

## **INTERNAL USE ONLY**

Intellectual property from Granos Hermanos

# **Granos Hermanos Impact Strategy Kick-off**

**The following document contains the very first approach of Granos Hermanos Impact Strategy Approach.**

**Index 1 contains the Empathy model created by Granos Hermanos to ensure positive results or try to minimize eros in the interaction and processes.**

We start by creating a scalable model based on practices that can be adopted by both small and large coffee buyers and sellers. We focus on the equitable distribution of resources, capital, and raw materials, as well as on the rehabilitation of the environment. We prioritize impact on coffee producers and on the communities whose labor makes coffee beans available for sale and consumption.

The aim is to identify, monitor, and address gaps between the income received from coffee production by farming households and their basic livelihood needs, as well as gaps between the value paid to producers for raw coffee and the value captured along the rest of the value chain. We focus on coffee sourced from Latin America and on the actors involved throughout its value chain.

The objective is to strengthen farmers' negotiating power in order to bring greater balance and equality to how value and profits are distributed within the coffee industry.

In parallel to this main focus, additional requirements must be met for these practices to be considered successful, or on a clear path toward success:

- Rehabilitation of soil and the environment in plantations or any impacted areas
- No disturbance, or minimal disturbance, of surrounding ecosystems
- Investment in quality-of-life improvements, such as access to clean running water free from harmful chemicals or metals for human and animal consumption
- Housing improvements
- No child labor
- No gender-based violence, discrimination, or inequality

## **INTERNAL USE ONLY**

Intellectual property from Granos Hermanos

### **Granos Hermanos – Impact Strategy Framework (Version 1) DEC2025**

#### **Pillar 1: Fair Value & Economic Equity**

**Objective:** Ensure that value generated by coffee is shared more equitably with those who produce it.

**Principles:**

1. **Living Income Focus** – Monitor and close the gap between producer household income and basic livelihood needs.
2. **Transparent Value Distribution** – Identify and address disparities between farmgate prices and value captured along the value chain.
3. **Negotiation Power for Farmers** – Strengthen farmers' ability to negotiate prices, contracts, and terms.
4. **Scalable Fair Practices** – Develop models that can be adopted by both small and large buyers and sellers.

#### **Pillar 2: Producer & Community Wellbeing**

**Objective:** Improve quality of life for coffee producers and the communities that make coffee production possible.

**Principles:**

1. **Decent Living Conditions** – Support improvements in housing and basic infrastructure.
2. **Access to Clean Water** – Invest in safe, clean, and chemical-free water for human and animal consumption.
3. **Safe & Dignified Labor** – Ensure working conditions free from exploitation, child labor, and abuse.
4. **Gender Equity & Respect** – Promote zero tolerance for gender-based violence and discrimination.

## INTERNAL USE ONLY

Intellectual property from Granos Hermanos

### Pillar 3: Environmental Regeneration & Protection

**Objective:** Restore and protect ecosystems affected by coffee production.

**Principles:**

1. **Soil Rehabilitation** – Promote practices that regenerate soil health in plantations and impacted areas.
2. **Ecosystem Protection** – Avoid or minimize disturbance to surrounding ecosystems and biodiversity.
3. **Responsible Input Use** – Reduce or eliminate harmful chemicals and contaminants.
4. **Long-Term Environmental Stewardship** – Align production practices with long-term ecological resilience.

### Pillar 4: Regional Focus & Scalable Impact

**Objective:** Build a model rooted in Latin America that can scale without losing integrity.

**Principles:**

1. **Latin America Commitment** – Focus on coffee origins and value-chain actors in Latin America.
2. **Context-Driven Solutions** – Adapt practices to local social, economic, and environmental realities.
3. **Replication Over Dependency** – Enable adoption by other buyers and sellers, not dependency on Granos Hermanos.
4. **Continuous Monitoring & Improvement** – Treat impact as a process, not a checkbox.

### Pillar 5: Local Market Development & Responsible Consumption

**Objective:** Strengthen domestic coffee markets in producing countries by fostering responsible consumption beyond capital cities and main urban centers.

**Principles:**

1. **Quality Elevation in Domestic Markets**  
Promote access to higher-quality coffee products within producing countries, encouraging a shift away from low-quality industrial alternatives traditionally consumed in

## **INTERNAL USE ONLY**

Intellectual property from Granos Hermanos

local markets.

