

# The Peanut Pioneers in Sustainability

## Report 2022

Pioneering and stewarding the peanut industry  
in creating value through sustainability



**agrocrops**®  
we sow, you reap



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# Our Approach

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# Welcome

## to the First Peanut-Centric Sustainability Report 2022

Agrocrops India Private Limited (Agrocrops) recognizes the increasing significance and necessity of developing and employing sustainable practices in its business. The company was founded on the principles of social responsibility, credibility, and accountability, and it has continued to cultivate its socially responsible business. Agrocrops has formalized this by developing and publishing its first environmental, social, and governance (ESG) report this year. This report covers the sustainability performance of Agrocrops' Indian operations for the calendar year 2022 in terms of its environmental, social, and governance-related practices.

Unless otherwise specified, all monetary values in this report are presented in INR (Indian Rupee).

We have prepared this report in accordance with the Global Reporting Initiative (GRI) Standards and the applicable sector standards for Agriculture, Aquaculture, and Fishing. We have used the GRI reporting framework because this is our first sustainability report, and we will continue to do so because it is the most commonly used reporting framework worldwide.

### External Assurance

Agrocrops opted not to use external assurance for this report and has instead followed an internal assurance process in which all internal stakeholders involved reviewed and approved department-specific content. In our upcoming reports, we will plan for external assurance engagement. Consistent with our unwavering dedication to ESG principles, we are pleased to announce the formation of our dedicated expert team for sustainability. This team exemplifies our proactive approach to addressing ESG challenges and highlights our determination to make a positive impact. Their expertise and passion drive our sustainability initiatives, ensuring that we continue to meet and exceed the highest standards in responsible business practices.

For any inquiry on this report, please contact [i@agrocrops.com](mailto:i@agrocrops.com)





# Letter from the Group CMD

Peanuts dominate global nut production, constituting a substantial **88%** share and boasting a value of **US\$40 billion**.

Welcome to Agrocrops inaugural Sustainability Report, in which we proudly present our voyage towards a more sustainable and responsible future at the heart of India's thriving peanut industry. As stewards of the land and champions of community well-being, we recognize that our operations can significantly impact on both the environment and the lives of those we impact.

In the fertile fields of India, our commitment to sustainability extends beyond the cultivation of high-quality peanuts to the promotion of a harmonious relationship with nature, the support of local communities, and the promotion of ethical business practices. This report summarizes our efforts to cultivate a resilient and sustainable peanut business, that satisfies the requirements of today and those of future generations.

Peanuts are our thing. Quite simply, we're all about peanuts and passionate about them as a produce, commodity and profession. Peanuts dominate global nut production, accounting for an impressive **88%** share and **\$40 billion** market value. This value is projected to increase to **\$60 billion** by 2050, highlighting the urgency of our sustainability action.

The peanut industry is characterized by its global reach and diversity, with **20 countries** contributing to **85%** of the world's peanut production, of which **36%** originates from LDCs (least developed countries). We do not view this as a crisis, but rather as a significant opportunity.

Our sustainable business model incorporates all value chains of the peanut industry, thereby maximizing productivity and positive impact. Our pursuit of sustainability is persistent. Whether it entails collaborating with numerous smallholder farmers, initiating watershed projects that benefit 1,500 villagers and farmers, or fostering an all-female workforce in our consumer business, we are determined to be the bellwether for the global peanut industry.

According to the proverb, "We sow **one peanut** and you reap **70 peanuts** back". Similarly, each step on our voyage leads to the next. From crop to crop and one milestone to another; our humble beginnings have already begun yielding results, enriching our core values, and firmly establishing sustainability as the foundation of our business model.

Remember that excellence begins with the first step you take. Even the most fundamental measures, such as geotagging our farmers' land, serve as the basis for our modest beginnings to propel us to greater heights.

Join us, as we explore the initiatives, innovations, and partnerships that define our quest toward a more sustainable peanut industry in India. Let's investigate the seeds of change we are cultivating today for a sustainable tomorrow.

Finally, I would like to express the Board's sincere gratitude to the management team and all of our employees. Their extraordinary efforts in creating Agrocrops' competitive advantages significantly influenced the company's successful performance. The continued success of Agrocrops is also due to the continued support of our valued farmers, FPOs, customers, suppliers, shareholders, creditors, business partners and other stakeholders.



**Bhavani Saravanan**  
Group Chief Managing Director



# About Agrocrops

## AGROCROPS HAS OVER 55 YEARS OF EXPERIENCE IN THE GLOBAL PEANUT INDUSTRY.

With an exceptional team, we handle several thousand tons of peanuts and peanut derivatives annually. Our expertise in this field is as extensive as the peanut industry itself, encompassing all three major streams of the industry.

As peanut industry visionaries, Agrocrops is committed to advancing the peanut industry for the benefit of farmers, purchasers, distributors, value-adders and consumers. Agrocrops strives to transform the peanut industry for the better by relentlessly pursuing excellence in everything we do.

### Our preceding history is as follows:

<b>55 years</b>	<b>5,500</b>
of experience in the peanut industry	peanut trade resources
<b>4</b>	<b>3,200</b>
peanut processing facilities	clientele across the world
<b>7,313</b>	
peanut farmers in contractual relationship	

Originating as a trading firm with a capital of **US\$23,000**, Agrocrops transformed its operations through two key strategic initiatives: reengineering, which involved streamlining inefficient market systems, and integration, which entailed connecting various elements to unlock value. These strategic moves have been instrumental in shaping the company into what it is today. Our journey has taken us from trading to processing, then into farming, and ultimately into manufacturing and distribution.

In pursuit of our goal to foster integration and uphold strong governance practices, Agrocrops has made strategic investments in establishing the following subsidiary companies:

### Kadalai Mittai Private Limited (KMPL)

Kadalai Mittai Private Limited (KMPL) is a subsidiary of Agrocrops dedicated to the trading and local wholesale supply of peanuts and peanut-related ingredients to small-scale businesses. KMPL also specializes in the production of cold-pressed peanut oil, which is distributed in branded consumer packaging. Notably, the entire consumer business, encompassing production, packaging, and sales, is carried out by an exclusively female workforce. This underscores Agrocrops’ distinctive and well-considered commitment to empowering women within the organization.

### Agrochem Laboratories Private Limited (ALPL)

Agrochem Laboratories Private Limited (ALPL) is a subsidiary of Agrocrops that specializes in providing pest control and laboratory testing services. ALPL plays a critical role in ensuring that all our food safety and quality compliance standards are met and upheld.

### Agrocrops Spices Private Limited (ASPL)

Agrocrops Spices Private Limited (ASPL) is a subsidiary with a dedicated focus on spices, particularly red dried chillies. ASPL operates by directly sourcing these chillies from smallholder farmers and maintains a daily workforce of over **600 women**. The company specializes in processing chillies and creating value-added products from them to cater to both domestic and international market demands.



*As peanut industry pioneers, Agrocrops’ B2B brands establish global quality benchmarks such as Pnutking.*

**Saravanan Lokasundaram**  
CEO

Our primary focus is delivering value through innovation and re-engineering in an otherwise underdeveloped and under-invested industry. Our core strategy has been to create a people oriented company, re-engineer to go forward and enable quality as a growth driver.





# It's a Peanut Thing

## SHAPING THE FUTURE OF THE PEANUT INDUSTRY

As one of the world’s largest peanut business, we live and breathe peanuts – and we want to make that world sustainable for all the peanut stakeholders.

### Our Vision

Accelerate business growth through quality, innovation and re-engineering of the peanut industry.

### Our Mission

As peanut visionaries, we’re determined to build a better industry for farmers, buyers, distributors, value-adders, manufacturers, and consumers. So that we can all be part of an industry that works.

### Global Presence



### Our Principles

We’re driven by our three core principles: leadership, efficiency, and quality. Our business crosses international boundaries and transcends cultures, powered by our passion for peanuts and our commitment to transforming the status quo.

### Our Successful Journey

#### Leadership

We’re at the forefront of our industry. Forging a path into the future by educating customers and bridging the gaps between market operators.

