that apply

☒ Supplier-specific method

☒ Waste-type-specific method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

(7.8.5) Please explain

Falcon's office in the UK has its waste collected by a service that provides a mass measurement of the waste that is picked up. Falcon's other offices estimate their own waste production. If an office is unable to provide an estimate it is assumed that the amount of waste scales to the number of employees in the office. We use the per-employee emissions for waste from the Lewes office as the baseline in this calculation. This value is multiplied by the number of employees in an office to generate an estimate of the office's emissions from waste. Different types of waste are separated and divided again by the recycling route. For each of these paths, the most appropriate emission factor from the DEFRA dataset is found and applied to calculate the emissions.

Business travel

(7.8.1) Evaluation status

Select from:

☒ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

(7.8.3) Emissions calculation methodology*Select all that apply*☒ Distance-based method**(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners**

0

(7.8.5) Please explain

Falcon's employees track their mileage and transportation methods when going on business travel. This is used along with relevant emissions factors to calculate the CO2e produced due to business travel.

Employee commuting**(7.8.1) Evaluation status***Select from:*☒ Relevant, calculated**(7.8.2) Emissions in reporting year (metric tons CO2e)**

26.81

(7.8.3) Emissions calculation methodology*Select all that apply*☒ Distance-based method**(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners**

0

(7.8.5) Please explain

Employees are required to report their commuting method, distance, and frequency per method for traveling to the office. The reported data is then aggregated, and the total distance travelled for each mode of transport is calculated. These distance values are multiplied by an emission factor to obtain the corresponding emissions in terms of CO₂e. The emission factors used are sourced from the 2023 UK Government GHG Conversion Factors for Company Reporting document published by BEIS, which incorporates Global Warming Potentials (GWPs) from the IPCC AR4.

Upstream leased assets

(7.8.1) Evaluation status

Select from:

☒ Not relevant, explanation provided

(7.8.5) Please explain

Falcon does not have any upstream leased assets to report on as our company operates under a business model that does not involve leasing or utilizing such assets in our operations.

Downstream transportation and distribution

(7.8.1) Evaluation status

Select from:

☒ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO₂e)

5.01

(7.8.3) Emissions calculation methodology

Select all that apply

☒ Average data method

☒ Site-specific method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

(7.8.5) Please explain

Downstream transportation and distribution emissions are generated from the shipping of coffee. Emissions from transport by ship were calculated using the Intermodal Freight calculator provided by Climatiq. For each coffee shipment, this calculator takes the weight, start and end location, and method of transport for each leg of the journey to calculate emissions. Upstream and downstream shipping are distinguished from each other based on the specifics of the purchase agreements Falcon uses when buying the coffee.

Processing of sold products

(7.8.1) Evaluation status

Select from:

☒ Not relevant, explanation provided

(7.8.5) Please explain

Due to the extensive network of intermediary product delivery to over 1000 roaster clients in forty-five different countries, calculating the emissions associated with these deliveries poses significant challenges. Obtaining the necessary data from third-party roaster clients for accurate emissions calculation is not currently feasible. Additionally, emissions released during the processing of the intermediary product are outside of Falcon's direct control and influence. While estimating these emissions is currently not possible, Falcon acknowledges the importance of understanding and addressing Scope 3 value chain emissions. As Falcon's knowledge and capabilities in assessing and managing these emissions continues to develop, exploring methods for estimating these emissions may be considered in the future.

Use of sold products

(7.8.1) Evaluation status

Select from:

☒ Not relevant, explanation provided

(7.8.5) Please explain

All of Falcon's products are sold as intermediary products and, similar to the challenges mentioned in the "Processing of Sold Products" section, calculating emissions associated with these products is currently not feasible due to difficulties in obtaining data from third-party entities. Additionally, emissions released during the use of sold products fall outside of Falcon's direct scope of influence. While it is acknowledged that addressing these emissions is important, it is not the primary focus of our current reporting efforts. However, as Falcon's sustainability initiatives progress, the inclusion of these emissions in future reporting may be considered.

End of life treatment of sold products

(7.8.1) Evaluation status

Select from:

☒ Not relevant, explanation provided

(7.8.5) Please explain

As with the processing and use of sold products, Falcon considers this category of emissions to be outside its scope of influence. Due to the complexity involved, accurately estimating these emissions would require significant time and resources. Therefore, at present, Falcon's primary focus is on emission categories where it has more direct control and the ability to implement effective mitigation strategies.

Downstream leased assets

(7.8.1) Evaluation status

Select from:

☒ Not relevant, explanation provided

(7.8.5) Please explain

Falcon does not possess any downstream leased assets. Therefore, there are no emissions associated with downstream leased assets to report on in Falcon's disclosure.

Franchises

(7.8.1) Evaluation status

Select from:

☒ Not relevant, explanation provided

(7.8.5) Please explain

Falcon's business model does not involve franchising, and as a result, there are no emissions associated with franchises to report.

Investments

(7.8.1) Evaluation status

Select from:

☒ Not relevant, explanation provided

(7.8.5) Please explain

Equity investments are included in Scopes 1 and 2.

Other (upstream)

(7.8.1) Evaluation status

Select from:

☒ Not relevant, explanation provided

(7.8.5) Please explain

Falcon does not have any emissions from other upstream sources.

Other (downstream)

(7.8.1) Evaluation status

Select from:

☒ Not relevant, explanation provided

(7.8.5) Please explain

Falcon does not have any emissions from other downstream sources.

[Fixed row]

(7.8.1) Disclose or restate your Scope 3 emissions data for previous years.

Past year 1

(7.8.1.1) End date

12/31/2022

(7.8.1.2) Scope 3: Purchased goods and services (metric tons CO2e)

434.6

(7.8.1.3) Scope 3: Capital goods (metric tons CO2e)

0

(7.8.1.4) Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)

0

(7.8.1.5) Scope 3: Upstream transportation and distribution (metric tons CO2e)

767.08

(7.8.1.6) Scope 3: Waste generated in operations (metric tons CO2e)

0.56

(7.8.1.7) Scope 3: Business travel (metric tons CO2e)

65.62

(7.8.1.8) Scope 3: Employee commuting (metric tons CO2e)

26.61

(7.8.1.9) Scope 3: Upstream leased assets (metric tons CO2e)

0

(7.8.1.10) Scope 3: Downstream transportation and distribution (metric tons CO2e)

4442.14

(7.8.1.11) Scope 3: Processing of sold products (metric tons CO2e)

0

(7.8.1.12) Scope 3: Use of sold products (metric tons CO2e)

0

(7.8.1.13) Scope 3: End of life treatment of sold products (metric tons CO2e)

0

(7.8.1.14) Scope 3: Downstream leased assets (metric tons CO2e)

0

(7.8.1.15) Scope 3: Franchises (metric tons CO2e)

0

(7.8.1.16) Scope 3: Investments (metric tons CO2e)

0

(7.8.1.17) Scope 3: Other (upstream) (metric tons CO2e)

0

(7.8.1.18) Scope 3: Other (downstream) (metric tons CO2e)

0

(7.8.1.19) Comment

Employee commute corrected since last year's disclosure.
[Fixed row]

(7.9) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	Select from: ☒ No third-party verification or assurance
Scope 2 (location-based or market-based)	Select from: ☒ No third-party verification or assurance
Scope 3	Select from: ☒ No third-party verification or assurance

[Fixed row]

(7.10) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?

Select from:

☒ Decreased

(7.10.1) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.

Change in renewable energy consumption

(7.10.1.1) Change in emissions (metric tons CO₂e)

0

(7.10.1.2) Direction of change in emissions

Select from:

☒ No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

No change

Other emissions reduction activities

(7.10.1.1) Change in emissions (metric tons CO₂e)

0

(7.10.1.2) Direction of change in emissions

Select from:

☒ No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

No change

Divestment

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Select from:

☒ No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

No divestments

Acquisitions

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Select from:

☒ No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

No acquisitions

Mergers

(7.10.1.1) Change in emissions (metric tons CO₂e)

0

(7.10.1.2) Direction of change in emissions

Select from:

☒ No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

No mergers

Change in output

(7.10.1.1) Change in emissions (metric tons CO₂e)

0

(7.10.1.2) Direction of change in emissions

Select from:

☒ No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

Output remained fairly consistent.

Change in methodology

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Select from:

☒ No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

Any change in methodology was accounted for.

Change in boundary

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Select from:

☒ No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

No change in boundary.

Change in physical operating conditions

(7.10.1.1) Change in emissions (metric tons CO₂e)

0

(7.10.1.2) Direction of change in emissions

Select from:

☒ No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

No change in physical operating conditions.

Unidentified

(7.10.1.1) Change in emissions (metric tons CO2e)

4.858

(7.10.1.2) Direction of change in emissions

Select from:

☒ Decreased

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

Our scope 2 emissions remained relatively the same since last year. However, there was a drop in our scope 1 emissions, largely due to a decrease in the fuel used for travelling to visit farms in Ethiopia.

Other

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Select from:

☒ No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

No change

[Fixed row]

(7.10.2) Are your emissions performance calculations in 7.10 and 7.10.1 based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Select from:

☒ Market-based

(7.13) Is biogenic carbon pertaining to your direct operations relevant to your current CDP climate change disclosure?

Select from:

☒ No

(7.14) Do you calculate greenhouse gas emissions for each agricultural commodity reported as significant to your business?

Coffee

(7.14.1) GHG emissions calculated for this commodity

Select from:

☒ No, but we intend to calculate this data within the next two years

(7.14.7) Explain why you do not calculate GHG emissions for this commodity

The emissions from growing and processing the coffee that Falcon trades are not included in the calculations at this time. Falcon has done extensive research into the emissions associated with growing and processing coffee and found a wide range of methods, scope, and emissions factors are used for calculating emissions, creating inconsistencies and inaccuracies in reported emissions. As such, Falcon has initiated a project to develop a method and collaborate with other industry stakeholders to account for carbon emissions at the farm level.

Other commodity

(7.14.1) GHG emissions calculated for this commodity

Select from:

☒ No, and we do not intend to calculate this data within the next two years

(7.14.7) Explain why you do not calculate GHG emissions for this commodity

We only trade coffee. No other commodities

[Fixed row]

(7.15) Does your organization break down its Scope 1 emissions by greenhouse gas type?

Select from:

☒ Yes

(7.15.1) Break down your total gross global Scope 1 emissions by greenhouse gas type and provide the source of each used global warming potential (GWP).

Row 1

(7.15.1.1) Greenhouse gas

Select from:

☒ CO2

(7.15.1.2) Scope 1 emissions (metric tons of CO2e)

8

(7.15.1.3) GWP Reference

Select from:

☒ IPCC Fourth Assessment Report (AR4 - 100 year)

Row 2

(7.15.1.1) Greenhouse gas

Select from:

☒ CH4

(7.15.1.2) Scope 1 emissions (metric tons of CO2e)

0.025

(7.15.1.3) GWP Reference

Select from:

☒ IPCC Fourth Assessment Report (AR4 - 100 year)

Row 3

(7.15.1.1) Greenhouse gas

Select from:

☒ N2O

(7.15.1.2) Scope 1 emissions (metric tons of CO2e)

0.022

(7.15.1.3) GWP Reference

Select from:

☒ IPCC Fourth Assessment Report (AR4 - 100 year)

[Add row]

(7.16) Break down your total gross global Scope 1 and 2 emissions by country/area.

	Scope 1 emissions (metric tons CO2e)	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Ethiopia	6.47	0.001	0.001
Germany	0	0	1.096
Peru	1.468	2.485	2.485
United Kingdom of Great Britain and Northern Ireland	0	0	6.286
United States of America	0	0	2.853

[Fixed row]

(7.17) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.

Select all that apply

☒ By facility

☒ By activity

(7.17.2) Break down your total gross global Scope 1 emissions by business facility.

