

SFC SUSTAINABILITY REPORT Vol.3

PREPARED BY
THE SAVANNAH FRUITS COMPANY

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A YEAR IN REVIEW

It's the end of the calendar year which also coincides with the end of the fourth quarter. We're taking some time to share how we've wrapped up this year and quarter. It's been a year of growth and new experiences for The Savannah Fruits Company. We've brought on two new staff to the team. Ruth Kwashie joined SFC as the Supply Chain Manager this past summer. She has been supervising logistics in Africa (Ghana and Francophone) and internationally as well as all supply chain related matters including processing in Holland and warehouse management. Mina Kamasa was promoted to Deputy Supply Chain Manager. Together Ruth and Mina will help us structure our operations smoothly for the future. Sofia Durrani also joined SFC this summer in the new role of Head of Sustainability & CSR. She'll be managing client CSR projects, internal CSR initiatives and strategy and implementation around environmental and sustainability projects.



The year began with the Commissioning of the Murugu Processing Center located near the boundary of Mole National Park in the Savannah region. This processing center was a collective effort to build a brand new organic shea butter processing center with new and improved design equipment. The handing over ceremony was held at the Murugu Community in the West Gonja Municipality in February 2021. SFC partnered with organizations such as A Rocha Ghana and Noé Ghana, both focused on the sustainable management of environmental resources. This project was funded by multiple supporters: the French Development Agency (AFD), the Global Shea Alliance (GSA), USAID, Dutch Ministry of Foreign Affairs, African Tiger Holdings Limited (ATHL), Noe, Agro Eco and the Netherlands Committee of the International Union for Conservation of Nature. Direct Private Sector Support for the development of this shea butter processing center came from The Savannah Fruits Company (SFC), Evolution of Smooth (EOS), and PhytoDess. A Rocha Ghana and Noé Ghana, both focused on the sustainable management of environmental resources.

The French and Dutch ambassadors to Ghana were present at the handing over ceremony as well as representatives from Noé Ghana, Global Shea Alliance. Raphael Gonzalez, Managing Director of SFC spoke at this event. You can capture some of his comments on this video on our YouTube channel.

In March SFC Certification and Production staff attended the launch of the 'Invest for Jobs' initiative. This two year initiative is funded by the German Federal Ministry for Economic Cooperation and Development (BMZ). It is implemented by GIZ & GSA, promoting investments in the shea value chain in Ghana. The project is valued at €1.15 million Euros. The objective is to improve the capacity of women shea collectors in Ghana and boost the profitability of the sector. The Savannah Fruits Company had representatives from across their shea nut suppliers network in Northern Ghana attend the launch and trainings at this event. The Savannah Fruits Company donated 3 warehouses with an attached drying platform, locally fabricated steam boilers, improved cooking stoves, dryers, as well as tricycles to women collectors and processors in Gushegu, Navrongo, Damongo, and Wechiau. This equipment, along with trainings conducted on health and safety and parkland management, will enhance the processing capacity and productivity of over 6,000 women, while minimizing waste and conserving natural resources during the handcrafted shea butter process.





Through the early stages of the BSR (Business for Social Responsibility) HERproject The Savannah Fruits Company was visited by COLANDEF, a research consultancy firm in April 2021. They conducted a Scoping Study to understand the specific needs of members of the women shea cooperatives SFC works with. COLANDEF explored topics such as health, financial inclusion, and gender equality. They also examined the complexities of the operations of the shea cooperatives and the supply chain dynamics of the shea sector. Then the HERProject team narrowed down the specifics of the project and what type of intervention would be the best fit for the shea supply chain involving The Savannah Fruits Company.