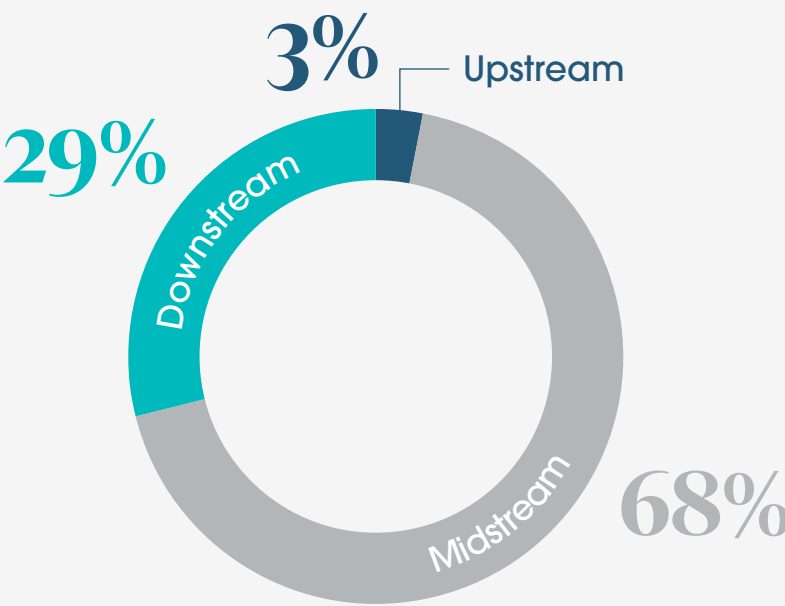
#### Efficiency

Connecting growers and customers paves the way for productivity on a global scale. We deliver higher returns for farmers, and benchmark quality standards throughout our supply chain.

#### Quality

Our passion for peanuts fuels our desire to push standards higher. We raise the bar so that the whole industry can thrive.

### Our Revenue Breakups



### Our Brands

Driven by our entrepreneurial spirit, we’re creating new benchmarks through our portfolio of B2B and B2C brands.



### Global Clients

Our client-base features local and global market leaders from across the snack food and confectionery industries.





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# Business Snapshot

A globally integrated seed to shelf business in the peanut industry.

7,313

smallholder farmers engaged. **50.7%** are women, across **10** FPOs (Farmer Producer Organization) who employ pest and disease management

35%

higher yield achieved through HOPE (high oleic peanut), resulting in higher incomes to the farmers and higher Omega 9 nutritious peanuts

350

women workers employed, up-skilled and given additional benefits

4

factories measure, monitor and control food waste and are certified for the highest food safety standards such as BRC and GMP

6,000

vendors mean responsible sourcing and supply chain distribution, partnering with suppliers to improve transparency

Sustainable packaging, using less resource, and recycling contribute towards **NetZero**

2

product and **4** SKU with innovative product and package design to help consumer health and wellbeing



550%

rise in HOPE seed population with **95%** purity in species and **100%** resowed

100%

traceable back to the mill, meaning a responsible supply chain

480

tons processing capacity from farm produce to global standard peanut ingredient(s) and value-added peanut products



Human rights and labor standards to ensure accommodation to workers and education for their kids

Global

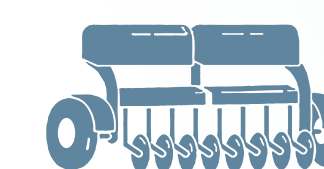
presence across **16** countries covering **75%** of global consumption and **87%** of global origination

16%

sourcing from LDCs (least developed countries) across **6,000 vendors** globally

100%

employment prioritization to female workers, up-skilled in manufacturing, packaging, marketing, sales and distribution



Community development: Sharing our profits to invest and introduce machines to peanut farmers



# Awards and Accolades

As we embark on this report, it is with great pride and excitement that we share with you a collection of our recent accolades and awards. These accolades are not merely acknowledgements but the tangible fruits of our unwavering commitment to excellence, innovation, and a relentless pursuit of our organizational goals.

In the fast-paced landscape of our business, recognition is not just a reflection of success; it's a testament to the dedication and expertise of our team, the effectiveness of our strategies, and the impact of our initiatives. The accolades below spotlight the milestones we've achieved, the heights we've scaled, and the acknowledgement we've garnered from esteemed bodies and peers.

## Awards

**APEDA Export Award  
2010-2011**  
For export promotion  
Agrocrops Exim Limited  
New Delhi



**APEDA Export Award  
2007-08 & 2008-09**  
For export promotion  
Agrocrops Exim Limited  
New Delhi



**APEDA Export Award  
2011-2012 & 2012-2013**  
For export promotion  
Agrocrops Exim Limited  
New Delhi



**IOPEPC Export Award  
2008-2009**  
For 2<sup>nd</sup> highest export  
in groundnuts



## Certifications



Global Compact  
Network Singapore



## Partnership





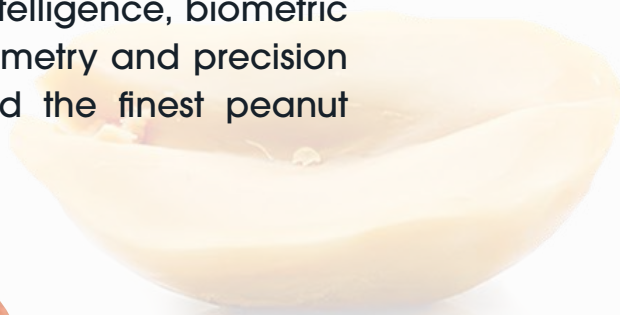
# Peanuts and Us – Our Passion and Expertise

In a nutshell, we’re a peanut house. Since we operate globally, we deal with every conceivable peanut and peanut derivative. We are at the forefront of advancement because we combine cutting-edge research with expert industrial experience. Peanuts as a produce have also come a long way from their simple beginnings.

We facilitate its incorporation into globally popular foods and beverages. Improving production efficiencies and quality, as well as worldwide traceability and cooperation.

incorporate world-class technologies. We use artificial intelligence, biometric signatures, spectrometry and precision separators to build the finest peanut process.

We are experts in the field of peanut processing. Choosing the suitable peanut species is just the beginning; one can configure specifications to match unique demands and



## VARIOUS PEANUT PRODUCTS ARE LISTED AS BELOW

### Kernels

We handle a global supply of peanuts 365 days a year, covering all the origins. Across our direct sourcing and global supply chain distribution system, we represent 6.5% of the entire global peanut industry. We handle over 200 peanut species in the raw kernel segment, which is more challenging than a typical peanut company.

### Roasted and Processed

This premium segment of the peanut market requires a high level of expertise. Our commitment to quality standards and process controls lets us deliver the right specification for you, using precision dicers and choppers to produce contaminant-free peanuts of the appropriate grade.

### In-shell

Ideal for boiled, roasted, or flavour-infused snacks, in-shell peanuts are primarily of the Virginia, runner, Spanish, and Valencia varieties. Agrocrops’ quality control process draws on our expertise: choosing the best variety for each use, and ensuring quality checkpoints are put in place. We make sure your product is correctly sorted, cleaned, graded, and packed.

### Paste and Butter

Peanut paste is used in sauces, cookies, crackers, breakfast cereals, and even ice cream – and it’s the main ingredient in peanut butter. Our peanut paste and butter can be manufactured ‘natural’ or with added ingredients, ensuring you get a specification and packaging tailored to your needs.

### Oil

Peanut oil has an unmatched flavour and is one of the world’s leading cooking oils thanks to its high flash point and high oleic acid content. Our innovative production includes aromatic and cold-pressed peanut oil.

### Protein, Meal, and Flour

Natural derivatives such as peanut protein powder, cold-pressed peanut meal, and defatted flour are all ideal for use in plant-based protein products. Common applications include protein bars, nutritional supplements, cereals, low-fat peanut butter, sauces, baked products, and pet foods.