Row 1

(7.17.2.1) Facility

UK Office, Lewes

(7.17.2.2) Scope 1 emissions (metric tons CO2e)

0

(7.17.2.3) Latitude

50.8736

(7.17.2.4) Longitude

0.0128

Row 2

(7.17.2.1) Facility

Peruvian Office, Jaen

(7.17.2.2) Scope 1 emissions (metric tons CO2e)

1.468

(7.17.2.3) Latitude

-5.69

(7.17.2.4) Longitude

-78.7928

Row 3

(7.17.2.1) Facility

German Office, Berlin

(7.17.2.2) Scope 1 emissions (metric tons CO2e)

0

(7.17.2.3) Latitude

52.5002

(7.17.2.4) Longitude

13.419

Row 4

(7.17.2.1) Facility

US Office, Austin, Texas

(7.17.2.2) Scope 1 emissions (metric tons CO2e)

0

(7.17.2.3) Latitude

30.2623

(7.17.2.4) Longitude

-97.7236

Row 7

(7.17.2.1) Facility

Ethiopian Office, Addis Ababa

(7.17.2.2) Scope 1 emissions (metric tons CO2e)

5.934

(7.17.2.3) Latitude

8.9898

(7.17.2.4) Longitude

38.7875

[Add row]

(7.17.3) Break down your total gross global Scope 1 emissions by business activity.

Row 1

(7.17.3.1) Activity

Stationary combustion. Though Falcon deals in green (unroasted) coffee, small samples are roasted for quality assurance and, where necessary, sent to potential buyers as a representative product. This roasting is done with a small, gas-powered sample roaster, the emissions of which fall into Scope 1.

(7.17.3.2) Scope 1 emissions (metric tons CO2e)

0.265

Row 2

(7.17.3.1) Activity

Mobile combustion. Vehicles are used to visit suppliers of Falcon's products, evaluate quality, and support the use of optimal processes at supplier facilities.

(7.17.3.2) Scope 1 emissions (metric tons CO2e)

7.138

[Add row]

(7.18) Do you include emissions pertaining to your business activity(ies) in your direct operations as part of your global gross Scope 1 figure?

Select from:

☒ No

(7.18.3) Why do you not include greenhouse gas emissions pertaining your business activity(ies) in your direct operations as part of your global gross Scope 1 figure? Describe any plans to do so in the future.

(7.18.3.1) Primary reason

Select from:

☒ Other, please specify :No sector relevant activities within Scope 1 emissions

(7.18.3.2) Please explain

Falcon trades in the agricultural commodity green coffee. While this makes Falcon part of the agricultural sector, none of its business activities that have Scope 1 emissions are linked to agricultural/forestry, processing/manufacturing, or distribution.

[Fixed row]

(7.20) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.

Select all that apply

☒ By facility

(7.20.2) Break down your total gross global Scope 2 emissions by business facility.

	Facility	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Row 1	Lewes, United Kingdom office. Electricity usage.	6.286	0

	Facility	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Row 2	<i>Jaen, Peru Office. Electricity usage</i>	<i>2.485</i>	<i>2.485</i>
Row 3	<i>Berlin, German Office. Electricity usage</i>	<i>1.096</i>	<i>0</i>
Row 5	<i>Austin, United States Office. Electricity usage</i>	<i>2.853</i>	<i>0</i>
Row 6	<i>Addis Ababa, Ethiopia Office. Electricity Usage</i>	<i>0.001</i>	<i>0.001</i>

[Add row]

(7.22) Break down your gross Scope 1 and Scope 2 emissions between your consolidated accounting group and other entities included in your response.

Consolidated accounting group

(7.22.1) Scope 1 emissions (metric tons CO2e)

8.047

(7.22.2) Scope 2, location-based emissions (metric tons CO2e)

12.721

(7.22.3) Scope 2, market-based emissions (metric tons CO2e)

2.486

(7.22.4) Please explain

All of Falcon's emissions are accounted for in our consolidated accounting group. There are no additional entities at this time.

All other entities

(7.22.1) Scope 1 emissions (metric tons CO2e)

0

(7.22.2) Scope 2, location-based emissions (metric tons CO2e)

0

(7.22.3) Scope 2, market-based emissions (metric tons CO2e)

0

(7.22.4) Please explain

All of Falcon's emissions are accounted for in our consolidated accounting group. There are no additional entities at this time.
[Fixed row]

(7.23) Is your organization able to break down your emissions data for any of the subsidiaries included in your CDP response?

Select from:

☒ No

(7.26) Allocate your emissions to your customers listed below according to the goods or services you have sold them in this reporting period.

Row 1

(7.26.1) Requesting member

Select from:

(7.26.2) Scope of emissions

Select from:

☒ Scope 3

(7.26.3) Scope 3 category(ies)

Select all that apply

☒ Category 4: Upstream transportation and distribution

(7.26.4) Allocation level

Select from:

☒ Commodity

(7.26.6) Allocation method

Select from:

☒ Allocation based on mass of products purchased

(7.26.7) Unit for market value or quantity of goods/services supplied

Select from:

☒ Metric tons

(7.26.8) Market value or quantity of goods/services supplied to the requesting member

3025

(7.26.9) Emissions in metric tonnes of CO₂e

18.34

(7.26.10) Uncertainty (±%)

(7.26.11) Major sources of emissions

Freight shipping of containers of green coffee

(7.26.12) Allocation verified by a third party?

Select from:

☒ No

(7.26.13) Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

Falcon calculated the percentage of our total sales of coffee to Keurig and then calculated the percentage of our Scope 3 upstream transportation and distribution. This assumes that all of Falcon's coffee resulted in equal amounts of emissions in this category. This is not the case, but it should still give a reasonable estimate for this allocation.

(7.26.14) Where published information has been used, please provide a reference

N/A

[Add row]

(7.27) What are the challenges in allocating emissions to different customers, and what would help you to overcome these challenges?**Row 1****(7.27.1) Allocation challenges**

Select from:

☒ Customer base is too large and diverse to accurately track emissions to the customer level

(7.27.2) Please explain what would help you overcome these challenges

Falcon has a large and diverse customer and supplier base with many different routes through the supply chain, but this is tracked very effectively through an internal database. Currently, emissions calculations are segregated from this database which makes tracking to a specific customer problematic. A closer link between our carbon accounting software and the database in future years may help to resolve this.

Row 2

(7.27.1) Allocation challenges

Select from:

☒ Managing the different emission factors of diverse and numerous geographies makes calculating total footprint difficult

(7.27.2) Please explain what would help you overcome these challenges

Falcon currently sources from twenty-one producing countries selling to forty-five countries globally. There is immense complexity in the possible structure of each supply chain with multiple actors who process, transport, or take control of the coffee at various stages with Falcon having no operational control. The three main elements of the supply chain that prove difficult to accurately track are: 1. On Farm: There is a vast difference in on-farm emissions between supply chains. Falcon needs to better understand emissions on a country or individual supply chain basis. Falcon is taking steps to address this. 2. Transport: Ocean freight remains difficult to track accurately due to re-routing, changing shipping lines, and general disruption within the industry. Collective bargaining with freight brokers for more accurate tracking tools is required. 3. Warehousing: Tracking warehousing emissions is becoming easier but can depend on the counterparty. As Falcon is not the party that typically selects the warehouse where coffee is stored, it is not always possible to obtain accurate information from third-party warehouses. Collective bargaining or increased industry pressure could encourage third-party warehouses to be more cooperative.

[Add row]

(7.28) Do you plan to develop your capabilities to allocate emissions to your customers in the future?

(7.28.1) Do you plan to develop your capabilities to allocate emissions to your customers in the future?

Select from:

☒ Yes

(7.28.2) Describe how you plan to develop your capabilities

Now in its final year, Falcon's initiative to develop a methodology and the tools needed to efficiently measure emissions for coffee production and processing is yielding robust data on the coffees we and our customers purchase. As we look forward, we anticipate expanding upon this data set and being able to pass this emissions data along to our customers.

[Fixed row]

(7.29) What percentage of your total operational spend in the reporting year was on energy?

Select from:

☒ More than 0% but less than or equal to 5%

(7.30) Select which energy-related activities your organization has undertaken.

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	Select from: ☒ Yes
Consumption of purchased or acquired electricity	Select from: ☒ Yes
Consumption of purchased or acquired heat	Select from: ☒ No
Consumption of purchased or acquired steam	Select from: ☒ No
Consumption of purchased or acquired cooling	Select from: ☒ No
Generation of electricity, heat, steam, or cooling	Select from: ☒ No

[Fixed row]

(7.30.1) Report your organization's energy consumption totals (excluding feedstocks) in MWh.

Consumption of fuel (excluding feedstock)

(7.30.1.1) Heating value

Select from:

☒ HHV (higher heating value)

(7.30.1.2) MWh from renewable sources

0

(7.30.1.3) MWh from non-renewable sources

33.43

(7.30.1.4) Total (renewable and non-renewable) MWh

33.43

Consumption of purchased or acquired electricity

(7.30.1.1) Heating value

Select from:

☒ HHV (higher heating value)

(7.30.1.2) MWh from renewable sources

42.06

(7.30.1.3) MWh from non-renewable sources

15.72

(7.30.1.4) Total (renewable and non-renewable) MWh

57.78

Total energy consumption

(7.30.1.1) Heating value

Select from:

☒ LHV (lower heating value)

(7.30.1.2) MWh from renewable sources

42.06

(7.30.1.3) MWh from non-renewable sources

49.15

(7.30.1.4) Total (renewable and non-renewable) MWh

91.21

[Fixed row]

(7.30.6) Select the applications of your organization's consumption of fuel.

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	Select from: ☒ Yes

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of heat	Select from: ☒ Yes
Consumption of fuel for the generation of steam	Select from: ☒ No
Consumption of fuel for the generation of cooling	Select from: ☒ No
Consumption of fuel for co-generation or tri-generation	Select from: ☒ No

[Fixed row]

(7.30.7) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.

Sustainable biomass

(7.30.7.1) Heating value

Select from:

☒ Unable to confirm heating value

(7.30.7.2) Total fuel MWh consumed by the organization

0

(7.30.7.3) MWh fuel consumed for self-generation of electricity

0

(7.30.7.4) MWh fuel consumed for self-generation of heat

0

(7.30.7.8) Comment

None used

Other biomass

(7.30.7.1) Heating value

Select from:

☒ Unable to confirm heating value

(7.30.7.2) Total fuel MWh consumed by the organization

0

(7.30.7.3) MWh fuel consumed for self-generation of electricity

0

(7.30.7.4) MWh fuel consumed for self-generation of heat

0

(7.30.7.8) Comment

None used

Other renewable fuels (e.g. renewable hydrogen)

(7.30.7.1) Heating value

Select from:

☒ Unable to confirm heating value

(7.30.7.2) Total fuel MWh consumed by the organization

0

(7.30.7.3) MWh fuel consumed for self-generation of electricity

0

(7.30.7.4) MWh fuel consumed for self-generation of heat

0

(7.30.7.8) Comment

None used

Coal

(7.30.7.1) Heating value

Select from:

☒ Unable to confirm heating value

(7.30.7.2) Total fuel MWh consumed by the organization

0

(7.30.7.3) MWh fuel consumed for self-generation of electricity

0

(7.30.7.4) MWh fuel consumed for self-generation of heat

0

(7.30.7.8) Comment

None used

Oil

(7.30.7.1) Heating value

Select from:

☒ Unable to confirm heating value

(7.30.7.2) Total fuel MWh consumed by the organization

0

(7.30.7.3) MWh fuel consumed for self-generation of electricity

0

(7.30.7.4) MWh fuel consumed for self-generation of heat

0

(7.30.7.8) Comment

None used

Gas

(7.30.7.1) Heating value

Select from:

☒ HHV

(7.30.7.2) Total fuel MWh consumed by the organization

12.33

(7.30.7.3) MWh fuel consumed for self-generation of electricity

0

(7.30.7.4) MWh fuel consumed for self-generation of heat

12.33

(7.30.7.8) Comment

Gas used in Peru office

Other non-renewable fuels (e.g. non-renewable hydrogen)

(7.30.7.1) Heating value

Select from:

☒ HHV

(7.30.7.2) Total fuel MWh consumed by the organization

32.2

(7.30.7.3) MWh fuel consumed for self-generation of electricity

0

(7.30.7.4) MWh fuel consumed for self-generation of heat

32.2

(7.30.7.8) Comment

Petrol used by vehicles for the Peru and Ethiopia teams

Total fuel

(7.30.7.1) Heating value

Select from:

☒ HHV

(7.30.7.2) Total fuel MWh consumed by the organization

44.53

(7.30.7.3) MWh fuel consumed for self-generation of electricity

0

(7.30.7.4) MWh fuel consumed for self-generation of heat

44.53

(7.30.7.8) Comment

-

[Fixed row]

(7.30.14) Provide details on the electricity, heat, steam, and/or cooling amounts that were accounted for at a zero or near-zero emission factor in the market-based Scope 2 figure reported in 7.7.

