


KAHLÚA COFFEE FOR GOOD TOOLKIT '22





KAHLÚA **WAS BORN IN 1936,** **IN VERACRUZ, MEXICO.**

In its lush hills, the finest coffee is grown by generations of farmers who share our passion for quality. They are the key to our future.

So, six years ago, we embarked on an ambitious 10-year project.

COFFEE FOR GOOD

It would involve four remote coffee-growing villages in Veracruz, where the Kahlúa story began.

THE GOAL

By 2022, these small communities would be able to grow enough coffee to provide 100% of the coffee used in Kahlúa.

This year, we're proud to say we achieved that goal with our biggest community harvest yet.

Not only that: we also made the commitment to improve living conditions in the villages and support farmers to build financially resilient businesses. But the story doesn't end there.

In fact, it's just the beginning.

In this toolkit, you'll see how the organisations behind Coffee for Good are helping farmers to grow their businesses while protecting the biodiversity of their land.

By sharing what we've learned, we hope that the project will inspire other companies to take their sustainability development plans to the next level.

Because if this long-term approach can work for coffee, it can also work for other forms of production – creating reliable sources and strengthening local economies.

HOW COFFEE FOR GOOD BEGAN

Kahlúa is associated with good times. But for those good times to continue, we recognised that the way we consume, do business – and ultimately live – has to change.

As one of the most tradable commodities in the world, coffee is an extremely profitable industry (for some).

Yet, with the booming global coffee trend and increased demand worldwide, businesses have a duty to protect the people and the fragile ecosystems that they rely upon.

Kahlúa has always bought coffee from Veracruz and in more recent years, 100% Arabica through our Mexican suppliers, Cafiver. But although we knew our suppliers, we realised that we knew almost nothing about the coffee growers themselves.

So, as one of the world's most recognisable coffee liqueur brands, we knew we had to act. We embarked on a long journey which involved going back to the beginning – to the birthplace of Kahlúa.



A PROJECT THAT GOES BEYOND THE BRAND

We partnered with the local NGO Fondo Para La Paz, and started Coffee For Good with one community – Ocotempa.

Six years in, the project is now working with a total of four remote villages in the mountains of Veracruz (Ocotempa, Atempa, Oxtotitla, Coxititla) and approximately 473 individual farmers.

And this year, we're celebrating their biggest harvest yet.

Now, farmers will be able to sell enough coffee to cover all Kahlúa production, and more. Because the Coffee for Good project goes far beyond Kahlúa itself.

As the aim is to help communities sustain themselves, we don't buy all of the coffee the farmers grow – ensuring that with or without Kahlúa, they can continue to make a good living.

The results are encouraging. The project is educating more farmers on increasing yields through the use of improved farming techniques, replacing old coffee plants with more climate change-resistant varieties and as a result, increasing the farmers' income. Younger generations are also deciding to stay in the area to take over their parents' farms – and other families are moving to villages to reap the rewards of coffee farming.

WHAT WE'VE ACHIEVED SO FAR

COFFEE FOR GOOD



213K

NEW COFFEE
TREES PLANTED



214

DRY
TOILETS
BUILT



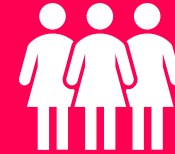
161

WATER
TANKS
BUILT



704

FARMERS
TRAINED IN
SUSTAINABLE
FARMING
TECHNIQUES



70

WOMEN IN
LEADERSHIP



35

YOUNG PEOPLE
TRAINED IN
SUSTAINABLE
FARMING
TECHNIQUES

THE 3 PILLARS OF COFFEE FOR GOOD

Kahlúa collaborated with local NGO Fondo Para La Paz, in conjunction with local agroecological experts INIFAP (Mexican Ecological Institute) and coffee farming experts CAFECOL(Cafecol.mx) to fund their sustainable development plan. Their approach is based on three factors: environmental, social and economic. One factor informs the other: Farmers need help to make the most of their land, so that they can make enough money, but without social cohesion within the community, even the most successful businesses would falter. Here's how each pillar worked:



01
ENVIRONMENTAL



02
SOCIAL



03
ECONOMIC

ENVIRONMENTAL

WHAT COFFEE FOR GOOD DID:

Delivered education and practical support to improve biodiversity and create higher yields. Farmers were shown how to:

- Plant trees to get the correct amount of shade, which improves the quality of the coffee and reduces the need for fertilisers and pesticides. This planting technique also fights soil erosion and increases biodiversity.
- Use crops with higher yields that were more resistant to disease.
- Choose fertilisers with organic material from their farms to nourish the soil and provide key nutrients.
- Use trees and plants that wouldn't alter the biodiversity of the region and protect birds and animal life.
- Replace old, infertile trees.
- Develop nurseries for future growth.