### Blanched

Our blanching process is driven by science, and helps manage challenges such as peanut meal, spots, peroxide value, acid value, salmonella, and aflatoxin. By removing 95% of the aflatoxin, for example, blanching makes our peanuts safer to consume. Helping us support the growing demand from the snack and food processing industries.

### Bio-fuels

Peanut hulls have a high calorific value, and once pressed into pellets and bricks they’re an excellent bio-fuel source. It’s important to us that we maximize our resource use and electricity generation is part of that mission.

For further information about our products and expertise, please refer to our website: [Peanuts & Us](#)



# Peanut Industry and Sustainable Development



The peanut industry has a significant role to play in sustainable development, with opportunities to address environmental, social, and economic dimensions.

In the dynamic landscape of agriculture, the peanut industry stands as a key player with the potential to drive positive change through sustainable development. At Agrocrops, we understand that sustainability is not just a buzzword; it's a fundamental commitment that shapes our practices from seed to shelf.

## Sustainable Farming Practices

In the heart of our operations lies a dedication to sustainable farming. We create awareness and employ techniques that optimize resource use, reduce chemical inputs, and promote soil health. Precision agriculture, water conservation, and integrated pest management are integral components of our commitment to environmental stewardship.

## Supply Chain Transparency

Sustainability in the peanut industry involves ensuring transparency and traceability throughout the supply chain. From sourcing to processing and distribution, we strive to provide visibility into our operations, allowing consumers to make informed choices that align with their values.

## Biodiversity and Conservation

We recognize the importance of biodiversity in maintaining healthy ecosystems. Our practices at our operations and supply chain aim not only to cultivate high-quality peanuts but also to preserve the natural habitats surrounding our farms. By protecting biodiversity, we contribute to the overall resilience of the environment.

## Innovation for Sustainability

We embrace innovation as a driver of sustainability. From exploring drought-resistant peanut varieties to adopting emerging technologies for more efficient farming, we are committed to staying at the forefront of sustainable practices in agriculture.

## Social Responsibility

Beyond the fields, our commitment extends to the communities we operate in. We prioritize fair labor practices, ensuring the well-being of those involved in peanut cultivation at our supply chain and operations. Community engagement initiatives, education programs, and healthcare support are integral to our mission of being a responsible corporate citizen.



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# Our Sustainability Highlights

The Board of Directors of Agrocrops is committed to responsible and sustainable practices throughout all of our activities, and views sustainability as an intrinsic aspect of the company’s long-term strategic goal.

The Board is ultimately accountable for identifying critical ESG issues facing Agrocrops and supervising the company’s approach to managing and monitoring these issues.

The Board receives help from and information from the Sustainability Working Committee (SWC). The SWC is a multi-departmental body made up of the company’s senior executives from upstream, downstream, and corporate. The SWC gets together

once a quarter to plan for, and review progress on, Agrocrops’ sustainability strategy. The SWC is also involved in periodic materiality assessments and the internal examination of our most important ESG topics. However, no such committee exists to review and improve this section.

Our Sustainability Strategy is based on 6 Pillars. Each pillar has its multiple action points to reinforce our sustainability commitment.

## OUR GUIDING PRINCIPLES

1

Establish an industry wide BENCHMARK in line with the UN’s SDGs.

2

Prioritize making a real regional IMPACT over less precise SDGs.

3

Build a CIRCULAR ECONOMY in the peanut ecosystem that supports nature, our farmers and communities that optimizes peanut cultivation.

## SUSTAINABILITY MISSION

Our Sustainability mission at Agrocrops is to integrate sustainability into every facet of our operations, from peanut fields to the hands of our consumers.

### Environmental Stewardship

Implementing sustainable farming practices that optimize resource use, preserve biodiversity, and minimize our ecological footprint.

### Transparency and Traceability

Establishing a transparent supply chain, ensuring visibility and accountability in every stage of peanut production.

### Innovation for Impact

Embracing cutting-edge technologies and innovative approaches to enhance the sustainability of peanut cultivation and processing.

### Social Responsibility

Nurturing fair and safe working conditions for farmers and workers, engaging with local communities, and contributing to their social and economic well-being.

### Education and Empowerment

Providing ongoing training and education for farmers, workers, and consumers to foster a culture of sustainability and awareness.

### Continuous Improvement

Regularly assessing and improving our practices, collaborating with stakeholders, and staying at the forefront of sustainable developments in the agricultural industry.

## OUR SUSTAINABILITY VISION

We envision a future where the cultivation and consumption of peanuts contribute to a thriving planet and resilient communities. Our sustainability vision is to be a pioneering force in the peanut industry, leading the way towards a regenerative and equitable agricultural ecosystem. We aspire to set new standards for responsible farming, environmental stewardship, and social impact, fostering a world where every peanut is a symbol of sustainability and well-being. Simply put: “a rising tide lifts every boat”.



# Stakeholder Engagement

In order to have a substantial impact with major projects aimed at solving difficult challenges, we must first fully comprehend all of our stakeholders and their expectations. Our ultimate objective is to fulfil the needs of our most important internal and external constituents.

To facilitate the sharing of information and the generation of consensus around approaches that benefit all parties involved, we engage in consistent channels of communication and consultation. Plus, there's more. To promote effective communication and increased stakeholder participation, we take part in a wide range of CSR efforts, community development projects, and environmentally suitable initiatives.

As part of our efforts to act ethically and openly in the marketplace, we've developed a method for soliciting feedback from a wide range of interested parties in order to form partnerships that benefit all parties involved. We've compiled a table of the many stakeholders we've discovered, along with the frequency and type of their involvement.

	Stakeholder Group	Engagement Mode
Employees	Our people are at the heart of Agrocrops and are vital to our success. We work to understand our employees' evolving needs and perspectives.	We engage with our employees through surveys, such as our Employee Engagement Survey and Exit Surveys; town hall and small group meetings; focus groups; blogs, articles, corporate communication emails, newsletters; online feedback tools; and other channels. We conduct engagement surveys on a regular basis to identify areas of strength and opportunities for improvement in order to promote ongoing employee satisfaction and retention. Our CEO and Senior management led Town Halls cover topics such as business strategy and outlook, emerging industry trends, and our progress on key company-wide initiatives, and allow employees to ask questions of our senior management.
Investors and Shareholders	We engage with shareholders on critical issues such as corporate governance, and sustainability.	We interact with shareholders at regular intervals to answer their queries, questions, and understand their perspectives and views.  We also communicate with shareholders outside of established channels. These engagements offer us with valuable input, which we take into account as we build the Company's procedures, policies, and strategic direction.
Customers	We request and respond to customer input regarding our goods, services, and organization as a whole on a frequent basis, and we strive to establish long-term partnerships based on trust and mutual respect.	We interact with our customers on a regular basis at our offices, as well as through our website, customer care center and social media channels.  We also engage with our clients through surveys, one-on-one meetings, roundtables and conferences.
Suppliers and Vendors including FPO's and Farmers	We communicate with our major suppliers on topics such as our ability to operate efficiently and effectively, deliver products and services that meet the demands of our clients and customers, manage risk and controls, and promote our diversity, equality, and inclusion agenda.	We communicate frequently with our main suppliers via a variety of channels, including regular business reviews, ad hoc meetings, phone, and email. We are committed to holding our suppliers to high business conduct and integrity standards, and we collaborate to have a positive impact in the communities where we do business.
Communities	We are committed to making sure that various viewpoints, particularly those of the communities we serve, influence the Company's business choices. We believe in development and lasting betterment to communities around our operations.	We are engaging with external stakeholders in a variety of forums. Our sustainability team identifies and engages with relevant community members, NGOs etc. for local engagement and two-way dialogue with stakeholders.
Government and Regulators	We endeavor to have an open and continuing dialogue with our supervisory regulators and other policymakers.	We interact with regulators as required to do business and offer feedback on proposed changes to pertinent rules that might have an impact on our business.



# Our Sustainability Pillars

## Environmental Stewardship

### Sustainable Farming Practices

Implementing precision farming, organic cultivation, and agroforestry to minimize environmental impact.

### Water Conservation

Employing efficient irrigation methods and water management strategies to reduce water usage.