Row 1

(7.30.14.1) Country/area

Select from:

☒ United Kingdom of Great Britain and Northern Ireland

(7.30.14.2) Sourcing method

Select from:

☒ Retail supply contract with an electricity supplier (retail green electricity)

(7.30.14.3) Energy carrier

Select from:

☒ Electricity

(7.30.14.4) Low-carbon technology type

Select from:

☒ Low-carbon energy mix, please specify :A mix of wind solar and hydro

(7.30.14.5) Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)

31.45

(7.30.14.6) Tracking instrument used

Select from:

☒ Contract

(7.30.14.7) Country/area of origin (generation) of the low-carbon energy or energy attribute

Select from:

☒ United Kingdom of Great Britain and Northern Ireland

(7.30.14.8) Are you able to report the commissioning or re-powering year of the energy generation facility?

Select from:

☒ No

(7.30.14.10) Comment

The supplier is Octopus Energy.

Row 2

(7.30.14.1) Country/area

Select from:

☒ United States of America

(7.30.14.2) Sourcing method

Select from:

☒ Retail supply contract with an electricity supplier (retail green electricity)

(7.30.14.3) Energy carrier

Select from:

☒ Electricity

(7.30.14.4) Low-carbon technology type

Select from:

☒ Wind

(7.30.14.5) Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)

7.65

(7.30.14.6) Tracking instrument used

Select from:

☒ Contract

(7.30.14.7) Country/area of origin (generation) of the low-carbon energy or energy attribute

Select from:

☒ United States of America

(7.30.14.8) Are you able to report the commissioning or re-powering year of the energy generation facility?

Select from:

☒ No

(7.30.14.10) Comment

Austin Energy GreenChoice Wind Energy

Row 3

(7.30.14.1) Country/area

Select from:

☒ Germany

(7.30.14.2) Sourcing method

Select from:

☒ Retail supply contract with an electricity supplier (retail green electricity)

(7.30.14.3) Energy carrier

Select from:

☒ Electricity

(7.30.14.4) Low-carbon technology type

Select from:

☒ Low-carbon energy mix, please specify :A mix of wind, solar and hydro

(7.30.14.5) Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)

(7.30.14.6) Tracking instrument used

Select from:

☒ Contract**(7.30.14.7) Country/area of origin (generation) of the low-carbon energy or energy attribute**

Select from:

☒ Norway**(7.30.14.8) Are you able to report the commissioning or re-powering year of the energy generation facility?**

Select from:

☒ No**(7.30.14.10) Comment**

Vattenfall Naturstrom, 100% renewable energies. Certified by TÜV Nord
 [Add row]

(7.30.16) Provide a breakdown by country/area of your electricity/heat/steam/cooling consumption in the reporting year.**Ethiopia****(7.30.16.1) Consumption of purchased electricity (MWh)**

2.37

(7.30.16.2) Consumption of self-generated electricity (MWh)

0

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

26.63

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

29.00

Germany

(7.30.16.1) Consumption of purchased electricity (MWh)

2.96

(7.30.16.2) Consumption of self-generated electricity (MWh)

0

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

2.96

Malaysia

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Peru

(7.30.16.1) Consumption of purchased electricity (MWh)

13.35

(7.30.16.2) Consumption of self-generated electricity (MWh)

0

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

6.8

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

20.15

United Kingdom of Great Britain and Northern Ireland

(7.30.16.1) Consumption of purchased electricity (MWh)

31.45

(7.30.16.2) Consumption of self-generated electricity (MWh)

0

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

31.45

United States of America

(7.30.16.1) Consumption of purchased electricity (MWh)

7.65

(7.30.16.2) Consumption of self-generated electricity (MWh)

0

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

7.65

[Fixed row]

(7.45) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Row 1

(7.45.1) Intensity figure

4.92e-8

(7.45.2) Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)

9.89

(7.45.3) Metric denominator

Select from:

☒ unit total revenue

(7.45.4) Metric denominator: Unit total

201028000

(7.45.5) Scope 2 figure used

Select from:

☒ Market-based

(7.45.6) % change from previous year

9.63

(7.45.7) Direction of change

Select from:

☒ Decreased

(7.45.8) Reasons for change

Select all that apply

☒ Other emissions reduction activities

(7.45.9) Please explain

There was a decrease in the denominator and numerator values, however, the drop in the numerator was far more significant. This was due to our Ethiopian offices using far less fuel for travel in visiting farms and other suppliers.

Row 2

(7.45.1) Intensity figure

0.000295

(7.45.2) Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)

9.89

(7.45.3) Metric denominator

Select from:

☒ metric ton of product

(7.45.4) Metric denominator: Unit total

33534

(7.45.5) Scope 2 figure used

Select from:

☒ Market-based

(7.45.6) % change from previous year

(7.45.7) Direction of change*Select from:*☒ Decreased**(7.45.8) Reasons for change***Select all that apply*☒ Other emissions reduction activities**(7.45.9) Please explain**

There was a decrease in the denominator and numerator values, however, the drop in the numerator was far more significant. This was due to our Ethiopian offices using far less fuel for travel in visiting farms and other suppliers.

[Add row]

(7.52) Provide any additional climate-related metrics relevant to your business.**Row 1****(7.52.1) Description***Select from:*☒ Other, please specify :Falcon has no additional metrics at this time.**(7.52.2) Metric value**

0

(7.52.3) Metric numerator

Falcon has no additional metrics at this time.

(7.52.4) Metric denominator (intensity metric only)

Falcon has no additional metrics at this time.

(7.52.5) % change from previous year

0

(7.52.6) Direction of change

Select from:

☒ No change

(7.52.7) Please explain

Falcon has no additional metrics at this time.

[Add row]

(7.53) Did you have an emissions target that was active in the reporting year?

Select all that apply

☒ No target

(7.53.3) Explain why you did not have an emissions target, and forecast how your emissions will change over the next five years.

(7.53.3.1) Primary reason

Select from:

☒ We are planning to introduce a target in the next two years

(7.53.3.2) Five-year forecast

In the next five years, it is expected that Falcon's overall emissions will increase. This is due to anticipated growth in the volume of coffee that will be traded. Transporting a greater volume of coffee results in increased emissions in Falcon's Scope 3 transportation and distribution categories. Our Scope 1 and 2 emissions have risen over the past three years due to new offices being opened as well as an increase in operational activities in coffee-producing countries. These values will increase slightly as we open our office in South Korea in 2024. In the next five years, we estimate that our total emissions (Scopes 1, 2, and 3) could increase by 30%. This is based on estimated growth in the volume of coffee sold and assumes the carbon intensity in regard to the volume of coffee remains consistent. While we have five years of data on emissions and intensity, so far there is no precise correlation between volume of coffee and Falcon's emissions. It is important to note that many factors could influence the amount of coffee that ends up being purchased by Falcon and, therefore, the estimates used here are limited in reliability.

(7.53.3.3) Please explain

Our company was founded sixteen years ago with the purpose of making the coffee supply chain one that is more sustainable and equitable at all levels. While environmental and social responsibility are cornerstones of our business model, it was not until 2021 that our organisation was in a position to significantly invest in the staffing and resources needed to take these commitments to their next level. With the hiring of four new staff focused on our sustainability including our data analyst, we are now in a position to make significant progress toward developing emissions targets toward a long-term net zero goal. We are eager to take the next step in our progression, namely in two forms: 1) we continue to expand on our existing body of research on options for climate-related scenario analysis that would be meaningful for our business and 2) we continue to work on developing our net zero transition plan. We began this undertaking in 2023 and, as part of this process, Falcon will be generating its first emissions reduction target. Falcon's growth in terms of coffee volume in the years to come will present an additional burden on our emissions and further challenge our climate-related targets. We see this as adding to our sense of urgency and look forward to completing this work.

[Fixed row]

(7.54) Did you have any other climate-related targets that were active in the reporting year?

Select all that apply

☒ No other climate-related targets

(7.55) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.

Select from:

☒ Yes

(7.55.1) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	0	`Numeric input
To be implemented	1	57
Implementation commenced	0	0
Implemented	0	0
Not to be implemented	0	`Numeric input

[Fixed row]

(7.55.2) Provide details on the initiatives implemented in the reporting year in the table below.

Row 1

(7.55.2.1) Initiative category & Initiative type

Waste reduction and material circularity

☒ Product/component/material recycling

(7.55.2.2) Estimated annual CO2e savings (metric tonnes CO2e)

57

(7.55.2.3) Scope(s) or Scope 3 category(ies) where emissions savings occur

Select all that apply

☒ Scope 3 category 1: Purchased goods & services

(7.55.2.4) Voluntary/Mandatory

Select from:

☒ Voluntary

(7.55.2.5) Annual monetary savings (unit currency – as specified in C0.4)

0

(7.55.2.6) Investment required (unit currency – as specified in C0.4)

200000

(7.55.2.7) Payback period

Select from:

☒ No payback

(7.55.2.8) Estimated lifetime of the initiative

Select from:

☒ Ongoing

(7.55.2.9) Comment

For protection during transportation and warehousing, specialty coffees are sometimes shipped in a jute bag that is lined with plastic. These plastic liners are typically multi-laminate oxygen and moisture barriers made of non-sustainable polymers. Falcon now has an opportunity to utilize a lower emissions alternative that is more readily recycled/degraded. Replacing all of the conventional liners used in our operations would result in an emissions reduction of 57 metric tons of CO₂e. It is also possible that we could stop using liners altogether in select cases of very low risk to the coffee. The lower emission liners have a minimal cost increase at this time. The current investment provided is an estimate of the incremental expense to replace all conventional liners annually.
[Add row]

(7.55.3) What methods do you use to drive investment in emissions reduction activities?

Row 1

(7.55.3.1) Method

Select from:

☒ Partnering with governments on technology development

(7.55.3.2) Comment

In 2021, Falcon was awarded a grant from Innovate UK, the United Kingdom's innovation agency. In partnership with the University of Brighton, Falcon is developing the methodology and tools needed to efficiently calculate carbon emissions at the coffee farm level and, further, determine the best tools to mitigate those emissions moving forward.

Row 3

(7.55.3.1) Method

Select from:

☒ Compliance with regulatory requirements/standards

(7.55.3.2) Comment

As a company headquartered in the UK, Falcon is committed to a number of climate-related requirements and standards, including the Streamlined Energy & Carbon Reporting (SECR) framework and the Task Force on Climate-Related Financial Disclosures (TCFD). Disclosures of this nature highlight those areas of largest emissions opportunity for Falcon and have guided our project prioritization as a result. It is due to disclosures of this nature that our Sustainability Team prioritised an emissions reduction project on the plastic bags that are standard in green coffee transportation. Seemingly insignificant, the emissions from these materials actually represent approximately 163 metric tons of CO₂e for Falcon in 2023 and it is due to this reporting that a reduction project has now been prioritised.

Row 4

(7.55.3.1) Method

Select from:

☒ Employee engagement

(7.55.3.2) Comment

Falcon's passionate and climate-focused staff are the impetus for some of our now successful emissions reduction programs. The zero waste to landfill program at our UK headquarters, for example, was a passion of a member of our logistics team and, as a result, we have avoided at least 2 metric tons of CO₂e annually since 2019, with 2.95 metric tons in 2023. As another example, the head of our quality control lab saw an opportunity to replace our conventional coffee sample bags with a

more sustainable alternative at all of our global lab locations. As a result, we now utilize a substrate that is more widely recyclable for increased landfill avoidance. Our Sustainability Team has established regular opportunities to gather climate-related ideas from all corners of our organisation through an internal email address set up specifically to engage with the organisation on anything from emissions reduction ideas to discussions on the latest environmental news and advancements. This is a facet of Falcon's culture that we are very proud of.

[Add row]

(7.73) Are you providing product level data for your organization's goods or services?

Select from:

☒ No, I am not providing data

(7.74) Do you classify any of your existing goods and/or services as low-carbon products?

Select from:

☒ No

(7.79) Has your organization canceled any project-based carbon credits within the reporting year?

Select from:

☒ Yes

(7.79.1) Provide details of the project-based carbon credits canceled by your organization in the reporting year.

