



NAHUA

SUSTAINABILITY
REPORT
COSTA RICA

2016

NAHUA PILLARS



QUALITY

SUPERIOR, HIGH-QUALITY
FINE FLAVORED CACAO

Nahua is Costa Rica's leading fine flavor cacao producer with a social mission, supplying leading chocolatiers and cacao buyers around the world.



ORIGIN

UNIQUE
SINGLE-ORIGIN
OFFERINGS

Working directly with select local farmers, we procure our beans fresh and manage the entire post-harvest process at our controlled fermentation facility.



SOCIAL IMPACT

SUPPORT SMALLHOLDER
FARMERS AND
SUSTAINABILITY

Nahua is committed to improving the lives of smallholders farmers through training, support and community engagement, and focus on the environment by promoting sustainable farming practices, reforestation and the conservation of natural ecosystems.

NAHUA IN COSTA RICA

Nahua sources its cacao from the Upala and Guatuso communities in the Alajuela province, once the most productive lands in the region, they are now two of the poorest cantons in the country.



-  NAHUA CACAO SOURCING REGION
-  SHIPPING SEAPORT
-  INTERNATIONAL AIRPORT
-  NAHUA HEADQUARTERS

	UPALA	GUATUSO
POPULATION	43,953	17,507
SOCIAL PROGRESS INDEX RANKING*	77/81	54/81
% OF YOUNG PEOPLE CATEGORY NEET**	23%	28%

*Rank among all Costa Rica cantons
(www.costaricaproone.go.cr/)

**NEET: young person between ages 15-24
Not in Education, Employment, or Training

OUR VALUE CHAIN

PRIMARY ACTIVITIES

KNOWLEDGE AND SHARING • MONITORING AND EVALUATION • COMMUNITY RELATIONSHIPS

FARMER RECRUITMENT

Identify farming families with premium cacao varieties that demonstrate interest in renovating their cacao forests.



TECHNICAL ASSISTANCE AND IMPROVEMENTS

Analysis of farm productivity, training and capacity building and opportunities for increased productivity.



PURCHASE, FERMENTATION AND DRYING

Source directly from smallholder farmers at or above market prices, closely monitored post-harvest process and quality assurance practices.



WAREHOUSE AND EXPORTS

Storage, inventory management and direct shipments to customers in accordance with international standards.



FARMER DEVELOPMENT

Nahua's Cacao Renovation Program is designed to provide smallholder farming families with the tools and resources they need to renew their underproductive cacao forests, increase cacao productivity and improve livelihoods.