### Energy Efficiency

Investing in energy-efficient technologies in processing and transportation.

## Innovation and Research

### Sustainable Agriculture Research

Investing in research and development to explore sustainable farming practices, pest-resistant varieties, and climate-resilient crops.

### Technological Advancements

Embracing technology for traceability, monitoring, and optimizing farming operations for efficiency and sustainability.

## Social Responsibility

### Fair Labor Practices

Ensuring fair wages, safe working conditions, and ethical treatment of workers throughout the supply chain.

### Community Engagement

Actively engaging with local communities, understanding their needs, and contributing to their social and economic development.

### Health and Safety

Prioritizing the health and safety of workers, providing training, and implementing measures to prevent accidents.

## Stakeholder Engagement

### Communication and Transparency

Regularly communicating with stakeholders about ESG initiatives, performance, and future goals.

### Collaboration

Collaborating with industry partners, NGOs, and government bodies to address shared sustainability challenges.

## Governance

### Supply Chain Transparency

Establishing transparency in the supply chain, from sourcing peanuts to processing and distribution.

### Ethical Sourcing

Ensuring that peanuts are sourced responsibly, with a focus on ethical and sustainable practices.

### Compliance and Accountability

Adhering to legal regulations, industry standards, and implementing robust governance structures to ensure accountability.

## Risk Management

### Climate Resilience

Assessing and mitigating climate-related risks to ensure the long-term sustainability of peanut cultivation.

### Supply Chain Resilience

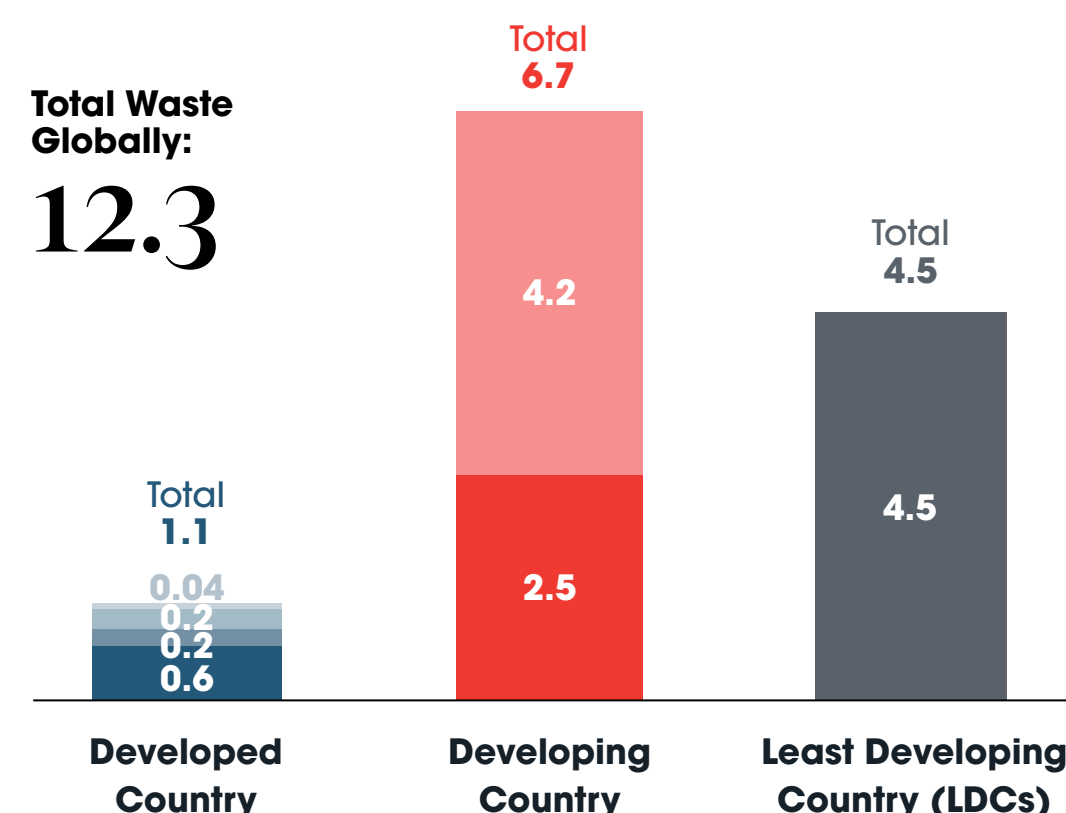
Building resilience in the supply chain to adapt to disruptions and ensure a consistent and sustainable peanut supply.

This Sustainability approach reflects our commitment to not only meeting current standards but exceeding them, driving positive change in the peanut industry and contributing to a more sustainable future.