Row 1

(7.79.1.1) Project type

Select from:

☒ Agroforestry

(7.79.1.2) Type of mitigation activity

Select from:

☒ Carbon removal

(7.79.1.3) Project description

Acorn (Agroforestry CRUs for the Organic Restoration of Nature) is an agroforestry program that unlocks the international voluntary carbon market for smallholder farmers. Acorn's mission is to combat climate change, land degradation and food insecurity with an inclusive agroforestry solution. This solution balances competing land use demands in a way that benefits both human well-being and the environment. This means land use that has a positive impact on food supply and livelihoods, the economy, environmental restoration, climate targets and development goals. To do this, Acorn has built a global, transparent and technology-enabled marketplace for carbon sequestration. This marketplace provides entry to the international carbon market for smallholder farmers who are realizing agroforestry projects for carbon sequestration through biomass growth, predominantly through trees, which is measured with the help of satellite monitoring. Acorn supports the initiation and development of these agroforestry projects and facilitates the subsequent trade of the so-called carbon removal units (CRUs) that are generated from the sequestered carbon.

(7.79.1.4) Credits canceled by your organization from this project in the reporting year (metric tons CO2e)

307

(7.79.1.5) Purpose of cancelation

Select from:

☒ Voluntary offsetting

(7.79.1.6) Are you able to report the vintage of the credits at cancelation?

Select from:

☒ Yes

(7.79.1.7) Vintage of credits at cancelation

2022

(7.79.1.8) Were these credits issued to or purchased by your organization?

Select from:

☒ Purchased

(7.79.1.9) Carbon-crediting program by which the credits were issued

Select from:

☒ Plan Vivo

(7.79.1.10) Method the program uses to assess additionality for this project

Select all that apply

☒ Barrier analysis

(7.79.1.11) Approaches by which the selected program requires this project to address reversal risk

Select all that apply

☒ Monitoring and compensation

(7.79.1.12) Potential sources of leakage the selected program requires this project to have assessed

Select all that apply

☒ Activity-shifting

(7.79.1.13) Provide details of other issues the selected program requires projects to address

Activity-shifting leakage is the only leakage required by Plan Vivo. Full requirements and details on the methods of addressing activity-shifting leakage can be found here:

https://assets.ctfassets.net/9vhdnop8eg9t/7u4nvbxYIYP8Fdd5txKdx/ce65cee3d10011b97e6fd497372face/Acorn_Agroforestry_Methodology_v1.1_2023_errata_version_.pdf

(7.79.1.14) Please explain

The average price paid for Falcon's project-based carbon credits in 2023 was 35.15. There are no corresponding adjustments issued for these credits to date. The Sustainability Team, led by our Director of Sustainability, is responsible for Falcon's carbon credit purchases. In 2022, the Sustainability Team embarked on a significant Voluntary Carbon Market (VCM) research initiative. Research was performed on VCM certifying bodies and those attributes that determined certification bodies that Falcon deemed best in class. Further research was performed on environmentally focused initiatives based in coffee growing landscapes which met several criteria that Falcon laid forth, including strong proof of additionality and permanence, strong management surrounding leakage, ex-post credit issuance, and deep engagement, support, and management of the initiative from local groups. After exhaustive research, Falcon partnered with Acorn in 2022, becoming the first coffee industry partner to invest in the program.

[Add row]

C8. Environmental performance - Forests

(8.1) Are there any exclusions from your disclosure of forests-related data?

	Exclusion from disclosure
Coffee	Select from: ☒ No

[Fixed row]

(8.2) Provide a breakdown of your disclosure volume per commodity.

	Disclosure volume (metric tons)	Volume type	Sourced volume (metric tons)
Coffee	33534	Select all that apply ☒ Sourced	33534

[Fixed row]

(8.5) Provide details on the origins of your sourced volumes.

Coffee

(8.5.1) Country/area of origin

Select from:

☒ Brazil

(8.5.2) First level administrative division

Select from:

☒ States/equivalent jurisdictions

(8.5.3) Specify the states or equivalent jurisdictions

Minas Gerais, Sao Paulo, Bahia

(8.5.4) Volume sourced from country/area of origin (metric tons)

7407.4

(8.5.5) Source

Select all that apply

☒ Independent smallholders

☒ Company-affiliated smallholders

(8.5.6) List of supplier production and primary processing sites: names and locations (optional)

2023 Disclosure.pdf

(8.5.7) Please explain

Cerrado (Tropical & Subtropical Grasslands, Savannas & Shrublands), Caatinga (Tropical & Subtropical Dry Broadleaf Forests), Bahia (Tropical & Subtropical Moist Broadleaf Forests)

Coffee

(8.5.1) Country/area of origin

Select from:

☒ Colombia

(8.5.2) First level administrative division

Select from:

☒ States/equivalent jurisdictions

(8.5.3) Specify the states or equivalent jurisdictions

Antioquia, Caldas, Quindio, Risaralda, Tolima, Huila, Cauca, Santander

(8.5.4) Volume sourced from country/area of origin (metric tons)

4147

(8.5.5) Source

Select all that apply

☒ Independent smallholders

☒ Company-affiliated smallholders

(8.5.6) List of supplier production and primary processing sites: names and locations (optional)

2023 Disclosure.pdf

(8.5.7) Please explain

Apure-Villavicencio, Cordillera and the Magdalena and Cauca Valleys (Tropical/Subtropical Dry and Moist Broadleaf Forests)

Coffee

(8.5.1) Country/area of origin

Select from:

☒ Peru

(8.5.2) First level administrative division

Select from:

☒ States/equivalent jurisdictions

(8.5.3) Specify the states or equivalent jurisdictions

Junin, Cajamarca, San Martin, Huanuco, Ayacucho

(8.5.4) Volume sourced from country/area of origin (metric tons)

5447.3

(8.5.5) Source

Select all that apply

☒ Independent smallholders

☒ Company-affiliated smallholders

(8.5.6) List of supplier production and primary processing sites: names and locations (optional)

2023 Disclosure.pdf

(8.5.7) Please explain

Tumbes-Piura, Cordillera, the Peruvian Yungas (Montane Grasslands & Shrublands, Tropical & Subtropical Dry and Moist Broadleaf Forests)

Coffee

(8.5.1) Country/area of origin

Select from:

☒ Ethiopia

(8.5.2) First level administrative division

Select from:

☒ States/equivalent jurisdictions

(8.5.3) Specify the states or equivalent jurisdictions

Oromiya, Sidama, South Ethiopia, Southwest Ethiopia

(8.5.4) Volume sourced from country/area of origin (metric tons)

4554.5

(8.5.5) Source

Select all that apply

☒ Independent smallholders

☒ Company-affiliated smallholders

(8.5.6) List of supplier production and primary processing sites: names and locations (optional)

2023 Disclosure.pdf

(8.5.7) Please explain

Somali Acacia-Commiphora, East Sudanian Savanna (Tropical & Subtropical Grasslands, Savannas, and Shrublands), Ethiopian Montane Forests (Tropical & Subtropical Broadleaf Forests)

Coffee

(8.5.1) Country/area of origin

Select from:

☒ Honduras

(8.5.2) First level administrative division

Select from:

☒ States/equivalent jurisdictions

(8.5.3) Specify the states or equivalent jurisdictions

Copan, Opalaca, Montecillos, Comayagua, El Paraiso

(8.5.4) Volume sourced from country/area of origin (metric tons)

4208

(8.5.5) Source

Select all that apply

☒ Independent smallholders

☒ Company-affiliated smallholders

(8.5.6) List of supplier production and primary processing sites: names and locations (optional)

2023 Disclosure.pdf

(8.5.7) Please explain

Central American Pine-Oak Forests (Tropical & Subtropical Coniferous Forests), Central American Montane and Dry Forests (Tropical & Subtropical Moist and Dry Broadleaf Forests)

Coffee

(8.5.1) Country/area of origin

Select from:

☒ Nicaragua

(8.5.2) First level administrative division

Select from:

☒ States/equivalent jurisdictions

(8.5.3) Specify the states or equivalent jurisdictions

Esteli,, Madriz, Matagalpa, Nueva Segovia, Jinotega, North Caribbean Coast Autonomous Region (Bilwi)

(8.5.4) Volume sourced from country/area of origin (metric tons)

2314.4

(8.5.5) Source

Select all that apply

☒ Independent smallholders

☒ Company-affiliated smallholders

(8.5.6) List of supplier production and primary processing sites: names and locations (optional)

2023 Disclosure.pdf

(8.5.7) Please explain

Central American Atlantic Moist and Dry Forests (Tropical & Subtropical Moist and Dry Broadleaf Forests), Central American Pine-Oak Forests (Tropical & Subtropical Coniferous Forests)

Coffee

(8.5.1) Country/area of origin

Select from:

☒ Rwanda

(8.5.2) First level administrative division

Select from:

☒ States/equivalent jurisdictions

(8.5.3) Specify the states or equivalent jurisdictions

Nothern, Southern, Western, Eastern, Central

(8.5.4) Volume sourced from country/area of origin (metric tons)

2190.7

(8.5.5) Source

Select all that apply

☒ Independent smallholders

☒ Company-affiliated smallholders

(8.5.6) List of supplier production and primary processing sites: names and locations (optional)

2023 Disclosure.pdf

(8.5.7) Please explain

Albertine Rift Montane Forests (Tropical & Subtropical Broadleaf Forests), Victoria Basin (Tropical & Subtropical Grasslands, Savannas, and Shrublands)

Coffee

(8.5.1) Country/area of origin

Select from:

☒ Guatemala

(8.5.2) First level administrative division

Select from:

☒ States/equivalent jurisdictions

(8.5.3) Specify the states or equivalent jurisdictions

Huehuetenango, San Marcos, Quetzaltenango, Totonicapan, Chimaltenango, Quiche

(8.5.4) Volume sourced from country/area of origin (metric tons)

795.7

(8.5.5) Source

Select all that apply

☒ Independent smallholders

☒ Company-affiliated smallholders

(8.5.6) List of supplier production and primary processing sites: names and locations (optional)

2023 Disclosure.pdf

(8.5.7) Please explain

Central American Pine-Oak Forests (Tropical & Subtropical Coniferous Forests), Central American Montane Forests (Tropical & Subtropical Moist Broadleaf Forests)

Coffee

(8.5.1) Country/area of origin

Select from:

☒ El Salvador

(8.5.2) First level administrative division

Select from:

☒ States/equivalent jurisdictions

(8.5.3) Specify the states or equivalent jurisdictions

Ahuachapan, Chalatenango, La Libertad, Santa Ana, San Salvador, Morazan

(8.5.4) Volume sourced from country/area of origin (metric tons)

721.6

(8.5.5) Source

Select all that apply

☒ Independent smallholders

☒ Company-affiliated smallholders

(8.5.6) List of supplier production and primary processing sites: names and locations (optional)

2023 Disclosure.pdf

(8.5.7) Please explain

Central American Atlantic Dry Forests (Tropical & Subtropical Dry Broadleaf Forests), Central American Pine-Oak Forests (Tropical & Subtropical Coniferous Forests)

Coffee

(8.5.1) Country/area of origin

Select from:

☒ India

(8.5.2) First level administrative division

Select from:

☒ States/equivalent jurisdictions

(8.5.3) Specify the states or equivalent jurisdictions

Karnataka, Kerala, Tamil Nadu

(8.5.4) Volume sourced from country/area of origin (metric tons)

468

(8.5.5) Source

Select all that apply

- ☒ Independent smallholders
- ☒ Company-affiliated smallholders

(8.5.6) List of supplier production and primary processing sites: names and locations (optional)

2023 Disclosure.pdf

(8.5.7) Please explain

North Western and South Western Ghats Montane Rain Forests and Moist Deciduous Forests (Tropical & Subtropical Moist Broadleaf Forests), South Deccan Plateau Dry Deciduous Forests (Tropical & Subtropical Dry Broadleaf Forests)

Coffee

(8.5.1) Country/area of origin

Select from:

- ☒ Viet Nam

(8.5.2) First level administrative division

Select from:

- ☒ States/equivalent jurisdictions

(8.5.3) Specify the states or equivalent jurisdictions

Lam Dong

(8.5.4) Volume sourced from country/area of origin (metric tons)

321.8

(8.5.5) Source

Select all that apply

☒ Independent smallholders

☒ Company-affiliated smallholders

(8.5.6) List of supplier production and primary processing sites: names and locations (optional)

2023 Disclosure.pdf

(8.5.7) Please explain

Tropical savannah

Coffee

(8.5.1) Country/area of origin

Select from:

☒ Uganda

(8.5.2) First level administrative division

Select from:

☒ States/equivalent jurisdictions

(8.5.3) Specify the states or equivalent jurisdictions

(8.5.4) Volume sourced from country/area of origin (metric tons)

205

(8.5.5) Source

Select all that apply

- ☒ Independent smallholders
- ☒ Company-affiliated smallholders

(8.5.6) List of supplier production and primary processing sites: names and locations (optional)

2023 Disclosure.pdf

(8.5.7) Please explain

West Sudanian savannah, Ethiopian montane forests

Coffee

(8.5.1) Country/area of origin

Select from:

- ☒ Indonesia

(8.5.2) First level administrative division

Select from:

- ☒ States/equivalent jurisdictions

(8.5.3) Specify the states or equivalent jurisdictions

Lampung, South Sumatra, Bengkulu

(8.5.4) Volume sourced from country/area of origin (metric tons)

194.3

(8.5.5) Source

Select all that apply

- ☒ Independent smallholders
- ☒ Company-affiliated smallholders

(8.5.6) List of supplier production and primary processing sites: names and locations (optional)

2023 Disclosure.pdf

(8.5.7) Please explain

Tropical moist forests

Coffee

(8.5.1) Country/area of origin

Select from:

- ☒ Costa Rica

(8.5.2) First level administrative division

Select from:

- ☒ States/equivalent jurisdictions

(8.5.3) Specify the states or equivalent jurisdictions

Tarrazú, Tres Ríos, Naranjo

(8.5.4) Volume sourced from country/area of origin (metric tons)

(8.5.5) Source*Select all that apply*

- ☒ Independent smallholders
- ☒ Company-affiliated smallholders

(8.5.6) List of supplier production and primary processing sites: names and locations (optional)*2023 Disclosure.pdf***(8.5.7) Please explain***Tropical moist forests***Coffee****(8.5.1) Country/area of origin***Select from:*

- ☒ Mexico

(8.5.2) First level administrative division*Select from:*

- ☒ States/equivalent jurisdictions

(8.5.3) Specify the states or equivalent jurisdictions*Chiapas, Oaxaca, Veracruz***(8.5.4) Volume sourced from country/area of origin (metric tons)**

(8.5.5) Source

Select all that apply

- ☒ Independent smallholders
- ☒ Company-affiliated smallholders

(8.5.6) List of supplier production and primary processing sites: names and locations (optional)

2023 Disclosure.pdf

(8.5.7) Please explain

Tropical moist forests, Tropical coniferous forests, Tropical dry forests

Coffee

(8.5.1) Country/area of origin

Select from:

- ☒ Kenya

(8.5.2) First level administrative division

Select from:

- ☒ States/equivalent jurisdictions

(8.5.3) Specify the states or equivalent jurisdictions

Mount Kenya, Aberdare Range, Kisii, Nyanza, Bungoma, Nakuru, Kericho, Nandi, Mt. Elgon

(8.5.4) Volume sourced from country/area of origin (metric tons)

77.9

(8.5.5) Source

Select all that apply

- ☒ Independent smallholders
- ☒ Company-affiliated smallholders

(8.5.6) List of supplier production and primary processing sites: names and locations (optional)

2023 Disclosure.pdf

(8.5.7) Please explain

Tropical moist forests

Coffee

(8.5.1) Country/area of origin

Select from:

- ☒ Papua New Guinea

(8.5.2) First level administrative division

Select from:

- ☒ States/equivalent jurisdictions

(8.5.3) Specify the states or equivalent jurisdictions

Eastern Highlands, Western Highlands, Chimbu

(8.5.4) Volume sourced from country/area of origin (metric tons)

18.3

(8.5.5) Source

Select all that apply

- ☒ Independent smallholders
- ☒ Company-affiliated smallholders

(8.5.6) List of supplier production and primary processing sites: names and locations (optional)

2023 Disclosure.pdf

(8.5.7) Please explain

Tropical moist forests

Coffee

(8.5.1) Country/area of origin

Select from:

- ☒ Bolivia (Plurinational State of)

(8.5.2) First level administrative division

Select from:

- ☒ States/equivalent jurisdictions

(8.5.3) Specify the states or equivalent jurisdictions

La Paz, Santa Cruz

(8.5.4) Volume sourced from country/area of origin (metric tons)

9

(8.5.5) Source

Select all that apply

- ☒ Independent smallholders

☒ Company-affiliated smallholders

(8.5.6) List of supplier production and primary processing sites: names and locations (optional)

2023 Disclosure.pdf

(8.5.7) Please explain

Tropical dry forests, Mountain grasslands

Coffee

(8.5.1) Country/area of origin

Select from:

☒ Yemen

(8.5.2) First level administrative division

Select from:

☒ States/equivalent jurisdictions

(8.5.3) Specify the states or equivalent jurisdictions

Sanaa, Hajjah, Sa'dah, and Al Mahweet

(8.5.4) Volume sourced from country/area of origin (metric tons)

3

(8.5.5) Source

Select all that apply

☒ Independent smallholders

☒ Company-affiliated smallholders

(8.5.6) List of supplier production and primary processing sites: names and locations (optional)

2023 Disclosure.pdf

(8.5.7) Please explain

Deserts
[Add row]

(8.7) Did your organization have a no-deforestation or no-conversion target, or any other targets for sustainable production/ sourcing of your disclosed commodities, active in the reporting year?

Coffee

(8.7.1) Active no-deforestation or no-conversion target

Select from:

☒ No, but we plan to have a no-deforestation or no-conversion target in the next two years

(8.7.3) Primary reason for not having an active no-deforestation or no-conversion target in the reporting year

Select from:

☒ Other, please specify :Timing release of target to avoid supply chain confusion.

(8.7.4) Explain why you did not have an active no-deforestation or no-conversion target in the reporting year

As a green coffee trader, Falcon's deforestation and conversion risks lie upstream in the supply chain, at the point of origin. In 2023, Falcon developed a non-deforestation/non-conversion policy with a cut-off date for our suppliers and a non-deforestation/non-conversion target. However, we became concerned that launching our own deforestation cut-off date and policy with our supply chain while requesting compliance for the EUDR non-deforestation cut-off/policy would add to already significant confusion surrounding EUDR. As a result, Falcon will be publishing its own cut-off date and target once the EUDR compliance process is closer to completion.

(8.7.5) Other active targets related to this commodity, including any which contribute to your no-deforestation or no-conversion target

Select from:

☒ No, but we plan to have other targets related to this commodity in the next two years

(8.7.6) Primary reason for not having other active targets in the reporting year

Select from:

☒ Lack of internal resources, capabilities, or expertise (e.g., due to organization size)

(8.7.7) Explain why you did not have other active targets in the reporting year

Falcon is currently developing targets for their sustainable sourcing, but these targets were not finalized in 2023.

[Fixed row]

(8.8) Indicate if your organization has a traceability system to determine the origins of your sourced volumes and provide details of the methods and tools used.

Coffee

(8.8.1) Traceability system

Select from:

☒ Yes

(8.8.2) Methods/tools used in traceability system

Select all that apply

☒ Value chain mapping

☒ Internal traceability system

(8.8.3) Description of methods/tools used in traceability system

In 2023 Falcon started collecting data for the EU deforestation regulations. This required the development of processes that allow the traceability of coffee to the specific plots of land it was grown on. This system was nascent in 2023 with limited data. Falcon has always worked to provide as much traceability as possible though and previous to mapping farms Falcon was already working with coffee suppliers and producers directly. This means that all documentation and shipping

information was approved by Falcon and stamped by the government of the origin country before being shipped. This documentation may include the international coffee organisation certificate of origin, phytosanitary reports, and a free trade agreement, all of which would be signed by the government of exporting country.
[Fixed row]

(8.8.1) Provide details of the point to which your organization can trace its sourced volumes.

Coffee

(8.8.1.1) % of sourced volume traceable to production unit

0

(8.8.1.2) % of sourced volume traceable to sourcing area and not to production unit

82

(8.8.1.3) % sourced volume traceable to country/area of origin and not to sourcing area or production unit

18

(8.8.1.4) % of sourced volume traceable to other point (i.e., processing facility/first importer) not in the country/area of origin

0

(8.8.1.5) % of sourced volume from unknown origin

0

(8.8.1.6) % of sourced volume reported

100.00
[Fixed row]

(8.9) Provide details of your organization's assessment of the deforestation-free (DF) or deforestation- and conversion-free (DCF) status of its disclosed commodities.

Coffee

(8.9.1) DF/DCF status assessed for this commodity

Select from:

☒ No, but we plan to do so within the next two years

(8.9.6) Is a proportion of your disclosure volume certified through a scheme not providing full DF/DCF assurance?

Select from:

☒ Yes

(8.9.7) Primary reason for not assessing DF/DCF status

Select from:

☒ Not an immediate strategic priority

(8.9.8) Explain why you have not assessed DF/DCF status

With the upcoming EU Deforestation regulation Falcon will be assessing the deforestation status of many supply chains. This wasn't done sooner because it requires significant amount of time dedicated from the sustainability team. Additional staff would be required. Falcon works with hundreds of thousands of smallholders and each require an assessment. This work was started in the reporting year, 2023, but only reached a notable scale after that.

[Fixed row]

(8.9.2) Provide details of third-party certification schemes not providing full DF/DCF assurance.

Coffee

(8.9.2.1) Third-party certification scheme not providing full DF/DCF assurance

Chain-of-custody certification

☒ RA Sustainable Agriculture standard: Supply chain certificate – Mass balance

(8.9.2.2) % of disclosure volume certified through scheme not providing full DF/DCF assurance

32

(8.9.2.3) Additional control methods in place to determine DF/DCF status of volumes certified through scheme not providing full DF/DCF assurance

Select all that apply

☒ No

(8.9.2.4) Comment

Much of the coffee Falcon purchases has RA certification. There are additional certifications, not listed as options, that also have clauses related to preventing deforestation.

(8.9.2.5) Certification documentation

RA Endorsement Falcon Coffees 6Nov2023.pdf

[Add row]

(8.10) Indicate whether you have monitored or estimated the deforestation and conversion of other natural ecosystems footprint for your disclosed commodities.

Coffee

(8.10.1) Monitoring or estimating your deforestation and conversion footprint

Select from:

☒ No, but we plan to monitor or estimate our deforestation and conversion footprint in the next two years

(8.10.2) Primary reason for not monitoring or estimating deforestation and conversion footprint

Select from:

☒ Lack of internal resources, capabilities, or expertise (e.g., due to organization size)

(8.10.3) Explain why you do not monitor or estimate your deforestation and conversion footprint

Falcon operates as a green coffee trader. We don't own farms but work either directly or indirectly with more than 100,000. To monitor the current and past forestation level of each one is an extremely significant undertaking. Until the EU released the deforestation regulations, it did not make sense financially for Falcon to invest in this process.

[Fixed row]

(8.11) For volumes not assessed and determined as deforestation- and conversion-free (DCF), indicate if you have taken actions in the reporting year to increase production or sourcing of DCF volumes.

	Actions taken to increase production or sourcing of DCF volumes
Coffee	Select from: ☒ No, and we do not plan to within the next two years

[Fixed row]

(8.12) Indicate if certification details are available for the commodity volumes sold to requesting CDP Supply Chain members.

	Third-party certification scheme adopted	Certification details are available for the volumes sold to any requesting CDP Supply Chain members
Coffee	Select from: ☒ Yes	Select from: ☒ Yes

[Fixed row]

(8.12.1) Provide details of the certified volumes sold to each requesting CDP Supply Chain member.

Row 1

(8.12.1.1) Requesting member

Select from:

(8.12.1.2) Commodity

Select from:

☒ Coffee

(8.12.1.3) Form of commodity

Select all that apply

☒ Other, please specify :Green coffee

(8.12.1.4) Total volume of commodity sold to requesting member

3089.92

(8.12.1.5) Metric

Select from:

☒ Metric tons

(8.12.1.6) Third-party certification scheme

Chain-of-custody certification

☒ RA Sustainable Agriculture standard: Supply chain certificate – Identity preserved

(8.12.1.7) % of the total volume of commodity sold to requesting member that is certified

2.53

(8.12.1.8) Comment (optional)

For this figure, "sold" is defined as the contracted delivery month ("Titling Month"). This definition does not guarantee that coffee was delivered and released within the titling month.

