

Sustainability Progress Report 2020



CONTENT

Preface	3
Sustainability at yourharvest	4
Sustainability goals and goal achievement 2017–2020	5
Core area employees	6
Core area sustainable procurement	8
Core area sustainable product range	11
Core area marketing	12
Core area climate protection	15
Excerpt COVID-19	17
Highlights and challenges	20
Outlook 2021	21

PREFACE



In 2020, the world was upside down because of COVID-19, and so were we. We were made aware that products with real added value and sustainable business relationships can be of existential advantage in times of crisis. Sustainability has become more important because of COVID-19. The virus showed us that CO₂ emissions can be reduced. It also showed us that it is important to live considerately with the environment and that it matters less how profits can be maximised. Sustainability cannot be set at the flip of a switch. This makes it even more central that we are now intensifying our efforts under the name yourharvest AG (formerly Varistor AG, Food Division).

This progress report helps us to set priorities, identify opportunities and set ourselves new goals. Sustainability as core of the new strategy period, until one day we no longer must talk about it.

This report gives you the opportunity to measure us by our actions. Are we living our sustainability? Do you have any further suggestions? I wish you an inspiring reading.

Best regards

Philip Albrecht

Chairman of the Executive Board

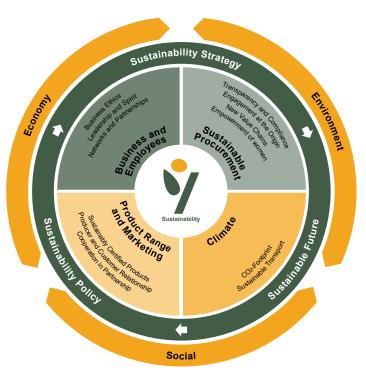
SUSTAINABILITY AT YOURHARVEST

After we started building organic projects in the 1990s, sustainability has been part of our daily business for many years. For more than 10 years, we have also focused on the development of Fairtrade supply chains.

Our understanding of sustainability includes long-term, close partnerships at eye level and cooperation based on respect and fairness. Sustainability is a continuous development process that can only be successful together with various actors within a supply chain. At the beginning of 2021, we entered a new sustainability strategy period with the aim of anchoring sustainability even more deeply in the company. The most important instrument of this strategy are the sustainability goals 2021 – 24. During the strategy revision, four core areas for yourharvest emerged from the materiality analysis:

- 1. Business and employees
- 2. Sustainable procurement
- 3. Product range and marketing
- 4. Climate

From these core areas, focus topics and goals were derived.



More about the Sustainability Goals 2021 – 24 can be found here **yourharvest.ch/sustainability**

SUSTAINABILITY GOALS AND GOAL ACHIEVEMENT 2017–2020

This report concludes the last strategy period. We focused on five core areas for the goal period 2017 – 2020. Key topics and objectives were derived from each core area. The goals were ambitious and very broad in terms of subject scope. During the implementation of the goals, we quickly realized that we were not able to achieve them as planned. We lacked important basics to work efficiently and result-oriented. For us, this meant that we had to take a step back and first establish a stable basis, which is the foundation for achieving the sustainability goals. In the last two to three years, the following basis was created:

- The sustainability strategy was aligned with the corporate strategy.
- A monitoring and controlling system for sustainability targets was developed.
- Sustainability was integrated into other business areas such as customer visits, supplier visits and assessments.
- In addition, further important documents such as a "Sustainable Procurement Guideline", "Labour and Human Rights Guideline" and a "Supplier Code of Conduct" will be developed in 2021.

A good foundation has thus been laid and we will be able to hit the ground running in the new strategy period 2021 – 24. For the reasons mentioned above, this report will not go into detail on individual targets. Instead, it will report what we have achieved at the level of the five core areas of the 2017 – 2020 sustainability strategy.

Sustainability is more than a certification – it is our business model.

CORE AREA EMPLOYEES

The satisfaction of our employees is central to us. This naturally also includes work-life integration and professional development.