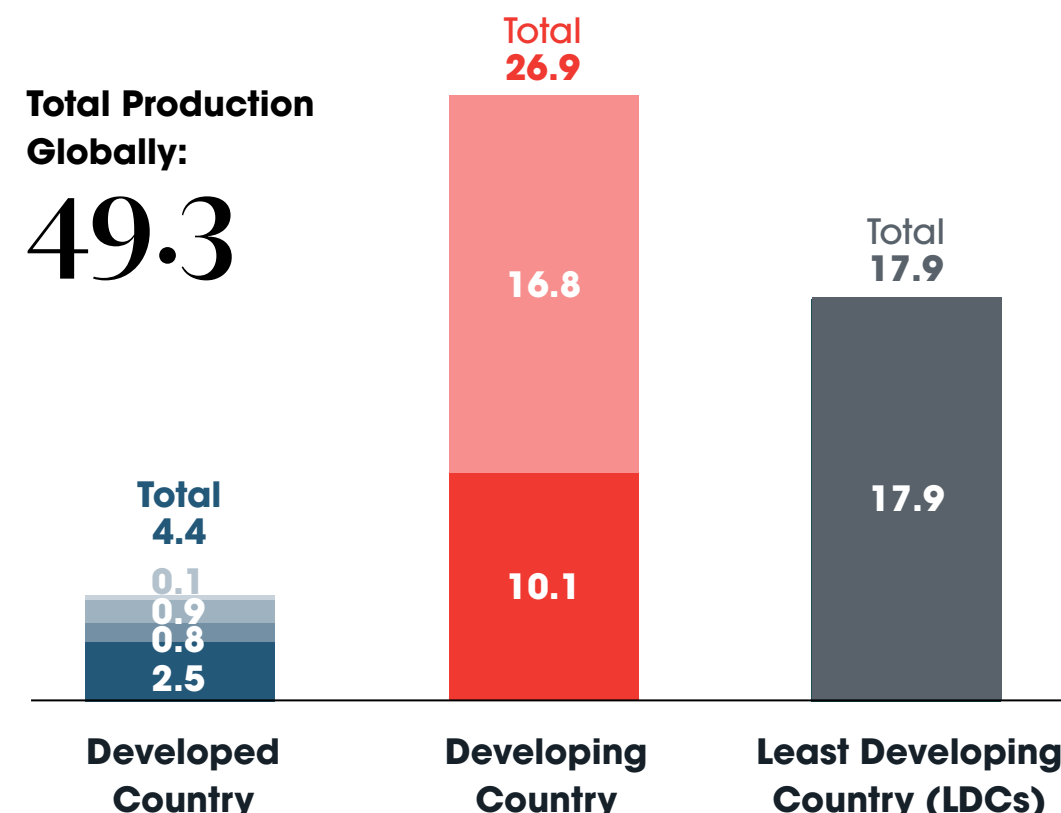


# Sustainable Opportunities

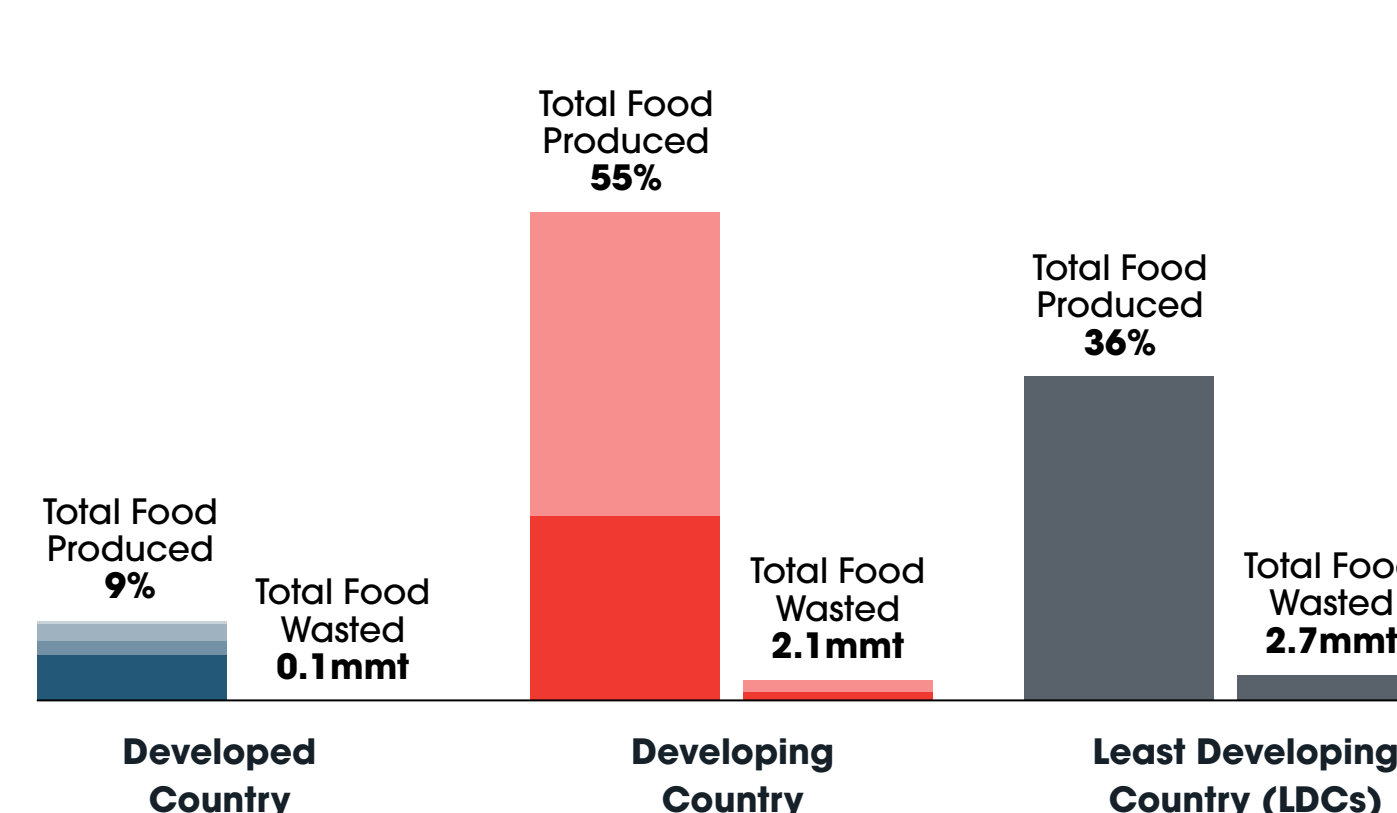
**Peanut Waste (in MMT)**



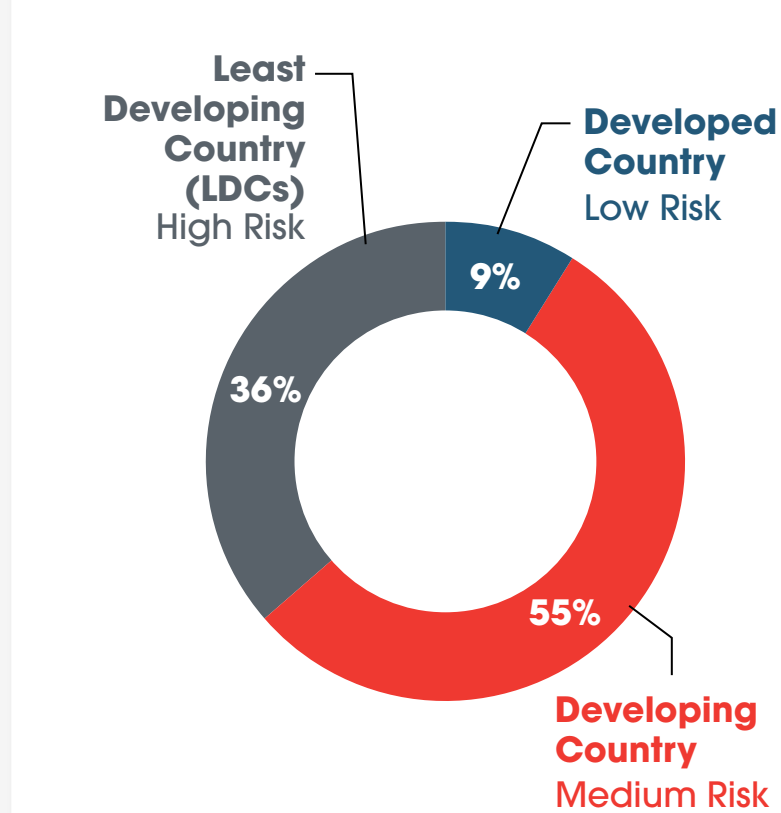
**Peanut Production (in MMT)**



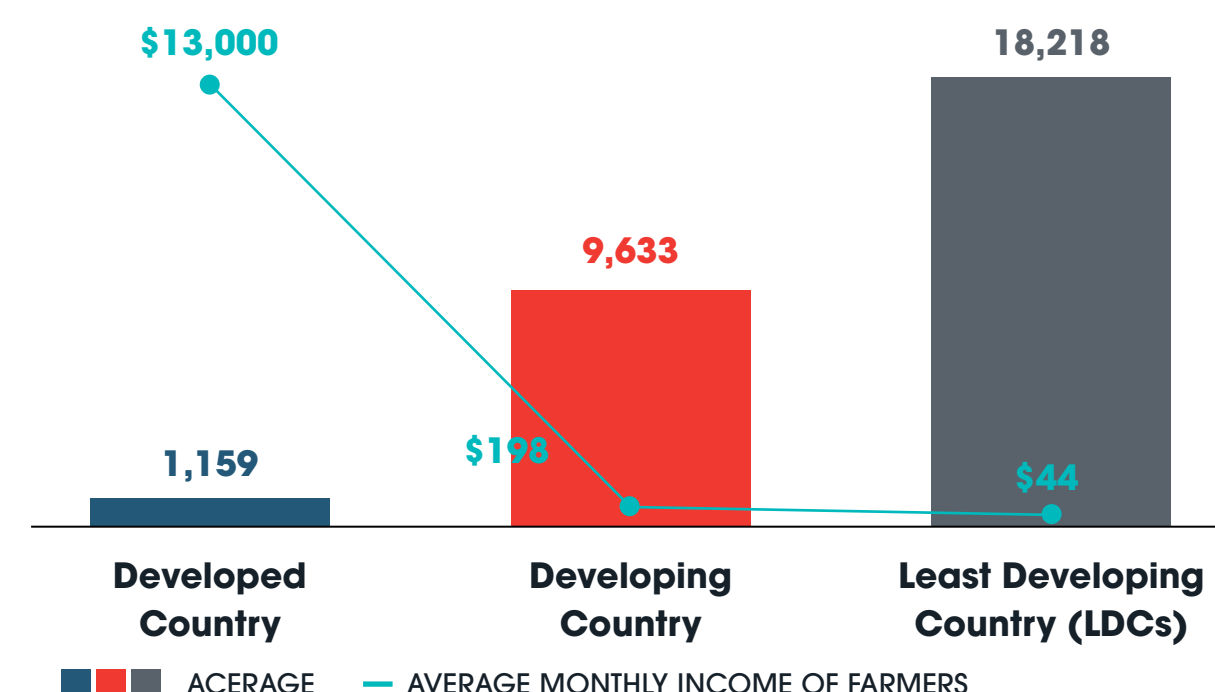
**Peanut Produced and Food Waste (in MMT)**