### **2. Inclusive Demand Growth**

Stimulate internal demand for quality coffee outside capital cities and major urban centers, supporting more balanced and inclusive market development.

### **3. Local Value Retention**

Enable more value to remain within producing countries by supporting local roasting, retail, and direct-to-consumer models that generate sustainable profit margins for local businesses.

### **4. Long-Term Economic Resilience**

Foster the growth of a self-sustaining domestic coffee economy that strengthens local supply chains, improves price stability, and incentivizes industry actors to prioritize local markets alongside export channels.

**GRANOS  
HERMANOS**

## **INTERNAL USE ONLY**

Intellectual property from Granos Hermanos

### **Anexo 1:**

The following set of questions are made as a guide for Granos Hermanos to understand better the impact cases linked to their sourcing activities. This questionnaire initially involved the people involved in the production process in the coffee fields which we work with.

The main objective of this exercise is to find the best approach together with the community to work together. The idea is to be aligned in the purpose, objectives and practical steps to follow. The path to take must not transgress any environmental or humanitarian law or violate any agreements made between rightholders.

#### **Empathy Model Version 1:**

**Based on the following premise: CAIA (Connect, assess, identify, and act)**

#### **Section A: Empatize:**

**1. Autoevolution:**

Three opening questions.

1.1 Do I know the reality we are in?

1.2 Do I recognize the shared values among the community and we?

1.3 Do I share the same purpose and goals as the community?

#### **Waiting Period / Reflexion: Spend Time with the farmers**

**2. Second autoevaluation:**

Base question to give a reason for us to be there.

## **INTERNAL USE ONLY**

Intellectual property from Granos Hermanos

- 2.1. How can I help to achieve the community goals?
- 2.2 Are we the right people to do it? Am I capable?
- 2.3 Which are my intentions here?

## Section B: Connection

### **3. Connection with the community**

Share who we are, where we come from and answer questions from the community/producer/families.

- 3.1 What is your main improvement objective for you and your family?
- 3.2 What is not letting you achieve this goal?
- 3.3 Is this goal shared with the community?
- 3.4 Can I contribute with you to achieve your goals? *(Evaluation if this will deviate the original purpose to help with the sourcing activity performed, can be collateral or it is too far from what we aim to achieve as well)*

### **4. Assessment: Objectives and Alignment**

4.1 Do you have options or paths to solve your problems/ blockages to achieve your goals?

If YES, follow up question:

4.1.1 Which are your options, ways or practices you are implementing at the moment to achieve your main objectives? Are they working? Which is the most used way?

If NO, follow up question:

4.2 Ask again; Which is your main goal and what are your expectations when achieving them?

## **INTERNAL USE ONLY**

Intellectual property from Granos Hermanos

4.3 Is this a priority for you?

4.4 Is this priority for the community?

### **Autoevaluation questions:**

4.5 Can I contribute to this? YES/NO

If NO, follow up questions:

4.6 What is it and can I explain it to others? Can I address this to any authority that will help to improve the situation?

If NO, make a backlog and evaluate if something can be done by Granos Hermanos to improve the situation. Priorities come first.

## Section C: Identify

### **5. Analyzing the problem, identifying root causes and possible routes to solution.**

5.1 Who is affected, and in what ways?

5.2 What is preventing this situation from improving today?

5.3 Where along the value chain does the problem originate or intensify?

5.4 Who benefits from the current situation, and who does not?

5.5 What would need to change for this problem to no longer exist?

### **Solution driven questions:** When solution proposals are outlined

5.6 What changes are within our direct control, and what requires collaboration with others?

5.7 Which solution creates the greatest positive impact with the least unintended harm?

5.8 How can this solution strengthen long term resilience for producers and Communities?

## **INTERNAL USE ONLY**

Intellectual property from Granos Hermanos

### Section D: Act

#### **6. Practical starting steps to follow, need to adapt to each case.**

6.1 Confirm the identified problem directly with affected producers, workers, and community members to ensure it reflects their lived reality and priorities.

6.2 Define Scope and Root Causes Together

6.3 Assess Risks and Potential Impacts

6.4 Co Design Practical Solutions (IMPORTANT)

6.5 Assign Roles, Responsibilities, and Resources

6.6 Implement, Monitor, and Adjust

6.7 Review, Learn, and Share Outcomes

**GRANOS  
HERMANOS**