An annual internal employee survey is conducted to establish how satisfied our employees are and where they would like to see changes. Various measures were derived from the results of this survey: flexible working hours, simplified access to unpaid holidays or more modern and accessible ICT infrastructure. While for some an attractive workplace emerged as central, for others location-independent working was a priority. The desire for more modern and accessible ICT was promptly met with individually tailored "mobile office" solutions. The need for a more attractive place to work was also addressed. At the beginning of 2021, the company moved to Baden into a modern office building in an urban environment. Furthermore, in consultation with the supervisor, individual solutions are available for all employees with regard to workload, work organisation and further training opportunities.

Over 40% of the employees work parttime. 13 employees (around 1/3) have completed further training in the last three years. As a company, we place great value on qualified, committed and motivated employees. In return, we offer our employees a lot of autonomy and a high degree of personal responsibility in shaping their job profile. For us, it is natural to invest in the future and thus in young people. In the last three years, three apprentices have successfully completed their training at our company. Currently, three apprentices are completing their business administration apprenticeship with us. As a sustainable company, we attach great importance to the fact that employees themselves understand and live sustainability. To promote this understanding, regular training sessions on sustainability topics and employee events focusing on sustainability have been held since 2019. Due to the ongoing home office obligation because of the COVID-19 pandemic, this area could not be continued as desired.

	2018	2019	2020	
Rate of injuries (Ø cases per person)	0	0	0	
Sick days (Ø cases per person)	5.5	3.5	2.5	
Staff turnover	3	2	3	
Part-time employees' men	1	1	2	
Part-time employees' women	15	15	14	
Women over 50	4	4	5	
Men over 50	6	6	6	
Women on the Executive Board	0	0	0	
Women on the Board of Directors	0	0	0	
Further education programmes of which internal	10 3	19 5	8 2	
Number of employees	38	38	37	

Martina Bereiter, in charge of Business Development



Martina, what do you do at yourharvest?

I am responsible for the area of business development. That means optimising the value proposition of an economic organisation. So, I think intensively about our future business model. This also includes the way we work with our stakeholders. At the moment, I am deeply involved in the strategic process at yourharvest and committed to implementing the strategic initiatives.

What do you like best about your work?

At yourharvest, I get to dare and try out a lot. I appreciate the great creative freedom and the willingness within the company to allow lateral thinking. It is very rare that companies offer such a versatile part-time job with the utmost flexibility and allow their employees to continue their education at the same time.

What are your challenges?

A day has "only" 24 hours. Often, I cannot fit in everything I want to do or that I would like

to tackle. The art of wearing different hats (figuratively) with style and not just stacked them on top of each other, I do not always master equally well. Sometimes things slip through the cracks, the laundry at home is overflowing, or I must postpone a resolution until next year.

What is your professional vision?

If I can contribute to bringing us closer to our company vision, I will be very happy. And for the younger generation, I hope that in the future fathers and mothers will reduce their workload naturally, if they want to. Working part-time and having an exciting job, taking on responsibility and being able to develop yourself should no longer be contradictory.

What inspires your work?

I want to work towards enhancing our active contribution in building sustainable supply chains. This includes increasing our level of impact. Working towards it, is what motivates me.

"Working part-time and having an exciting job, taking on responsibility and being able to develop yourself should no longer be contradictory."

CORE AREA SUSTAINABLE PROCUREMENT

For us, sustainable procurement is the cornerstone of responsible corporate governance. Partnerships with the producers at the origin are our top priority. We attach great importance to partnerships at eye level and to collaborate on the implementation of projects and the further development of sustainability.

Transparency in the Supply Chain has become increasingly important in recent years. Knowledge about our supply chains is an important basis for us to map risks. This allows us to identify important issues and work on them together with our local partners. This knowledge also helps us to prevent or mitigate risks as much as possible. We are more than a commodity trader. We see ourselves as a bridge builder between the producers at origin and our customers. For us, this means that we offer both sides the best possible support. Together with our producers and suppliers we work on the distribution of their products and support them in their sustainable development. Wherever necessary and desired we assist with know-how or support them with pre-financing solutions and loans.