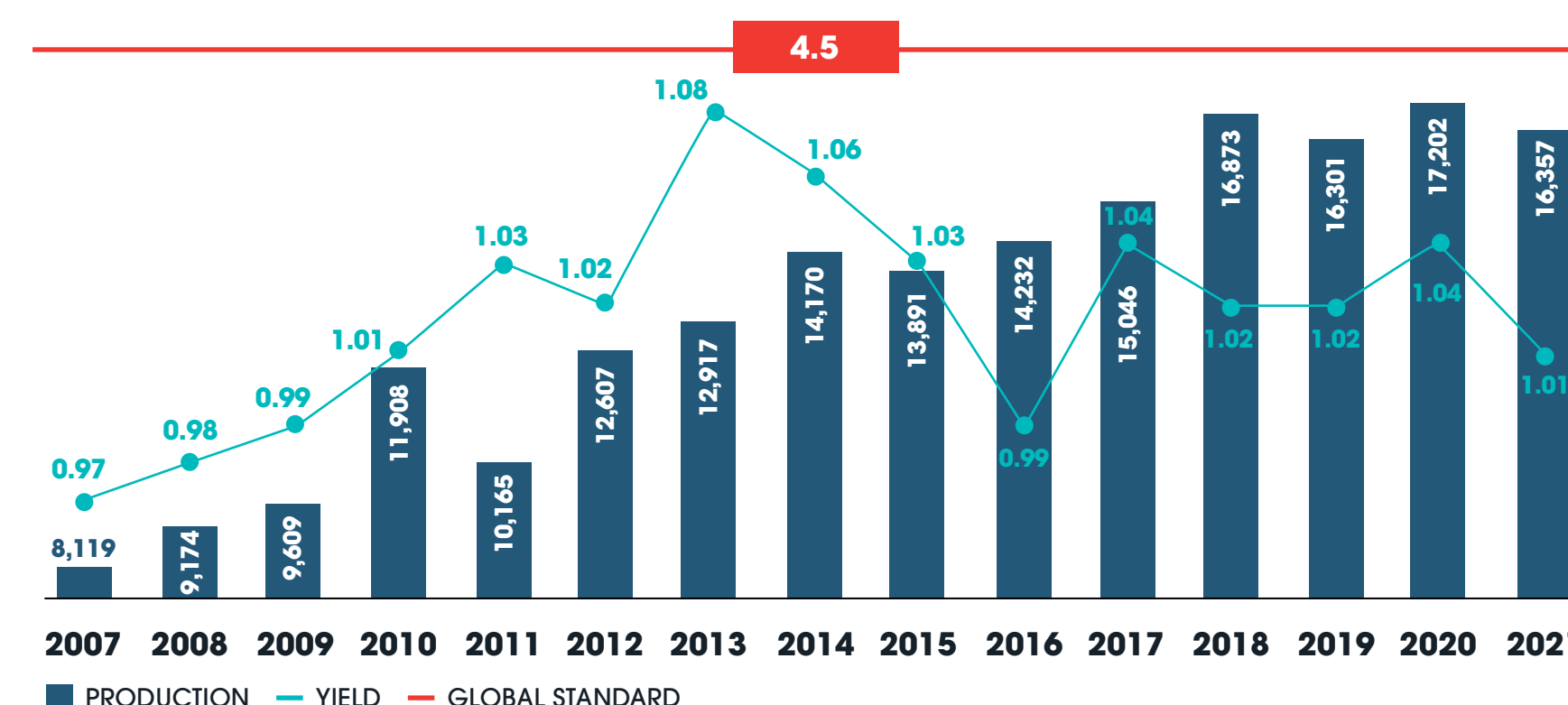
**Peanut Aflatoxin Risk Level**



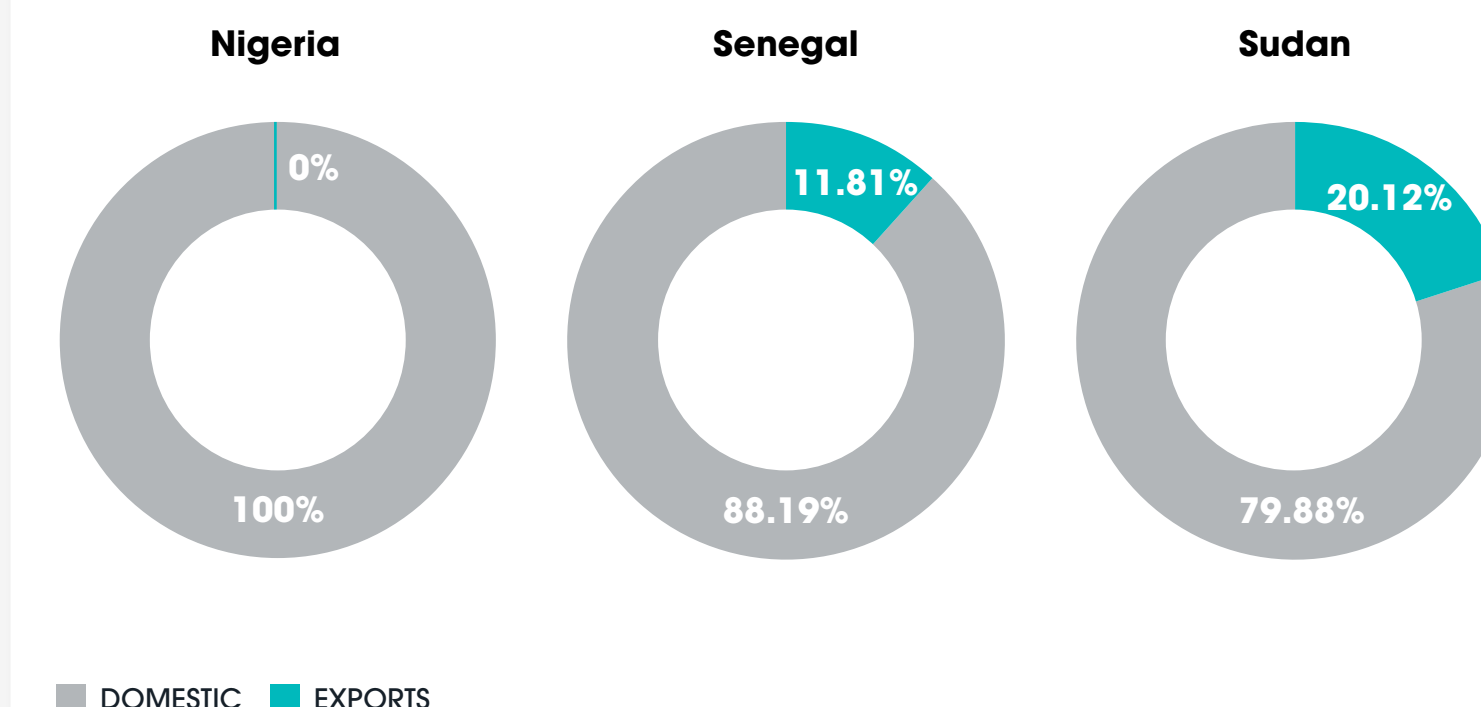
**Peanut Acreage (in 1000 Ha.) and Average Monthly Income Of Farmers**



**African Production Yield and Global Standard (in Tons)**



**Domestic Vs. Exports of Major Producers in LDCs**



Countries are categorized based on development of the peanut industry.



# Materiality Matrix Agrocrops

Our sustainability materiality assessment serves as the bedrock of our sustainability strategy, ensuring that our endeavors remain laser-focused on areas where we can wield the most substantial impact.

This commitment extends to delivering pertinent reports to our stakeholders. With each completed assessment, we deepen our understanding of our impacts, seamlessly integrate sustainability into our corporate fabric, fortify our stakeholder engagement, and elevate the calibre of our reporting.