Row 2

(8.12.1.1) Requesting member

Select from:

(8.12.1.2) Commodity

Select from:

☒ Coffee

(8.12.1.3) Form of commodity

Select all that apply

☒ Other, please specify :Green coffee

(8.12.1.4) Total volume of commodity sold to requesting member

3089.92

(8.12.1.5) Metric

Select from:

☒ Metric tons

(8.12.1.6) Third-party certification scheme

Chain-of-custody certification

☒ Other chain-of-custody certification, please specify :Fairtrade (USA, International)

(8.12.1.7) % of the total volume of commodity sold to requesting member that is certified

97.4

(8.12.1.8) Comment (optional)

For this figure, "sold" is defined as the contracted delivery month ("Titling Month"). This definition does not guarantee that coffee was delivered and released within the titling month.

[Add row]

(8.13) Does your organization calculate the GHG emission reductions and/or removals from land use management and land use change that have occurred in your direct operations and/or upstream value chain?

Coffee

(8.13.1) GHG emissions reductions and removals from land use management and land use change calculated

Select from:

☒ No, but plan to do so in the next two years

(8.13.2) Primary reason your organization does not calculate GHG emissions reductions and removals from land use management and land use change

Select from:

☒ Other, please specify :Lack of valid/accurate data

(8.13.3) Explain why your organization does not calculate GHG emissions reductions and removals from land use management and land use change

Having assessed the available data we found that emissions factors for coffee farms are far too generalised, failing to account for the numerous conditions coffee can grow in even in the same region. We began work on our own model for collecting farm level data to calculate emissions in 2022 and have been scaling it up since. Eventually we hope to have enough data amassed to report land use emissions to a level of accuracy we are comfortable with.
[Fixed row]

(8.14) Indicate if you assess your own compliance and/or the compliance of your suppliers with forest regulations and/or mandatory standards, and provide details.

(8.14.1) Assess legal compliance with forest regulations

Select from:

☒ No, but we plan to within the next two years

(8.14.5) Please explain

While Falcon does not currently assess the compliance of suppliers with regard to the local deforestation laws we do require that any suppliers we work with sign a responsible sourcing policy which confirms that they are only growing coffee in line with local environmental laws.
[Fixed row]

(8.15) Do you engage in landscape (including jurisdictional) initiatives to progress shared sustainable land use goals?

	Engagement in landscape/jurisdictional initiatives
	Select from: ☒ Yes, we engage in landscape/jurisdictional initiatives

[Fixed row]

(8.15.1) Indicate the criteria you consider when prioritizing landscapes and jurisdictions for engagement in collaborative approaches to sustainable land use and provide an explanation.

(8.15.1.1) Criteria for prioritizing landscapes/jurisdictions for engagement

Select all that apply

- ☒ Commodity sourcing footprint
- ☒ Opportunity to build resilience at scale
- ☒ Recognized as priority landscape by credible multi-stakeholder groups or industry platforms
- ☒ Stakeholder/investor request

(8.15.1.2) Explain your process for prioritizing landscapes/jurisdictions for engagement

Landscape initiatives in coffee-producing regions can require several key stakeholders willing to provide multi-year commitments to ensure success. As a result, Falcon supports landscape initiatives when stakeholders are committed to building resilience at scale in priority landscapes that overlap with Falcon's commodity sourcing. In 2023, one such opportunity presented itself and Falcon became one of six founding members of a multi-year partnership in a priority landscape in South America. This initiative is currently in a proof-of-concept phase that, if successful, may expand to additional jurisdictions. More information will be available in 2024.

[Fixed row]

(8.15.2) Provide details of your engagement with landscape/jurisdictional initiatives to sustainable land use during the reporting year.

Row 1

(8.15.2.1) Landscape/jurisdiction ID

Select from:

☒ LJ1

(8.15.2.2) Name of initiative

Landscape initiative in South America

(8.15.2.3) Country/area

Select from:

☒ Worldwide

(8.15.2.4) Name of landscape or jurisdiction area

The landscape is in South America. The precise location and additional details are confidential at this time. Additional information will be available in 2024.

(8.15.2.5) Attach public information about the initiative (optional)

No further information provided.pdf

(8.15.2.6) Indicate if you can provide the size of the area covered by the initiative

Select from:

☒ No, other reason, please specify :Area of initiative is confidential information at this time.

(8.15.2.8) Type of engagement

Select all that apply

☒ Partner: Shares responsibility with other stakeholders to manage and implement actions.

(8.15.2.9) Engagement start year

2023

(8.15.2.10) Engagement end year

Select from:

☒ Please specify :2027

(8.15.2.11) Estimated investment over the project period

504276

(8.15.2.12) Landscape goals supported by engagement

Environmental

- ☒ Improved community resilience from climate adaptation plans or mitigation efforts
- ☒ Improved rate of carbon sequestration (e.g., through restoration)

Governance

- ☒ Promotion of transparency, participation, inclusion, and coordination in landscape policy, planning, and management

Social

- ☒ Ensuring local communities and smallholders benefit from the outcomes of landscape/jurisdictional initiative

Production

- ☒ Increased adoption of sustainable production practices (e.g., input use efficiency and water management practices)
- ☒ Uptake of regenerative agriculture (e.g., agroforestry) practices

(8.15.2.13) Organization actions supporting initiative

Participate in planning and multi-stakeholder alignment

- ☒ Co-design and develop goals, strategies and an action plan with timebound targets and milestones for the initiative
- ☒ Collaborate on establishing and managing monitoring system for deforestation, natural ecosystem conversion and/or degradation
- ☒ Collaborate on landscape sustainability assessments through participatory mapping

Build community and multi-stakeholder capacities

- ☒ Engage stakeholders on importance of conservation, restoration and/or rehabilitation
- ☒ Promote and implement climate change adaptation and mitigation activities
- ☒ Share information on supplier non-compliance, value chain mapping and traceability with other stakeholders in the landscape/jurisdiction
- ☒ Support communities and smallholders in gaining access to incentives (e.g. support achieving certification, group formation, getting land title, packaging access to loans, preferential sourcing etc.)

Support and incentivize sustainable production and community land use practices

- ☒ Capacity building for farmers, smallholders and local communities to implement good agricultural practices (including improved efficiency, crop diversification and adoption of certification)
- ☒ Collaborate on integrated watershed management and remediation activities
- ☒ Improve sustainability of waste management practices

(8.15.2.14) Type of partners engaged in the initiative design and implementation

Select all that apply

- ☒ Local communities
- ☒ NGO and/or civil society
- ☒ Producers
- ☒ Private sector

(8.15.2.15) Description of engagement

This landscape initiative is based in an ecologically vulnerable part of South America, which is also the source of a significant amount of specialty coffee. The initiative will support coffee producers within the landscape with climate-smart training and resources. Further, through surveying the producers on farming practices, the initiative will highlight opportunities for improvements in water and wastewater management and opportunities for emissions mitigation efforts. For producers interested in collaborating, resources will be provided to transition to agroforestry, install water-smart processing equipment, and provide improvements to composting areas to prevent leachate from spreading beyond compost pits, amongst other things. The initiative will also engage with the local municipality to establish further support of environmental protection efforts. As a partner in this project, Falcon will be providing project management, reporting, administering funds, preparing and analyzing surveys, and providing expertise and guidance. The initiative will be governed by contractual agreements developed by Falcon and other key stakeholders. Coffee as an agricultural product is particularly sensitive to climate change. Coffee-growing regions and the farmers and communities supporting these coffee lands are under strain in the increasingly erratic environment that climate change is driving. It is these criteria that are driving the initiative's goals (column 12). We look forward to the next few years of this initiative.

(8.15.2.16) Collective monitoring framework used to measure progress towards landscape goals and actions

Select from:

☒ Yes, progress is monitored using an internally defined framework

(8.15.2.17) State the achievements of your engagement so far and how progress is monitored

Falcon is excited to support this landscape initiative in multiple capacities. In addition to project management, reporting, and administration of funding, Falcon is playing a leading role in measuring and mitigating emissions. Over the course of this initiative, progress will be measured through quarterly reporting and annual surveys. This data will be third-party validated for further assurance. This project was initiated in 2023 and, as a result, it is premature to report significant findings on progress. We look forward to reporting additional details in 2024.

(8.15.2.18) Claims made

Select from:

☒ No, we are not making any claims, but we plan to in the next two years

[Add row]

(8.15.3) For each of your disclosed commodities, provide details on the disclosure volume from each of the landscapes/jurisdictions you engage in.

Row 1

(8.15.3.1) Landscape/jurisdiction ID

Select from:

☒ LJ1

(8.15.3.2) Does any of your produced and/or sourced commodity volume originate from this landscape/jurisdiction, and are you able/willing to disclose information on this volume?

Select from:

☒ Yes, we do produce/source from this landscape/jurisdiction, and we are able/willing to disclose volume data

(8.15.3.3) Commodity

Select from:

☒ Coffee

(8.15.3.4) % of disclosure volume from this landscape/jurisdiction

0.06

[Add row]

(8.16) Do you participate in any other external activities to support the implementation of policies and commitments related to deforestation, ecosystem conversion, or human rights issues in commodity value chains?

Select from:

☒ Yes

(8.16.1) Provide details of the external activities to support the implementation of your policies and commitments related to deforestation, ecosystem conversion, or human rights issues in commodity value chains

Row 1

(8.16.1.1) Commodity

Select all that apply

☒ Coffee

(8.16.1.2) Activities

Select all that apply

☒ Involved in industry platforms

☒ Engaging with non-governmental organizations

(8.16.1.3) Country/area

Select from:

☒ Worldwide

(8.16.1.4) Subnational area

Select from:

☒ Not applicable

(8.16.1.5) Provide further details of the activity

Falcon is a proud supporter of industry platforms and NGOs that are working to enhance environmental collaboration and protect human rights. Falcon is a member of the Global Coffee Platform and is a participant in Conservation International's Sustainable Coffee Challenge. For more on each of these excellent organizations, please see: <https://www.globalcoffeeplatform.org/> and <https://www.sustaincoffee.org/>

Row 2

(8.16.1.1) Commodity

Select all that apply

☒ Coffee

(8.16.1.2) Activities

Select all that apply

☒ Engaging with communities

(8.16.1.3) Country/area

Select from:

☒ Ethiopia

(8.16.1.4) Subnational area

Select from:

☒ Please specify :Soddo, Bekoji

(8.16.1.5) Provide further details of the activity

2023 marked the tenth anniversary of Falcon's support of Girls Gotta Run Foundation (GGRF), a nonprofit organization working in Ethiopia. Girls Gotta Run invests in girls who use running and education to empower themselves and their communities in Ethiopia. Girls who stay in school in Ethiopia are statistically more likely to avoid working in unsafe conditions, avoid childhood marriage and pregnancy, and are statistically healthier than their peers outside of school. For more information on this organization, please see: <https://www.girlsgottarun.org/>

[Add row]

(8.17) Is your organization supporting or implementing project(s) focused on ecosystem restoration and long-term protection?

Select from:

☒ Yes

(8.17.1) Provide details on your project(s), including the extent, duration, and monitoring frequency. Please specify any measured outcome(s).

Row 1

(8.17.1.1) Project reference

Select from:

☒ Project 1

(8.17.1.2) Project type

Select from:

☒ Agroforestry

(8.17.1.3) Expected benefits of project

Select all that apply

☒ Carbon credits gained

- ☒ Improvement to soil health
- ☒ Increase in carbon sequestration

(8.17.1.4) Is this project originating any carbon credits?

Select from:

- ☒ Yes

(8.17.1.5) Description of project

Acorn (<https://acorn.rabobank.com/en/>) is "on a mission to empower smallholder farmers globally", supporting them as they transition to sustainable agroforestry practices. The resulting biomass increase is measured, carbon credits are issued, and 80% of the revenue goes directly to the farmers. Since 2022, Falcon has been a supporter of the program. We have invested in agroforestry in coffee farms both inside and outside of our own supply chains. In 2023, 100% of Falcon's investment was inset into our supply chains.

(8.17.1.6) Where is the project taking place in relation to your value chain?

Select all that apply

- ☒ Project based in area with direct operations
- ☒ Project based in sourcing area(s)

(8.17.1.7) Start year

2021

(8.17.1.8) Target year

Select from:

- ☒ Other, please specify :Varies

(8.17.1.9) Project area to date (Hectares)

391655

(8.17.1.10) Project area in the target year (Hectares)

391655

(8.17.1.11) Country/Area

Select from:

☒ Nicaragua

(8.17.1.12) Latitude

13

(8.17.1.13) Longitude

-85

(8.17.1.14) Monitoring frequency

Select from:

☒ Annually

(8.17.1.15) Total investment over the project period (currency)

10791.78

(8.17.1.16) For which of your expected benefits are you monitoring progress?