The level of pre-financing, i.e., paying for goods before they are produced, has been stable in recent years. However, the COVID-19 pandemic and the resulting recession have increased the need for pre-financing: Many (smallholder)farmers have experienced financial constraints due to the economic crisis and are therefore dependent on financial support. As a result, pre-financing increased by CHF 3.3 million (+21.86%) compared to 2019. Soundly financed contracts of purchase fulfil two important tasks at the same time:

Firstly, they protect farmers from speculators. Secondly the goods are taken over by the processor and can thus be stored professionally from the start, which has a major influence on the quality of the goods.

PRE-FINANCING (IN MIO. CHF)

2017	2018	2019	2020	
14.3	15.4	15.1	18.4	

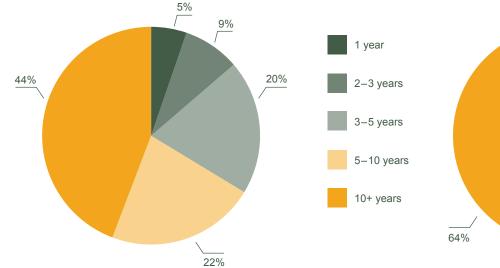
LOANS (IN CHF MILLION, AMOUNT AS AT 31.12.)

2017	2018	2019	2020	
2.4	6.0	5.6	7.5	

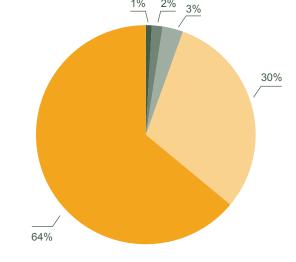
Since the last crisis in the financial sector in 2015 - 2017, many banks have withdrawn from financing commodities and made their investment in areas with higher expected returns. We have been able to consistently close this gap by supporting our producer partners with short- or longer-term loans. The loans are used to finance the harvest and to further develop the production facilities.

Long-term partnerships are essential for a successful business. For this reason, we rely on long-term and stable partnerships. We have been working with almost half of our partners for more than ten years. If we focus on turnover, the importance of our long-term partners becomes even clearer: 94% of our turnover is generated with suppliers with whom we have been working for five or more years.

PARTNERSHIP DURATION OF **FOOD SUPPLIERS (IN %)**



DISTRIBUTION OF TURNOVER (BUY-IN) ACCORDING TO THE DURATION OF THE **PARTNERSHIP(IN %)**





Sandra Glattfelder, Responsible for Quality Management and Safety

"For both quality and sustainability, it is important to know your supply chains. In a first step, we therefore completely mapped our most important suppliers. However, this was very cumbersome and involved several meetings and consultations. At the moment, the supply chains are only mapped on paper. With the new sustainability strategy period, we have therefore set ourselves the goal of mapping all supply chains and using a suitable software solution. The latter will make the work much more efficient."



More about sustainable procurement can be found here yourharvest.ch/en/sustainability/ sustainable-procurement



Food & Flavours and Micha Plüss, Product Manager Frozen Fruits, Purees & Concentrates visit Target Agriculture in Sri Lanka

"Target Agriculture and yourharvest have been working together for a long time and we have built a very good mutual understanding and respect. The communication is great and we always run a very transparent business model. Although each business is profit-driven, both parties together have generated more than monetary profits and thus done a lot for the community."

D.M.D.L. Saranga

Target Agriculture and yourharvest share a partnership of almost 30 years. With its own organic farming in the countries of Sri Lanka, Thailand, Vietnam and Indonesia, Target Agriculture has a huge range of organic fruit and nut products.

Ce'Nedra, Target Agriculture's sister company in Sri Lanka, handles the distribution of organically grown coconut products. Working closely with farming families and cooperatives has always been at the heart of Target's successful development. The wide range of Fairtrade certified products has enabled Target to support social projects for many years. For example, the construction of a kindergarten, IT and English lessons for young people, or training and further education for farmers.