Our iterative process not only accommodated internal developments tied to the rapid evolution of our business transformation but also embraced our recently announced ambition to diversify beyond peanut and chili products. Furthermore, it underscored the strides we've made in achieving the sustainability goals outlined in our 2025 Roadmap. The versatility of our sustainability materiality assessment positions us at the forefront of corporate

sustainability. This proactive stance not only allows us to foresee the most demanding trends but also showcases to investors and stakeholders the coherence and seriousness of our sustainability strategy.

Our assessment took into account a myriad of factors, including external indices, recent academic research on sustainability practices, ESG policy and regulatory changes, and emerging best practices in the sustainability materiality field. Given our global footprint and the dynamic nature of the business landscape, our long-term success hinges on vigilant monitoring and adaptation to significant social, environmental, economic, political, and technological shifts.

In our 2022 sustainability materiality analysis, we were proactive in considering the latest megatrends, encompassing political events, climate disruptions, expansive health crises, and technological advancements. This foresight not only supported us in anticipating emerging trends but also allowed us to address ESG topics that are likely to gain prominence in the years ahead.

**IN OUR COMMITMENT TO SUSTAINABILITY AND RESPONSIBLE BUSINESS PRACTICES, AGROCROPS HAS UNDERTAKEN ITS INAUGURAL MATERIALITY ASSESSMENT TO PINPOINT THE MOST SIGNIFICANT ENVIRONMENTAL, SOCIAL, AND ECONOMIC IMPACTS WITHIN ITS AGROCROPS VALUE CHAIN.**

This comprehensive assessment aimed to validate material issues identified through a survey of ESG indicators. It also scrutinized disparities between internal and external perceptions of the importance of various ESG issues, ultimately prioritizing matters of utmost significance to Agrocrops and its stakeholders. The overall Materiality Assessment involved the valuation of information identified as significant during the survey analysis, culminating in the creation of a concise materiality matrix. This assessment was meticulously aligned with all GRI Aspects and indicators, adhering to reporting guidelines.

## PILLAR 1

### Stakeholder Perspective

Assessing the likelihood of influencing the judgments and decisions of key stakeholder groups.

## PILLAR 2

### Outward Impact

Gauging the impact on society and the planet at different stages of Agrocrops value chain.

## PILLAR 3

### Inward Impact

Analyzing the effect on Agrocrops' s overall performance and business, taking into account risks and opportunities that have or will influence corporate value.

## Our Materiality Approach Involves a Five-Step Process as Follows:

### Step 1

Identifying ESG topics

### Step 2

Gathering stakeholder perspectives

### Step 3

Assessing outward impacts

### Step 4

Assessing inward impacts

### Step 5

Identifying our most material ESG topics



# Materiality Matrix continued

Our sustainability materiality matrix is a product of synthesizing all inputs collected during the materiality assessment.



E Environmental S Social G Governance

The process involved utilizing the outcomes of the inward impact assessment, which highlights topics of utmost importance to Agrocrops stakeholders, to determine the positioning along the “Y” axis. Simultaneously, insights from the outward impact assessment, which underscores where Agrocrops can exert the most significant influence on the business, were employed to construct the “X” axis. To capture the diverse perspectives of our stakeholders, varying sizes were assigned to each topic bubble based on the importance ascribed by survey respondents and interviewees.

The topic of “Workforce Welfare” emerged as significantly more crucial than all other ESG topics in both inward and outward impact assessments. For enhanced clarity on the matrix chart, we slightly adjusted its placement to bring it closer to other topics.

Identifying the six topics situated in the top-right quadrant, having garnered the highest scores in both inward and outward impact assessments, we deemed them the most material. Additionally, three topics of very high importance to stakeholders, though of medium importance according to the impact assessments, were also recognized. To interpret the assessment results, our corporate strategy prioritizes both the most material topics and emerging ones, keeping us at the forefront of evolving trends. Notably, topics related to the social impacts of our products – such as “Workforce Welfare,” “Food Safety,” and “Human Rights” – are unequivocal priorities for transformation, representing areas with the greatest transformative potential. The results also underscore the significance of our products’ environmental impact, with “Operational Health and Safety” and “Sustainable Agriculture” included in our most material topics.

Acknowledging the imperative for operational excellence, the materiality assessment results emphasize focusing on climate, biodiversity, and water actions from an environmental standpoint. Similarly, advancing the agenda on human capital development and the socioeconomic well-being of peanut-farming communities emerges as a social priority.

Furthermore, our sustainability materiality assessment underscores the need for business integrity in all our endeavors. Governance-related topics are paramount indicators of our company’s existing rules and procedures, showcasing our preparedness and ability to address environmental and social issues that are or may become material in the future.

The materiality assessment highlights the interconnectedness of sustainability topics, emphasizing their linkages and interdependencies. A visual representation, such as a table and graphics, could be incorporated to present the matrix, aiding in the comprehension of topic positioning and their respective importance. This robust sustainability materiality assessment guides our work, identifies synergies, and helps anticipate potential trade-offs.



# Next Steps

After completing a materiality analysis, Agrocrops initiated several strategic steps to integrate sustainability into our operations and address the identified material issues. Here are some of our plans for continuously monitoring and evaluating our material issues.

## Materiality Matrix Refinement

Regularly review and refine the materiality matrix based on ongoing changes in the industry, market dynamics, and stakeholder priorities. This iterative process ensures that the company stays responsive to evolving sustainability concerns.

## Sustainable Sourcing Practices

Develop and implement sustainable sourcing practices for peanuts, collaborating with farmers to promote environmentally friendly and socially responsible agricultural practices. This includes initiatives to enhance soil health, reduce water usage, and promote fair labor practices. Our implementation of ISO 20400 is a step towards this strategy.

## Environmental Impact Reduction

Implement measures to reduce the environmental footprint of Agrocrops. This could involve initiatives such as optimizing water and energy usage, waste reduction, reduction of emissions and exploring renewable energy sources for processing operations.

## Product Innovation for Social Impact

Innovate products and processes to address social impacts associated with peanut processing. We are working on product innovations towards this strategy. Implementation of HOPE seed program, farm gate aggregation through FPOs, Fairtrade certification and farm mechanization are towards maximizing the social impact that will be regularly monitored and reported.

## Supply Chain Transparency

Enhance transparency in the supply chain by implementing traceability measures. This ensures that the company and its stakeholders can track the journey of peanuts from the farm to processing, promoting accountability and responsible sourcing. We are working on the traceability initiative to address this topic.

## Community Engagement and Development

Invest in community engagement initiatives in areas where peanuts are sourced and processed. This could involve supporting education, healthcare, and infrastructure projects such as soil and water conservation etc that contribute to the well-being of local communities.

## Certifications and Standards Compliance

Pursue relevant certifications and standards, such as those related to sustainable agriculture, food safety, and ethical business practices. Adhering to recognized standards can boost the company's credibility and market competitiveness.

## Climate Resilience Strategies

Develop and implement strategies to enhance climate resilience in peanut farming and processing. This may involve adapting to changing climate conditions, promoting sustainable agricultural practices, and addressing climate-related risks.

## Continuous Monitoring and Reporting

Establish a system for continuous monitoring of sustainability performance indicators, and regularly report progress to stakeholders. Transparent communication helps build trust and demonstrates the company's commitment to sustainability.

## Employee Training and Well-being

Prioritize employee training programs, particularly focusing on safety, health, professional development and well-being. This ensures a positive working environment and aligns with material issues related to workforce welfare.

## Public Communication and Marketing

Integrate sustainability messaging into public communication and marketing efforts. Highlighting the company's commitment to responsible and sustainable peanut processing can resonate positively with consumers and enhance brand reputation.

## Research and Development for Innovation

Invest in research and development to explore innovative technologies and processes that can further improve the sustainability profile of peanut processing. This includes exploring new methods for waste utilization and energy efficiency. We've plans to invest in bio-mass, bio-char as the by-products of our processing that have considerable value in creating 'wealth from waste'.

## Regulatory Engagement

Stay informed about relevant regulations and engage with regulatory bodies to ensure compliance with evolving sustainability and food safety standards. Proactive collaboration with regulators can help shape industry practices.