AREA 1

TECHNICAL ASSISTANCE AND TRAINING



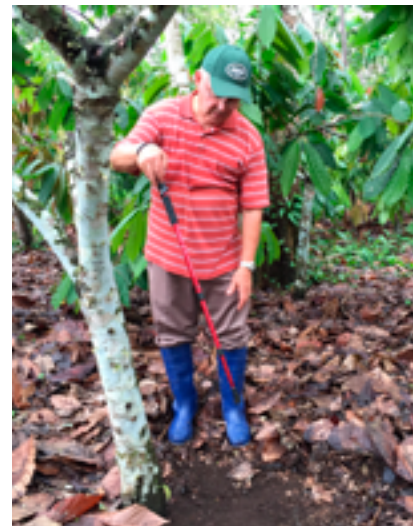
AREA 2

PRUNING, GRAFTING AND NURSERIES



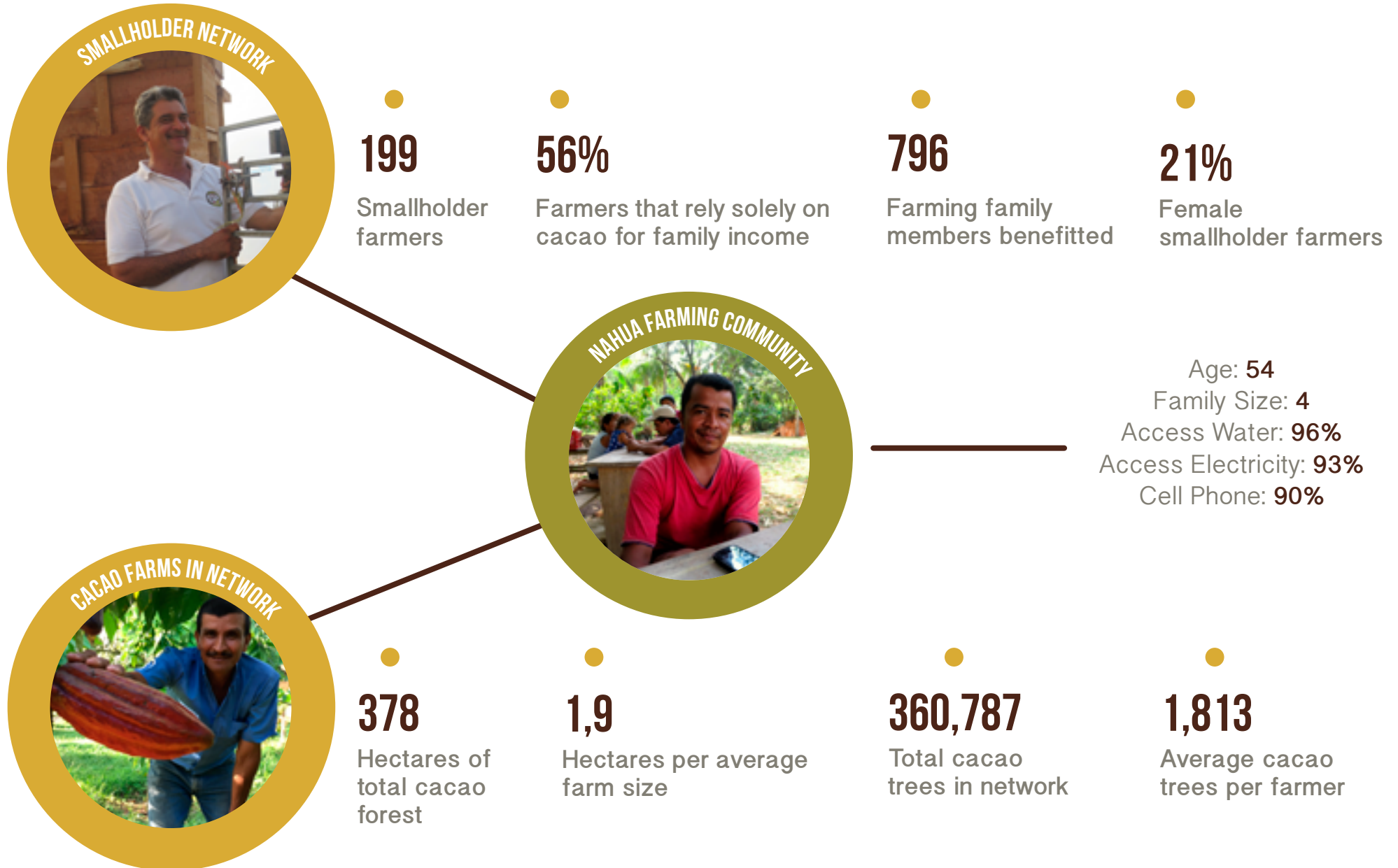
AREA 3

NUTRITION



Many cacao farming families apply outdated farming practices and have overgrown and unproductive cacao forests that they can no longer manage. Nahua's renovation program helps farmers apply sustainable farming practices to recover their cacao forests. Farmers that participate in Nahua's programs can double their yield and more than triple their income in 24 months.

CACAO NETWORK SUMMARY



NAHUA FARMER SPOTLIGHT

Most farming families have access to basic services, however, lack income generating opportunities. Increasing cacao productivity is key to improving livelihoods and motivating a new generation of cacao farmers.



MEET CRISTIAN

“**N**ahua’s Cacao Renovation Program has taught me agroforestry techniques and provided me with tools for pruning. I am working hard to increase the productivity of my cacao forest to support my family”.

Cristian inherited his two hectares of cacao trees from his father and is committed to maintaining the family tradition. Cristian benefits from Nahua’s cacao renovation activities and is increasing the productivity of his cacao forest.



CLOSING THE PRODUCTIVITY GAP

Farmers with poorly managed cacao plantations currently harvest only around 600 kilograms of fresh cacao (200 kg of dry cacao) per hectare every year, earning only an estimated 550 USD annually per hectare of forest. Farmers who fully participate in Nahua’s Cacao Renovation Program have the potential to improve the quality of their cacao varieties and double their production yields within 24 months.

BENEFITS OF NAHUA RENOVATION ACTIVITIES

- Improved disease and pest management.
- Easier pruning and tree maintenance.
- Less rigorous harvest process.
- Appropriate shade control.
- Increased long-term productivity.

IMPACT PERFORMANCE SUMMARY

APPROACH TO IMPACT

Nahua's approach to impact and performance indicators helps assess the company's progress towards goals. Incorporated into all field based activities is a four step approach to impact. The approach monitors select performance indicators drawn from each activity with smallholder farmers and the community.

4 NAHUA'S STEP APPROACH TO IMPACT



NAHUA IMPACT INDICATORS

AREA	NAHUA INDICATOR	SUMMARY AND IRIS ID	2015	2016
SOCIAL	Smallholder farmers within network (individual)	Number of farmers who sold fresh cacao to the company [PI16371]	242	199
	Smallholder farmers within network that are female (individual)	Number of female farmers who sold fresh cacao to the company [PI1728]	46	45
	Total full-time employees (individual)	Number of people employed [OI8869]	5	11
ENVIRON- MENTAL	Area under cacao cultivation and protected from deforestation (hectare)	Total area of land indirectly controlled and under cultivation [PI7403]	460	378
	Sustainably produced raw material purchased directly from smallholder farmers (kilogram)	Volume purchased from smallholder farmer individuals [PI7852]	169.194	138.671
	Volume of raw material produced (kilograms/hectare/year)	Volume produced by smallholder farmer network [PI7852]	368	367
FINANCIAL	Smallholder farmer family members supported with increased family incomes (individual)	Target beneficiary smallholder farmer family members [PD5752]	968	796
	Average payments made to smallholder farmers per hectare (USD/hectare/year)	Average value of payments (USD/ha) made to smallholder farmers who sold to the company [PI7852]	348	343
	Total value of raw material purchased from smallholder farmers (USD)	Payments to smallholder farmer suppliers [PI7852]	159.994	129.774

ETHICAL AND IMPACT STANDARD



WORKING TO REDUCE CHILD LABOR ON COCOA FARMS

Nahua has a zero tolerance for the worst forms of child labor in its supply chain (as defined by the International Labor Organization Conventions 138 and 182). We believe that our hands on approach to community development, training and capacity building will help prevent this industry-wide challenge.

Nahua maintains B Corp certification status, which reflects a commitment to meet rigorous standards of social and environmental performance and accountability transparency.

Nahua indicators are published under the IRIS registry, a catalog of metrics used to measure the company's social, environmental and financial performance.





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