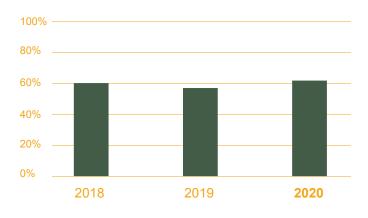
CORE AREA SUSTAINABLE PRODUCT RANGE



Organic and fair-trade products are of particular importance to us and our customers. We started building organic certified supply chains back in the 1990s and almost 20 years later, in 2009, we added fair-trade projects.

Despite the COVID-19 pandemic, we were able to further increase the share of sustainable products by 5% points compared to the previous year. 90% of sustainable products have organic certification (EU Bio or Bio Suisse) and slightly over 41% of the sustainable products are fair-trade certified (Fairtrade, UTZ, Happy Hazelnut Project, Varistor Sustainability Programme).

SHARE OF SUSTAINABLE PRODUCTS (IN %)



For local farmers in Sri Lanka, the Fairtrade Small Producer Organisation "Gampaha Kabanika Govinge Sangamaya" is an important contact point. They receive technical support and have a buy-back guarantee from Target Agriculture (Pvt) Ltd / Ce'Nedra (Pvt) Ltd. With the Fairtrade premium, the farmers focus on expanding agriculture and improve their living situation. In the year under review, the small farmers' organisation again used its income to distribute subsidies to the farmers. The members are very pleased about the globally growing consumer base for organic and Fairtrade products and that they will be able to work even more closely with Target Agriculture / Ce'Nedra in the future.

CORE AREA MARKETING

The satisfaction of our customers is our highest priority. So is reliability in all our activies. The guarantee of product safety from the source to the customer and delivery in the quality desired by the customer – just in time – are the central elements of distribution. We build projects with faces and stories and thus want to sell more than just a product.

We are constantly developing the partnerships with our producers. This also includes gaining new customers. We were therefore very pleased that we were able to win new customers for our partner Bomarts in Germany, Holland, and Italy. A stronger involvement of our customers in procurement projects, promotes sustainability in sales. At the same time, it enables customers to engage more deeply with supply chains, products, and projects.



Bomarts is a Ghanaian producer and exporter of various dried fruits and nuts. Since the beginning of the cooperation in 2012, Bomarts and yourharvest have been pursuing a common goal: the establishment of a supply chain for sustainably and fairly produced dried mangoes. Through intensive engagement, the development of a local company that produces according to the highest production and sustainability standards and creates local jobs, is supported. Bomarts has become one of the most important partners for yourharvest. yourharvest is on site several times a year to work out solutions together with Bomarts and to monitor progress in the field.



With Happy Hazelnut, we give customers the opportunity to get directly and sustainably involved in hazelnut cultivation and to make a concrete contribution towards sustainable procurement. A close relationship and a commitment to a uniquely locally anchored project with the greatest possible transparency is central. We are therefore particularly pleased that our partner bio-familia, obtains its hazelnuts exclusively from the Happy Hazelnut project. The Happy Hazelnut project was launched in 2013. The aim of the project is to contribute to socially and environmentally sustainable hazelnut production in Turkey through concrete and innovative solutions.

Together with our long-term partner Işik, the project has been able to develop further every year. In addition to promoting sustainable hazelnut cultivation, the Happy House offers clean and safe accommodation for the harvest workers and their families. The children of the families are looked after in the Happy House while their parents work in the fields. The project guarantees a 100% transparent supply chain all the way to the farmer, no child labour

and good working and living conditions for the harvesters. To ensure this, the Happy Hazenut Standard was developed.

Işik is our exclusive partner for all Turkish products. These include hazelnuts, apricots, figs, pistachios, cherries, plums and berries.



An important pillar of the project is the Summer School. Here children are looked after during their parents' working hours.

More information can be fund here: happyhazeInut.com

Our customers want proximity and transparency to the origin: where is which product produced by whom under what conditions and is it certified? — Therefore it is it is important to pursue authentic and product-based communication and thus to the faces and stories behind the products.



Simone Frei,Responsible for Communication

"Since 2019, we have been in the process of professionalising and digitising our corporate communications, both internally and externally. During strategic adjustments, we have not only realised a new name, but also a new logo and a new appearance in 2020 with a branding agency. Always with a focus on sustainability and proximity to the origin.