KPI 2022

90%

90% of farms in sponsored communities trained in and using more environmentally friendly methods of farming

KPI 2021

90%

90% already achieved

KPI 2016

0%



WHAT WE LEARNED: WORK WITH THE EXPERTS

- Fondo Para La Paz, who have been working to protect the wellbeing of rural indigenous communities in Mexico since 1994, approached local agroecological experts INIFAP and CAFECOL to deliver training on sustainable farming techniques to hundreds of farmers.
- Their connections and skills were invaluable, and increased our understanding of the specific needs of rural communities in Veracruz.

BALTAZAR JIMÉNEZ

OXTOTITLA, TEQUILA, MEXICO

SOCIAL

WHAT COFFEE FOR GOOD DID:

Social cohesion, tackling gender inequality and improving education within the coffee-growing communities were identified as key areas for development by Fondo Para la Paz. To achieve this, the project:

- Built dry toilets and rainwater tanks close to houses, which removed the need to walk to the nearest water source
- Worked closely with farmers and their families to define shared goals
- Invited communities to learn more about different tools for problem solving and collaboration, so they could move forward together
- Delivered leadership and business training courses
- Educated farmers and their families about financial management
- Provided workshops on the prevention of child labour



KPI 2022

100%

100% of families
now have easy access to clean water

KPI 2021

93%

KPI 2016

0%

Dry toilets: 214



CECILIA ZEPAHUA

OXTOTITLA, TEQUILA, MEXICO



WHAT WE LEARNED: SOCIAL CHANGE BEGINS WITH THE BASICS

Women in some communities were making journeys of up to one and half hours to get fresh water, carrying heavy containers. But when sanitation was improved and education was made available, women were then free to play a role in farming and learn about sustainable processes.

They quickly began to take on key roles in planning and managing finances, with 70 women now in leadership roles. Children are also receiving environmental and sustainability training, with the aim of passing on knowledge to the next generation of farmers.

ECONOMIC

WHAT COFFEE FOR GOOD DID:

Kahlúa pledged to only buy their coffee from communities in Veracruz, but we knew that they shouldn't be dependent on one source of income. So Fondo Para La Paz helped farmers to both improve coffee yields and diversify crops by:

- Teaching them how to process coffee cherries into fermented and dried parchment beans, which bring a higher price in the market
- Encouraging farmers to explore alternative sources of income such as vanilla and honey production
- Supplying sieves made of wood and wire mesh for drying coffee in a safe and hygienic way
- Building coffee drying houses made of polythene, so that instead of unprocessed coffee cherries, farmers can sell parchment coffee, which fetches a higher price.
- Helping with new crops like bananas and corn which can be used for families or sold at local markets to generate extra short-term income

KPI 2022

100%

100% of families
now above the poverty line

KPI 2021

Census data incomplete and
unreliable

KPI 2016

0%

0% of families above
the poverty line

WHAT WE LEARNED: ADAPT AND ADJUST



Climate change is already a major issue for coffee growers in Veracruz, who personally experience the effects of changing weather patterns, with more frequent flash storms washing soils and crops away.

Then, in 2020, the pandemic hit, isolating rural communities and making access difficult.

In the short term, we provided an additional donation to help Fondo Para La Paz to procure sanitiser, PPE and other emergency medical supplies. To help farmers in the long term, Fondo Para La Paz also educated farmers on the importance of planting more weather-resilient and disease-resistant varieties.

These challenges highlighted the need for farmers to have multiple sources of income for the future so that their businesses can weather economic or environmental adversity.



VENANCIO ZEPAHUA

OXTOTITLA, TEQUILA, MEXICO

WHAT'S NEXT?

The Coffee for Good programme has achieved incredible success over the past six years, and in the next phase of the project, we want to replicate that. The plan is to:

- Continue promoting sustainable development in Coxititla, Oxtotitla, Ocotempa and Atempa.
- Apply a 'participatory planning process' within communities to allow people to freely choose their collective goals.
- Achieve communities with cohesion, self-management and vision of development.
- Create a better, fairer and more sustainable livelihood for the local farming communities within the Coffee For Good programme.



VERÓNICA ZEPAHUA IXMATLAHUA

OXTOTITLA, TEQUILA, MEXICO

Soon we will add two villages to our Coffee for Good community – **Popocatepec and **Mitepec**. By using the same methods used so far, we hope that even more farmers can increase their economic independence.**

But there's so much more to the project than practical support.

The farming families we have come to know and admire, including the next generation of growers, are changing. They are learning new skills, building resilience against climate change and financial hardship, and passing on that knowledge to others. Coffee For Good's communities in Veracruz are now optimistic about what lies ahead. They can see a long future for their farms, and Coffee For Good is providing them with tools and the skills to ensure they continue to grow.

So, while Kahlúa now has more sustainable sources for coffee than ever before – their businesses are benefitting from the programme, too.

AND THAT'S GOT TO BE GOOD.



**A SPECIAL
THANK YOU
TO ALL OUR
PARTNERS**



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KAHLÚA