Select all that apply

☒ Carbon credits gained

(8.17.1.17) Please explain

Acorn is a global initiative, with new regions of smallholders joining each year. Plan Vivo verified Acorn uses a combination of in-person, aerial LiDAR, and satellite remote-sensing data to monitor biomass growth, with each plot evaluated at least annually (scientific details on this method, indicators, and measured outcomes can be found at: <https://acorn.rabobank.com/en/monitoring/>). As Acorn is a rolling initiative with regions being onboarded and sunset each year (sunset as the planted biomass matures and additional growth flatlines), the fields here for project hectares, country, latitude, and longitude are not particularly relevant. Total hectares

currently covered by the Acorn program is listed in the project hectares fields. The country, latitude, longitude and total investment fields represent Falcon's 2023 investment, which was inset into our partner supply chains in Nicaragua.

[Add row]

C9. Environmental performance - Water security

(9.1) Are there any exclusions from your disclosure of water-related data?

Select from:

☒ No

(9.2) Across all your operations, what proportion of the following water aspects are regularly measured and monitored?

Water withdrawals – total volumes

(9.2.1) % of sites/facilities/operations

Select from:

☒ Not monitored

(9.2.4) Please explain

Falcon's direct operations occur in leased office spaces in several major cities worldwide, frequently with shared office infrastructure and no viable means to segregate Falcon's water use from that of other tenants. As a result, the water use and discharge from our office functions is not measured at this time.

Water withdrawals – volumes by source

(9.2.1) % of sites/facilities/operations

Select from:

☒ Not monitored

(9.2.4) Please explain

Falcon's direct operations occur in leased office spaces in several major cities worldwide, frequently with shared office infrastructure and no viable means to segregate Falcon's water use from that of other tenants. As a result, the water use and discharge from our office functions is not measured at this time.

Water withdrawals quality

(9.2.1) % of sites/facilities/operations

Select from:

☒ Not monitored

(9.2.4) Please explain

Falcon's direct operations occur in leased office spaces in several major cities worldwide, frequently with shared office infrastructure and no viable means to segregate Falcon's water use from that of other tenants. As a result, the water use and discharge from our office functions is not measured at this time.

Water discharges – total volumes

(9.2.1) % of sites/facilities/operations

Select from:

☒ Not monitored

(9.2.4) Please explain

Falcon's direct operations occur in leased office spaces in several major cities worldwide, frequently with shared office infrastructure and no viable means to segregate Falcon's water use from that of other tenants. As a result, the water use and discharge from our office functions is not measured at this time.

Water discharges – volumes by destination

(9.2.1) % of sites/facilities/operations

Select from:

☒ Not monitored

(9.2.4) Please explain

Falcon's direct operations occur in leased office spaces in several major cities worldwide, frequently with shared office infrastructure and no viable means to segregate Falcon's water use from that of other tenants. As a result, the water use and discharge from our office functions is not measured at this time.

Water discharges – volumes by treatment method

(9.2.1) % of sites/facilities/operations

Select from:

☒ Not monitored

(9.2.4) Please explain

Falcon's direct operations occur in leased office spaces in several major cities worldwide, frequently with shared office infrastructure and no viable means to segregate Falcon's water use from that of other tenants. As a result, the water use and discharge from our office functions is not measured at this time.

Water discharge quality – by standard effluent parameters

(9.2.1) % of sites/facilities/operations

Select from:

☒ Not monitored

(9.2.4) Please explain

Falcon's direct operations occur in leased office spaces in several major cities worldwide, frequently with shared office infrastructure and no viable means to segregate Falcon's water use from that of other tenants. As a result, the water use and discharge from our office functions is not measured at this time.

Water discharge quality – emissions to water (nitrates, phosphates, pesticides, and/or other priority substances)

(9.2.1) % of sites/facilities/operations

Select from:

☒ Not monitored

(9.2.4) Please explain

Falcon's direct operations occur in leased office spaces in several major cities worldwide, frequently with shared office infrastructure and no viable means to segregate Falcon's water use from that of other tenants. As a result, the water use and discharge from our office functions is not measured at this time.

Water discharge quality – temperature

(9.2.1) % of sites/facilities/operations

Select from:

☒ Not monitored

(9.2.4) Please explain

Falcon's direct operations occur in leased office spaces in several major cities worldwide, frequently with shared office infrastructure and no viable means to segregate Falcon's water use from that of other tenants. As a result, the water use and discharge from our office functions is not measured at this time.

Water consumption – total volume

(9.2.1) % of sites/facilities/operations

Select from:

☒ Not monitored

(9.2.4) Please explain

Falcon's direct operations occur in leased office spaces in several major cities worldwide, frequently with shared office infrastructure and no viable means to segregate Falcon's water use from that of other tenants. As a result, the water use and discharge from our office functions is not measured at this time.

Water recycled/reused

(9.2.1) % of sites/facilities/operations

Select from:

☒ Not monitored

(9.2.4) Please explain

Falcon's direct operations occur in leased office spaces in several major cities worldwide, frequently with shared office infrastructure and no viable means to segregate Falcon's water use from that of other tenants. As a result, the water use and discharge from our office functions is not measured at this time.

The provision of fully-functioning, safely managed WASH services to all workers

(9.2.1) % of sites/facilities/operations

Select from:

☒ 100%

(9.2.2) Frequency of measurement

Select from:

☒ Continuously

(9.2.3) Method of measurement

Through direct monitoring.

(9.2.4) Please explain

Falcon's direct operations occur in leased spaces in several major cities worldwide, all of which have clean, functioning, and well-maintained WASH services. Each office location has a Managing Director who oversees and maintains office resources.

[Fixed row]

(9.2.2) What are the total volumes of water withdrawn, discharged, and consumed across all your operations, how do they compare to the previous reporting year, and how are they forecasted to change?

Total withdrawals

(9.2.2.1) Volume (megaliters/year)

0

(9.2.2.2) Comparison with previous reporting year

Select from:

☒ About the same

(9.2.2.3) Primary reason for comparison with previous reporting year

Select from:

☒ Other, please specify :Falcon does not measure our office water usage at this time.

(9.2.2.4) Five-year forecast

Select from:

☒ About the same

(9.2.2.5) Primary reason for forecast

Select from:

☒ Other, please specify :Falcon does not measure our office water usage at this time.

(9.2.2.6) Please explain

Falcon's direct operations occur in leased office spaces in several major cities worldwide, frequently with shared office infrastructure and no viable means to segregate Falcon's water use from that of other tenants. As a result, the water use and discharge from our office functions is not measured at this time.

Total discharges

(9.2.2.1) Volume (megaliters/year)

0

(9.2.2.2) Comparison with previous reporting year

Select from:

☒ About the same

(9.2.2.3) Primary reason for comparison with previous reporting year

Select from:

☒ Other, please specify :Falcon does not measure our office water usage at this time.

(9.2.2.4) Five-year forecast

Select from:

☒ About the same

(9.2.2.5) Primary reason for forecast

Select from:

☒ Other, please specify :Falcon does not measure our office water usage at this time.

(9.2.2.6) Please explain

Falcon's direct operations occur in leased office spaces in several major cities worldwide, frequently with shared office infrastructure and no viable means to segregate Falcon's water use from that of other tenants. As a result, the water use and discharge from our office functions is not measured at this time.

Total consumption

(9.2.2.1) Volume (megaliters/year)

0

(9.2.2.2) Comparison with previous reporting year

Select from:

☒ About the same

(9.2.2.3) Primary reason for comparison with previous reporting year

Select from:

☒ Other, please specify :Falcon does not measure our office water usage at this time.

(9.2.2.4) Five-year forecast

Select from:

☒ About the same

(9.2.2.5) Primary reason for forecast

Select from:

☒ Other, please specify :Falcon does not measure our office water usage at this time.

(9.2.2.6) Please explain

Falcon's direct operations occur in leased office spaces in several major cities worldwide, frequently with shared office infrastructure and no viable means to segregate Falcon's water use from that of other tenants. As a result, the water use and discharge from our office functions is not measured at this time.

[Fixed row]

(9.2.4) Indicate whether water is withdrawn from areas with water stress, provide the volume, how it compares with the previous reporting year, and how it is forecasted to change.

(9.2.4.1) Withdrawals are from areas with water stress

Select from:

☒ Unknown

(9.2.4.9) Please explain

Falcon's direct operations occur in leased office spaces in several major cities worldwide, frequently with shared office infrastructure and no viable means to segregate Falcon's water use from that of other tenants. As a result, the water use and discharge from our office functions is not measured or evaluated at this time.

[Fixed row]

(9.2.6) What proportion of the sourced agricultural commodities that are significant to your organization originate from areas with water stress?

Coffee

(9.2.6.1) The proportion of this commodity sourced from areas with water stress is known

Select from:

☒ No, but we intend to obtain this data within the next two years

(9.2.6.3) Please explain

As discussed in the second opportunity in Section 3.6.1, while the upcoming enforcement of EUDR presents a risk to coffee supply chain stakeholders, Falcon also envisions an opportunity. Through compliance with EUDR, including the systems, tools, and processes developed, coffee supply chains will, for the first time, realize a level of traceability not seen before at this scale. With coffee being traceable to precise geolocation (EUDR requires specificity of six decimal places, which is a level of specificity +/- approximately 11 centimeters), Falcon can evaluate coffees purchased and sold against a variety of environmental factors, including on global maps of water stress. This data can unlock a new means of partnership and investment in coffee origins, providing quantifiable evidence for new investments and initiatives. To take advantage of this opportunity, Falcon will first need to build additional processes for managing and supporting producer data privacy.

Other commodity

(9.2.6.1) The proportion of this commodity sourced from areas with water stress is known

Select from:

☒ No, we do not have this data and have no plans to obtain it

(9.2.6.3) Please explain

Falcon is a green coffee trader and 100% of our business is within the coffee commodity.
[Fixed row]

(9.3) In your direct operations and upstream value chain, what is the number of facilities where you have identified substantive water-related dependencies, impacts, risks, and opportunities?

Direct operations

(9.3.1) Identification of facilities in the value chain stage

Select from:

☒ No, we have not assessed this value chain stage for facilities with water-related dependencies, impacts, risks, and opportunities, and are not planning to do so in the next 2 years

(9.3.4) Please explain

Our direct operations are almost entirely office spaces with reliable water delivery. Water is a necessity as assessing coffee requires clean water but this has not been something that required any reporting or identification.

Upstream value chain

(9.3.1) Identification of facilities in the value chain stage

Select from:

☒ No, we have not assessed this value chain stage for facilities with water-related dependencies, impacts, risks, and opportunities, and are not planning to do so in the next 2 years

(9.3.4) Please explain

Coffee farms in our upstream value chain are almost entirely irrigated by rainfall. The timing and intensity of the rain plays a large role in determining the size and quality of the coffee crop each year. As a green coffee trader we monitor expected rainfall and other weather patterns to determine our strategy. This is done on a country level, or maybe regional level. We do not trace this to a facility level as we work with numerous suppliers in most origins that themselves may source from numerous farms.

[Fixed row]

(9.4) Could any of your facilities reported in 9.3.1 have an impact on a requesting CDP supply chain member?

Select from:

☒ We do not have this data and have no intentions to collect it

(9.5) Provide a figure for your organization's total water withdrawal efficiency.

(9.5.1) Revenue (currency)

(9.5.3) Anticipated forward trend

Falcon's direct operations occur in leased office spaces in several major cities worldwide, frequently with shared office infrastructure and no viable means to segregate Falcon's water use from that of other tenants. As a result, the water use and discharge from our office functions is not measured at this time.

[Fixed row]

(9.9) Provide water intensity information for each of the agricultural commodities significant to your organization that you source.

Coffee

(9.9.1) Water intensity information for this sourced commodity is collected/calculated

Select from:

☒ No, not currently and we have no plans to collect/calculate this data within the next two years

(9.9.6) Please explain

Falcon does not plan on measuring rainfall in each of the coffee-growing regions we source from or the amount of water used in processing the coffee at this time.

Other commodity

(9.9.1) Water intensity information for this sourced commodity is collected/calculated

Select from:

☒ No, not currently and we have no plans to collect/calculate this data within the next two years

(9.9.6) Please explain

Falcon is a green coffee trader and 100% of our business is within the coffee commodity.