"Since 2019, we have been actively running a LinkedIn channel and post cross-divisional, relevant content in collaboration with the product managers, the sustainability manager and the executive management."



Communication is an important component of sustainability.

CORE AREA CLIMATE PROTECTION



We are aware of our responsibility for global climate protection. Energy efficiency, CO₂ emissions and resource conservation are three fields of action in which we work together with our stakeholders to achieve efficient improvements.

The year 2020 was different in many ways. For example, the yourharvest team had to spend a lot of time in the home office, customers were only visited in emergencies and we only got to see our partners at the origin via computer screens. While electricity consumption has been reduced by about 2000kWh (5.2%), water consumption has almost been cut in by half. The home office obligation has also drastically reduced the CO2 emissions caused by employees' commuting and travelling. Only waste has increased considerably. The reason for this is the move to a new office towards the end of the year. We tried to sell, give away or recycle everything that could no longer be used in the new office. Only what had no other use, was disposed of as waste. But in 11 years we have accumulated guite a bit.

We are aware that in a normal year we cause large amounts of greenhouse gas emissions due to air travels. We cannot prevent this, but we can reduce it. Since 2019, we have required our employees to plan their trips better. For example, they must consider whether producer visits can be combined (because they are in a similar region) or whether tasks can be taken over by colleagues and clarified on site. To compensate for emissions caused by commuting, business trips or heating of office space. Since this year, yourharvest has been working with ClimatePartner (previously with MyClimate) to offset emissions by supporting qualitative climate projects.

CLIMATE FIGURES

	2018	2019	2020	
Electricity consumption (kWh)	38 661	37 058	35 124	
Water consumption (m³)	100	100	52	
Waste (kg)	209	209	1 000	
CO ₂ emissions employees' commute (t CO ₂ eq)	32	29	25.4	
CO ₂ emissions business travel (t CO ₂ eq)	44	44	0	



Mike Berger, Facilitymanager

"With the relocation of our office from Neuenhof to Baden, we are now ideally located to get to the office or to visit customers by public transport. This means that unnecessary emissions can be saved. Also, the office space is smaller, and the building has been renovated, which will also lead to less energy consumption and thus fewer emissions. In addition, we have been using 100% hydroelectric power for many years. I am curious to see if these changes will show up in the emissions figures in 2021."

> Step by step towards a sustainable future.

EXCERPT COVID-19

We would like to give one special challenge a chapter of its own. With the outbreak of the COVID-19 pandemic at the beginning of 2020 many unknown and difficult challenges raised for us and in particular for our suppliers and producers. Here are some impressions of how our partners at the origin and our colleagues experienced the year 2020.







Target Agriculture describes 2020 as a difficult year. They had to convince the local government to allow them to open the factory at all, despite the COVID-19 situation. This involved a lot of administrative effort. Since a curfew was imposed in the country, special permits had to be obtained for the factory workers. In addition, there was a general feeling of insecurity among the employees due to the unknown situation. However, Target has managed to find its way in the new normality despite major obstacles. It was also difficult to obtain and renew various certificates, as auditors were hardly able to carry out audits or had to abandon them in the middle of an audit. Thanks to remote audits and several field audits, the certification could be renewed. It is therefore extremely pleasing that Target was able to receive with Naturland and Rain Forest Alliance two new certifications.

For Bomarts, the unavailability of labour due to mobility restrictions was a problem, both at factory level when processing the fruits and at farm level when harvesting and loading them. Due to the coronavirus, prevention measures such as social distancing had to be introduced in all production farms. This could be implemented well through two-shift operation, among other things. However, distancing in all production areas led to increased production costs due to additional costs for transport and wages.





Pascal Schwarz

"2020 was by far the most turbulent year in my Varistor time. The entire world was really shaken up by the pandemic. High sales and revenue changes with many customers, little continuity and a lot of planning uncertainty characterised our daily work. Due to the COVID-19 restrictions, we had to shift direct contact with our customers, suppliers, and colleagues to the digital world. A change to which we adapted surprisingly quickly and without complications. Despite everything, it has become clear that personal contact with our partners and the products can never be completely replaced by digitalisation."