In May registration for a BeeKeeping initiative SFC is involved in began. 200 women were registered to receive training on how to manage beehives later on in the year. On a separate occasion, journalists from French TV station, TF1, interviewed SFC shea butter processors and collectors. The BSR team wants it to be clear that the BeeKeeping training is not a part of their project so if this sentence

In June a 3-person team from Burn Design Lab visited shea butter cooperatives to test a new shea nut roaster design they have been working on. This research and design organization of engineers spoke with shea butter cooperatives and listened to their feedback on the design and efficiency of their roaster design. They returned in November for a second visit to gain more insights. Their roasters have already proven to reduce smoke emissions during the roasting process using shea cake as biofuel. Shea cake is a renewable energy source produced during the traditional handcrafted shea butter process. SFC looks forward to working with BDL as they improve upon their human centered design.

SFC held an all staff meeting in July, where all of our field staff in Ghana and Burkina Faso gathered for company updates and collaboration. July also marked the beginning of the 2021-2022 shea butter campaign. August brought rain as expected, since Northern Ghana experiences seasonal rains throughout the summer months. SFC conducted a shea seedling exercise in a rural community in Navrongo. Over 175 shea seedlings were planted with the help of the Ghana Forestry Commission's rangers. Over 100 women were trained on how to plant and best maintenance practices of the shea seedlings they planted across 5 acres of donated land.

The second Handmade Futures Summit and Trade Expo hosted by The Trade+Impact Association in partnership with Williams-Sonoma, Inc. invited Savannah Fruits Company to speak during their "Scaling a Brand" panel. Raphael Gonzalez and Sofia Durrani spoke on SFC's growth and the road ahead within the shea industry as a leader in more innovative and efficient operations while maintaining the integrity of the handcrafted tradition.

In October SFC took part in the Kick-off meeting for the HERProject, which is in full swing. This client initiative through BSR and Hallstar will focus on training shea butter processors and collectors on financial inclusion. Over 600 women will be impacted over the next ten months by learning about proper financial management. October was a busy month with SFC receiving the final grant agreement from USAID and the West Africa Trade and Investment Hub (WATIH). WATIH is a five-year \$140 million trade and investment activity which seeks to catalyze sustainable economic growth and improve food security in the region by increasing competitiveness through building strategic partnerships with the private sector partners such as SFC using a market-based approach. This grant agreement is called Shea Gets Greener and will be impacting 21,000 women across West Africa, specifically Ghana, Cote D'Ivoire and Mali over the next two and a half years. Investments such as improved equipment and processing facilities will be made in shea butter processing cooperatives that SFC engages with. Training will also be performed to ensure clear understandings of organic and conventional shea butter processes and certification standards. Health and hygiene trainings will also be conducted as part of this grant agreement.

November continued more on boarding for the Shea Gets Greener project with trainings conducted by the Trade Hub's MEL (Monitoring, Evaluation and Learning) team.

SFC staff learned in depth about the guidelines and expectations of the agreement. An agreement was signed with French ngo, Nitidae, to work on the Shea Gets Greener project as the partner in Francophone countries, Cote D'Ivoire and Mali. An internal audit was conducted by the SFC Certification department in preparation for the upcoming audits for ISO 90001 2015 quality management system standards. This audit was completed by Control Union in December and went smoothly. Organic certification audits will be conducted in January 2022.

The Savannah Fruits Company is looking forward to the upcoming 2022 year. The Ghana team is expected to grow as sustainability and production projects expand in Ghana and into Cote D'Ivoire and Mali. Our operations in North America are also expected to flourish with market demands. We look forward to measuring our carbon footprint and collect definitive data on SFC's impact on the local environment.



PROJECTS	COMMUNITY	#OF PEOPLE IMPACTED	DELIVERABLES	STATUS	BUDGET
Shea Butter Processing Center- Sorugu Phase 2	Kumbungu	512 impacted indirectly	Processing Facilities Expansion & Improved Equipment Installation	Complete	\$39,830 USD
Maison Karite Facilities Improvement Project	Janshegu	72 women directly 360 people impacted indirectly	Constructed Milling Room & Milling Machine	Complete	2000 Euro = \$2,248 USD
HERProject	Janshegu & MOLE CREMA	600+ women impacted directly	Financial Management Training	Monthly Trainings have begun - In Progress	Undisclosed
SheaGets Greener	Ghana, Cote D'Ivoire & Mali	Target for women reached is 21,000 women across 3 countries	Capacity Building Trainings, Improved Processing Equipment and Facilities and Increase in Shea Butter Production	In Progress until April 2024	\$1,473,370 USD

DEPARTMENT UPDATES



SUPPLY CHAIN/LOGISTICS:

- 1 Signing agreement with new warehouse, ELM, in Ronkonkoma, NY in October 2021
- 2 Securing services of a new transporter in October 2021 despite truck unavailability to deliver 6x40 HC to new warehouse
- 3 Less instances with Ecocert in COI processing.