[Add row]

(9.12) Provide any available water intensity values for your organization’s products or services.

Row 1

(9.12.1) Product name

Green coffee

(9.12.2) Water intensity value

0

(9.12.3) Numerator: Water aspect

Select from:

☒ Other, please specify :Not applicable

(9.12.4) Denominator

Not applicable

(9.12.5) Comment

Falcon does not plan on measuring rainfall in each of the coffee-growing regions we source from or the amount of water used in processing the coffee at this time.
[Add row]

(9.13) Do any of your products contain substances classified as hazardous by a regulatory authority?

	Products contain hazardous substances	Comment
	Select from: ☒ No	Phytosanitary regulations and checks ensure that there are no harmful substances in our product

[Fixed row]

(9.14) Do you classify any of your current products and/or services as low water impact?

	Products and/or services classified as low water impact	Primary reason for not classifying any of your current products and/or services as low water impact	Please explain
	Select from: ☒ No, and we do not plan to address this within the next two years	Select from: ☒ No instruction from management	Falcon has worked on projects that have helped to increase water efficiency but the result has not been to sell a product as low water impact.

[Fixed row]

(9.15) Do you have any water-related targets?

Select from:

☒ No, and we do not plan to within the next two years

(9.15.3) Why do you not have water-related target(s) and what are your plans to develop these in the future?

(9.15.3.1) Primary reason

Select from:

☒ Insufficient data on operations

(9.15.3.2) Please explain

In our direct operations any water consumed is necessary for our business practices (cupping and QA testing of coffee) or required as normal office water usage. In our upstream value chain we have very little control over the water consumption of the coffee farms outside of a few projects where we provide training on processing the coffee. This training is only provided to a small fraction of the farmers in our upstream supply chain. The investment in systems to accurately measure water related metrics would not provide enough benefit to cover the cost.

[Fixed row]

C10. Environmental performance - Plastics

(10.1) Do you have plastics-related targets, and if so what type?

(10.1.1) Targets in place

Select from:

☒ No, but we plan to within the next two years

(10.1.3) Please explain

In 2022, Falcon embarked on an initiative to reduce emissions from plastic bags used in coffee transportation and storage and to reduce plastic waste from those bags. Starting with research, a plastics team explored opportunities at all levels of the supply chain, including recycling and end of life, alternative substrates, and selective removal of plastic materials altogether. Falcon's team determined the academic research was inconsistent and lacking and, as a result, initiated a multiyear test on plastic variables and their impacts on coffee quality. Falcon is in the process of expanding a reduced-emissions pilot and, if it continues to be successful they anticipate being able to set a target thereafter.

[Fixed row]

(10.2) Indicate whether your organization engages in the following activities.

Production/commercialization of plastic polymers (including plastic converters)

(10.2.1) Activity applies

Select from:

☒ No

(10.2.2) Comment

Falcon is a green coffee trader. 100% of our business is affiliated with green (raw) coffee.

Production/commercialization of durable plastic goods and/or components (including mixed materials)

(10.2.1) Activity applies

Select from:

☒ No

(10.2.2) Comment

Falcon is a green coffee trader. 100% of our business is affiliated with green (raw) coffee.

Usage of durable plastics goods and/or components (including mixed materials)

(10.2.1) Activity applies

Select from:

☒ No

(10.2.2) Comment

Falcon is a green coffee trader. 100% of our business is affiliated with green (raw) coffee.

Production/commercialization of plastic packaging

(10.2.1) Activity applies

Select from:

☒ No

(10.2.2) Comment

Falcon is a green coffee trader. 100% of our business is affiliated with green (raw) coffee.

Production/commercialization of goods/products packaged in plastics

(10.2.1) Activity applies

Select from:

☒ Yes

(10.2.2) Comment

Specialty coffee is most commonly stored and transported in jute bags, typically holding 65kg of green coffee. These jute bags are oftentimes lined with a multilaminate plastic to protect the coffee from environmental risks including humidity and pests.

Provision/commercialization of services that use plastic packaging (e.g., food services)

(10.2.1) Activity applies

Select from:

☒ No

(10.2.2) Comment

Falcon is a green coffee trader. 100% of our business is affiliated with green (raw) coffee.

Provision of waste management and/or water management services

(10.2.1) Activity applies

Select from:

☒ Yes

(10.2.2) Comment

Falcon's office locations use waste management services.

Provision of financial products and/or services for plastics-related activities

(10.2.1) Activity applies

Select from:

☒ No

(10.2.2) Comment

Falcon is a green coffee trader. 100% of our business is affiliated with green (raw) coffee.

Other activities not specified

(10.2.1) Activity applies

Select from:

☒ No

(10.2.2) Comment

Falcon is a green coffee trader. 100% of our business is affiliated with green (raw) coffee.

[Fixed row]

(10.5) Provide the total weight of plastic packaging sold and/or used and indicate the raw material content.

Plastic packaging used

(10.5.1) Total weight during the reporting year (Metric tons)

163

(10.5.2) Raw material content percentages available to report

Select all that apply

☒ None

(10.5.7) Please explain

For the plastic liners of jute bags, there are two major global brands and several smaller or regional brands. The major global organizations, from which Falcon currently sources the majority of their bags, both state that the content of their bags are proprietary blends. These bags each contain 5-7 polymer layers with both oxygen and moisture barriers, however, the percentages of the virgin fossil-based, virgin renewable, or pre- or post-consumer recycled content are not made publically available.

[Fixed row]

(10.5.1) Indicate the circularity potential of the plastic packaging you sold and/or used.

Plastic packaging used

(10.5.1.1) Percentages available to report for circularity potential

Select all that apply

- ☒ % reusable
- ☒ % technically recyclable
- ☒ % recyclable in practice and at scale

(10.5.1.2) % of plastic packaging that is reusable

95

(10.5.1.3) % of plastic packaging that is technically recyclable

100

(10.5.1.4) % of plastic packaging that is recyclable in practice at scale

0

(10.5.1.5) Please explain

The plastic bags that frequently line the jute bags that store and transport specialty coffee are an industry challenge. These bags are designed to be durable and, as a result, those that are not damaged in first use (we can estimate perhaps 95%) are, in theory, great candidates for reuse. However, the logistical challenges of storing, collecting, and cleaning these bags of coffee debris (chaff, et cetera) make the financials of any reuse model at scale impractical. There has been significant research invested globally into recycling multilaminate films of this nature. Unfortunately, while select opportunities exist (Terracycle in the US and UK, as an

example), the logistical practicalities of storing, aggregating, transporting, and recycling these materials again make the resource requirements of any recycling model at scale prohibitive. As a result, Falcon's plastics initiative has shifted focus from end-of-life (EOL) opportunities to those of alternative substrates and reduced use.
[Fixed row]

C11. Environmental performance - Biodiversity

(11.2) What actions has your organization taken in the reporting year to progress your biodiversity-related commitments?

	Actions taken in the reporting period to progress your biodiversity-related commitments
	Select from: ☒ No, we are not taking any actions to progress our biodiversity-related commitments, but we plan to within the next two years

[Fixed row]

(11.3) Does your organization use biodiversity indicators to monitor performance across its activities?

	Does your organization use indicators to monitor biodiversity performance?
	Select from: ☒ No, we do not use indicators, but plan to within the next two years

[Fixed row]

(11.4) Does your organization have activities located in or near to areas important for biodiversity in the reporting year?

Legally protected areas

(11.4.1) Indicate whether any of your organization's activities are located in or near to this type of area important for biodiversity

Select from:

☒ Yes (partial assessment)

(11.4.2) Comment

While Falcon has not fully assessed their sourcing areas in relation to all legally protected areas, we know that we source from many of these areas globally. Coffee grows in high-altitude tropical and subtropical climates that tend to be rich in biodiversity and unique wildlife. Some coffee producing countries such as Costa Rica, for example, have most of their land mass within some sort of environmental protection. Coffee's overlap with globally protected regions highlights the importance of environmentally conscious farming practices and the value of agroforestry and regenerative agriculture in these regions.

UNESCO World Heritage sites

(11.4.1) Indicate whether any of your organization's activities are located in or near to this type of area important for biodiversity

Select from:

☒ Yes (partial assessment)

(11.4.2) Comment

While Falcon has not fully assessed their sourcing areas in relation to all UNESCO World Heritage Sites, we are aware that we do source from some of these areas. The Coffee Cultural Landscape of Colombia is one such example.

UNESCO Man and the Biosphere Reserves

(11.4.1) Indicate whether any of your organization's activities are located in or near to this type of area important for biodiversity

Select from:

☒ Not assessed

(11.4.2) Comment

Falcon has not yet assessed its sourcing locations in relation to UNESCO Man and the Biosphere Reserves.

Ramsar sites

(11.4.1) Indicate whether any of your organization's activities are located in or near to this type of area important for biodiversity

Select from:

☒ Not assessed

(11.4.2) Comment

Falcon has not yet assessed its sourcing locations in relation to Ramsar sites.

Key Biodiversity Areas

(11.4.1) Indicate whether any of your organization's activities are located in or near to this type of area important for biodiversity

Select from:

☒ Yes (partial assessment)

(11.4.2) Comment

As a tropical crop, coffee is grown in regions that overlap with areas of high biodiversity.

Other areas important for biodiversity

(11.4.1) Indicate whether any of your organization's activities are located in or near to this type of area important for biodiversity

Select from:

☒ Yes (partial assessment)

(11.4.2) Comment

*As a tropical crop, coffee is grown in regions that overlap with areas of high biodiversity.
[Fixed row]*

(11.4.1) Provide details of your organization's activities in the reporting year located in or near to areas important for biodiversity.

Row 1

(11.4.1.2) Types of area important for biodiversity

Select all that apply

☒ Other areas important for biodiversity

(11.4.1.4) Country/area

Select from:

☒ Brazil

(11.4.1.5) Name of the area important for biodiversity

The Alto Parana Atlantic Forests (a tropical & subtropical moist broadleaf forest) are, as an example, classified as a biodiversity hotspot by Conservation International. Falcon sources coffee from this region of Brazil. Listing all of the regions in which coffee production and biodiversity hotspots overlap, however, is not practical in the format provided in this disclosure, given the number of hotspots in coffee-producing countries worldwide.

(11.4.1.6) Proximity

Select from:

☒ Data not available

(11.4.1.8) Briefly describe your organization's activities in the reporting year located in or near to the selected area

Falcon sources green coffee from producers and exporters in this region of Brazil.

(11.4.1.9) Indicate whether any of your organization’s activities located in or near to the selected area could negatively affect biodiversity

Select from:

☒ Not assessed

[\[Add row\]](#)

C13. Further information & sign off

(13.1) Indicate if any environmental information included in your CDP response (not already reported in 7.9.1/2/3, 8.9.1/2/3/4, and 9.3.2) is verified and/or assured by a third party?

(13.1.1) Other environmental information included in your CDP response is verified and/or assured by a third party

Select from:

☒ No, and we do not plan to obtain third-party verification/assurance of other environmental information in our CDP response within the next two years

(13.1.2) Primary reason why other environmental information included in your CDP response is not verified and/or assured by a third party

Select from:

☒ Not an immediate strategic priority

(13.1.3) Explain why other environmental information included in your CDP response is not verified and/or assured by a third party

In 2021, Falcon invested in a dedicated sustainability Data Analyst. Over the past three years, this resource has developed expertise in carbon accounting through extensive research and training. Falcon has also partnered with Climatiq, a reputable third-party service that provides vetted emission factors and automated calculations (<https://www.climatiq.io/>). As a result, Falcon feels that the data being provided in our CDP response is well-researched, accurate and robust. While we will continue to explore the value of third-party verification, it is not deemed an immediate strategic priority at this time.

[Fixed row]

(13.2) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

	Additional information	Attachment (optional)
	<i>Falcon has no further information to provide for our 2023 disclosure.</i>	<i>No further information provided.pdf</i>

[Fixed row]

(13.3) Provide the following information for the person that has signed off (approved) your CDP response.

(13.3.1) Job title

Chief Financial Officer

(13.3.2) Corresponding job category

Select from:

☒ Chief Financial Officer (CFO)

[Fixed row]

(13.4) Please indicate your consent for CDP to share contact details with the Pacific Institute to support content for its Water Action Hub website.

Select from:

☒ No