Lingeswaran Lakinya, Apprentice in business administration



I never thought I would start my apprenticeship in business administration at your-harvest at a time when everyone is sitting on the bus with a mask on, and even more so, I never expected to work from home. It was a big change for me. You start as a freshman in the professional world, and you are literally overwhelmed by big challenges.

My team tried very hard to explain everything to me and thanks to them I understood a lot quickly. They were very patient with me and always showed me everything and answered all my questions. I am very grateful to have such a great team. For me and my professional trainer Franziska, the home office situation was challenging, as there was no

personal exchange. In the meantime, however, we have found a solution for us. The biggest challenge for me personally, however, was self-discipline at home. The situation at school was not any easier. We always had to wear masks, even during sports. When we had distance learning, everything became even more difficult. In this pandemic much becomes more difficult, like sitting alone in your room the whole day and have no contact with other people. These days feel very empty.

Privately, I wish that we can soon be with our loved ones again and enjoy the coming summer.

My start as an apprentice during the Corona Pandemic.

HIGHLIGHTS AND CHALLENGES



Martin Brosi, **Product Manager Nuts**

"It is great to see that the demand for Demeter certified products and thus for a holistic approach, which pursues the wellbeing of the environment, the soil, the animals and the people, is becoming more and more popular. The growing demand for Bio Suisse certified products is also pleasing."

"From time to time, a supplier or producer is suspended from its organic or Fairtrade certification. Thanks to our long-standing partnerships with producers and the good support of our experts in the organic and sustainability sector we are usually able to rectify the deficiencies quickly. Occasionally there are cases where, despite our commitment, experience, and transparent communication, we reach our limits. The main reason is often lack of knowledge of the value chain by suppliers or hidden goals of the producers, which are not compatible with our obligations to our customers and our commitment to sustainability. If it is not possible to find a solution, we are forced to switch to a more trustworthy supplier."



Sarah Zurmühle **Product Manager** Alternative Food & Flavours



Urs Rieger, **Product Manager Retail Foodservice**

"The Fairtrade premium placed on new products that are not yet in the 'Fairtrade international system' is significant with 15%. This approach pushes up prices unnecessarily and can even prevent products from entering the market."

OUTLOOK 2021



With the new Sustainability Strategy 2021 – 24, we are taking a new direction and moving closer to the origin. In the annual Sustainability Progress Report, we will report on the status of achieving the sustainability goals and keep you up to date on other exciting and challenging events. We are constantly learning, which is why we will use the sustainability goals as our most important working tool in the coming strategy period. To this end, the status of the goals will be reviewed and examined every

three months in short meetings with those responsible for the goals. Where necessary, new measures will be derived. In the case of qualitative goals, qualitative measures have been formulated in the background, with the help of which the achievement of goals can also be assessed. In this way, we can ensure that our sustainability performance is approached systematically and pays attention to the areas and goals where we have the most leverage.



Céline Arnold, Head of Sustainability

"In the year under review, the sustainability strategy was revised and new sustainability goals were developed for the core areas. This has set a new course for the next four years and we can look forward to 2021 with excitement. In my new position as Head of Sustainability, I am delighted to be working with committed colleagues to further develop and drive forward yourharvest's commitment to sustainability. I am convinced that with the new strategic orientation of the company and the new sustainability goals, we can make a difference. I am very much looking forward to a close, intensive and flourishing cooperation with our partners and stakeholders."

IMPRINT

This report is available in German and English. The German version is authoritative.

PUBLISHER

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EDITORIAL / COORDINATION

Simone Frei (Responsible for Communication) Céline Arnold (Head of Sustainability)

GRAPHICS

Gianna Burghartz

PHOTOGRAPHY

Christoph Kaminski, KellenbergerKaminski Photographie

Jonas Thijs, unsplash.com (S. 15)

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CONTACT

celine.arnold@yourharvest.ch



yourharvest.ch