CERTIFICATION:

The ISO 9001 2015 audit was conducted by Control Union in December. This begins the audit season for SFC, with the organic and Fair for Life audit occurring in January 2022. 15,136 women were trained on best practices in preparation for the shea harvest in the summer months. Refresher trainings were conducted throughout the year.

PRODUCTION:

The Production Team has been busy managing field officers purchasing organic shea nuts from our designated collection areas. The robust production of organic and conventional shea butter is ongoing. Containers are being loaded with both organic and conventional shea butter. Other highlights from this year for the production team include:

- Construction of an improved waste pit and improved stoves was completed at our Wechiau organic shea butter processing center. Construction has begun of improved stoves at the Yumzaa organic shea butter processing center this December and is expected to be complete by the end of the year.
- SFC was visited by a team of experts from L'Occitane's France and Burkina Faso team in November.



FINANCE/HR:

The Tamale office was renovated with warehouse space converted to office space for staff. The Tamale office is ready to host more visitors in 2022!

Training for the drivers was conducted in October 2021. We've also grown our Northern Ghana driving team to 5 drivers now.

SALES/COMMERCIAL:

We will now be supplying Unilever with organic Fair for Life virgin coconut oil, refined, unrefined shea butter with coconut oil orders rising at an exponential rate. SFC has an increased market for black soap tablets/bars, shea soap chunks and especially for baobab oil which at the beginning of the year was low.

► HERPROJECT

The Kick Off Meeting with BSR (Business for Social Responsibility) occurred in October with partners tuning in virtually from across the globe. BSR's HERproject is a collaborative initiative that strives to empower women working in global supply chain. This meeting introduced representatives from the Janshegu shea butter cooperative, SFC staff and the project sponsors to implementing NGO, PureTrust Foundation LBG (a local ngo). This 2-year pilot project partnering with BSR (Business for Social Responsibility) focuses on improving global supply chains through workplace-based interventions specifically on financial inclusion training for women. BSR is partnering with SFC to reach over 600 shea butter processors and shea nut collectors. The first financial inclusion training was conducted in November by PureTrust Foundation LBG and will continue into next year.

► SHEA PROCESSING CENTER UPGRADES/BEEKEEPING PROJECT

Construction on this expansion of the Sorugu shea butter processing center is nearly complete. Two new drying platforms, a kneading shed, a roasting shed and improved waste pit have been built. New equipment from Burkina Faso was also installed including: manual roasters, a milling machine and crusher and 6 improved boiling stoves with chimney design to decrease smoke exposure. A brand new waste pit for shea butter by-product to be created and used as an alternative to firewood has also been built. Two more boiling stoves will be installed in 2022 for a total of eight. SFC has requested the equipment supplier to conduct a hands on visit to properly train the women on machine use and maintenance in early 2022.



► MAISON KARITE HELPS JANSHEGU WOMEN GET STARTED

The facilities and equipment project sponsored by Maison Karite has been completed. Maison Karite supported a group of 72 Ghanaian women to take the first steps towards mechanizing their shea butter operations. The women of Janshegu have been producing shea butter for SFC for over 5 years. They come together to produce handcrafted shea butter and would now like to enhance their production capacity. With Maison Karite's support these women now have a working milling machine with accompanied engine installed inside a newly constructed milling room. Below are photos of the handing over of this equipment to the Janshegu women. This is a considerable step towards this group of women working in their own shea butter processing center in the future. Maison Karite has been a fabulous supporter of these women's group throughout their relationship with SFC.