By taking these steps, Agrocrops is not only addressing its material sustainability issues but also position itself as a responsible and forward-thinking player in the food industry. The integration of sustainability practices contributes to long-term resilience, positive societal impact, and enhanced stakeholder relationships.



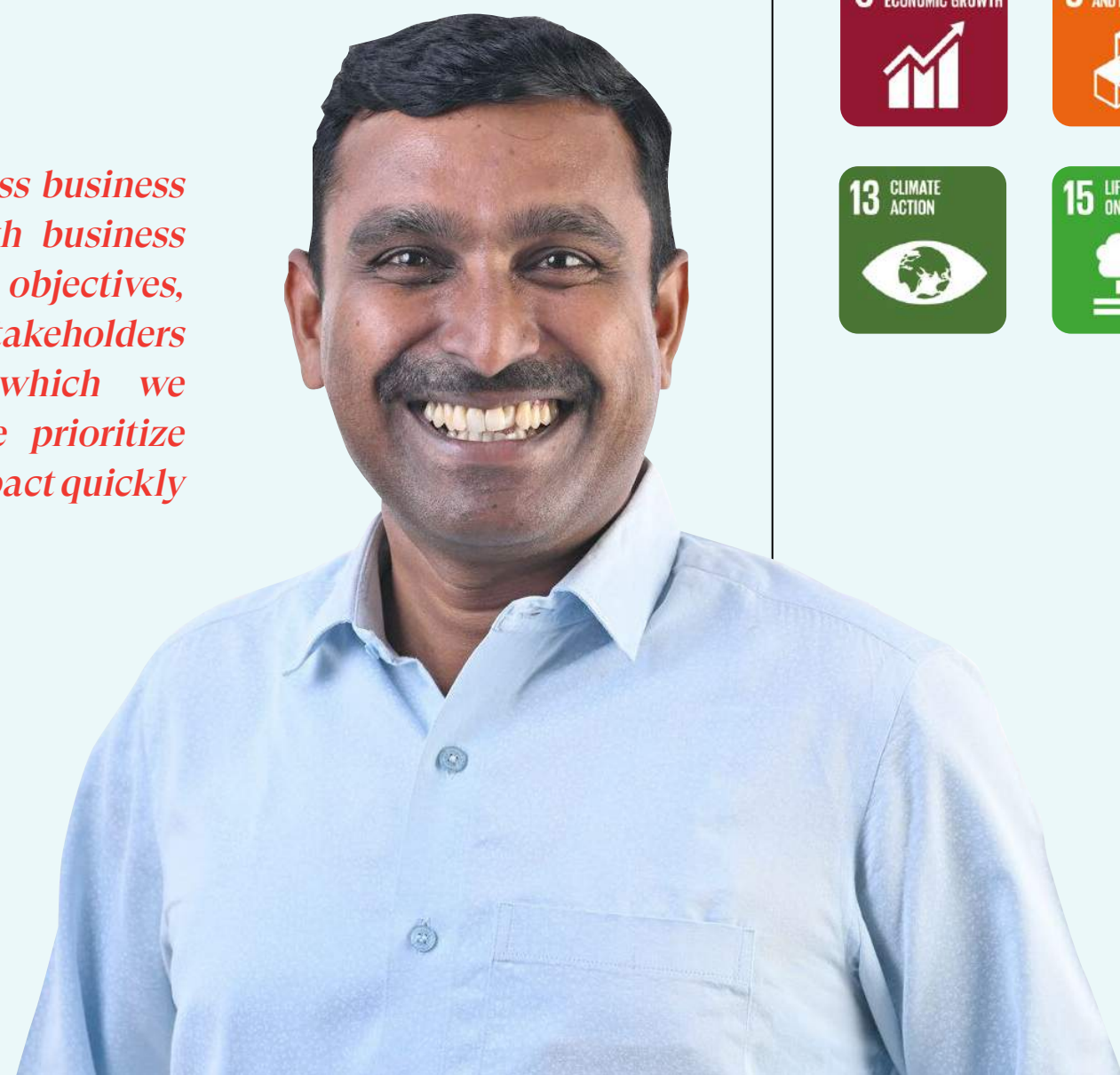
# Our SDG Priorities

We depend on the natural world's resources and the communities where we operate. Leveraging our deep understanding of the peanut industry and our awareness of ESG priorities, we tailor our business strategy to contribute to and make a positive difference in achieving the UN Sustainable Development Goals.



*Our goal is to weave a seamless business fabric that aligns closely with business priorities and sustainability objectives, significantly impacting our stakeholders and the environment in which we operate. To achieve this, we prioritize our efforts to maximize our impact quickly and effectively.*

**Ranjith Raju**  
Trailblazer in Peanut Sustainability



Through our ESG priorities we support the following SDGs:



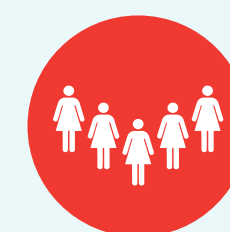
## HOPE

We focus on food security by introducing high-oleic peanut varieties that are high yielding, have high Omega 9 content, and have a long shelf life.



## WWW

We research and innovate commercially valuable uses for peanut husks, the worldwide waste of the industry, with 15 million tons produced annually.



## WWF

We advocate for the advantages of a female workforce. We achieve this by actively recruiting, providing training, and enhancing the skills of women, including those who may be underprivileged.



## EDUFARM

We train peanut smallholder farmers, creating communities who are willing to join forces to improve contract farming work.



## FPOs and FPCs

We engage smallholder farmers organized through FPOs to create an efficient upstream ecosystem.



## BIOMASS

Within our carbon-neutral strategy, we have incorporated a plan to repurpose peanut waste materials by converting them into biomass, which will generate renewable energy.



## PSP

Through partnerships with local midstreams, we facilitate and empower processors and shellers with our global expertise to benefit them. This collaboration enhances traceability, ensures food safety, and fosters innovation within the industry.



## MECHFARM

We mechanise the farming and post harvest process to improve yield and profitability.



# The Peanut Industry Assessment

Peanut production is distributed worldwide with a significant imbalance: **9%** originates from developed countries, **55%** from developing countries, and **36%** from underdeveloped countries.

This stark disparity highlights a considerable challenge, especially in the demographic makeup of the producing regions, which does not inherently promote growth among the underperforming areas.

In various African nations, peanuts serve as a means to provide livelihoods for women, while in other areas, farmers grapple with poor marketability due to their landlocked geographical location. Numerous chronic issues persistently hinder the development and prosperity of the peanut industry, making it imperative for a dedicated champion to lead the change, one country at a time.

This is precisely why Agrocrops has positioned itself as a singular producer across the entire peanut industry value

chain. Leveraging our expertise and cross-border experiences, we aspire to bring about a disruptive transformation, aiming to permanently alter the existing status quo and leave a lasting positive impact wherever we work.



### Inclusive Growth

Farmer livelihood, female empowerment, supplier engagement and capacity building.



### Yield

If we were to achieve a nominal yield within the current peanut acreage worldwide, focusing on developing and underdeveloped regions, we could produce **91%** of peanuts without additional inputs.



### Zero Integration

Except for the developed regions, the peanut industry lacks integration, allowing intermediaries to capture the maximum value without contributing any value addition.



### Sustainable Agriculture

The knowledge and implementation of good agricultural practices and sustainable farming methods are limited, not to mention the labor-intensive nature of farming, which can lead to animal abuse.



### Innovation

**36%** of peanut production occurs in countries that have not embraced any new-age technological or process adaptations.



### Food Safety and Security

**36%** of the production occurs in regions lacking even the most basic food safety standards. This compromises the quality of the harvest and leads to increased wastage, ultimately contributing to food insecurity.



### Zero Traceability

**95%** of the global production is not traceable to the farmer or geo-tagged.



### Poverty and Child Labor

In more than **36%** of the producing regions, there is a lack of law enforcement to protect against child labor, and **72%** of peanut farmers worldwide live below the poverty line.

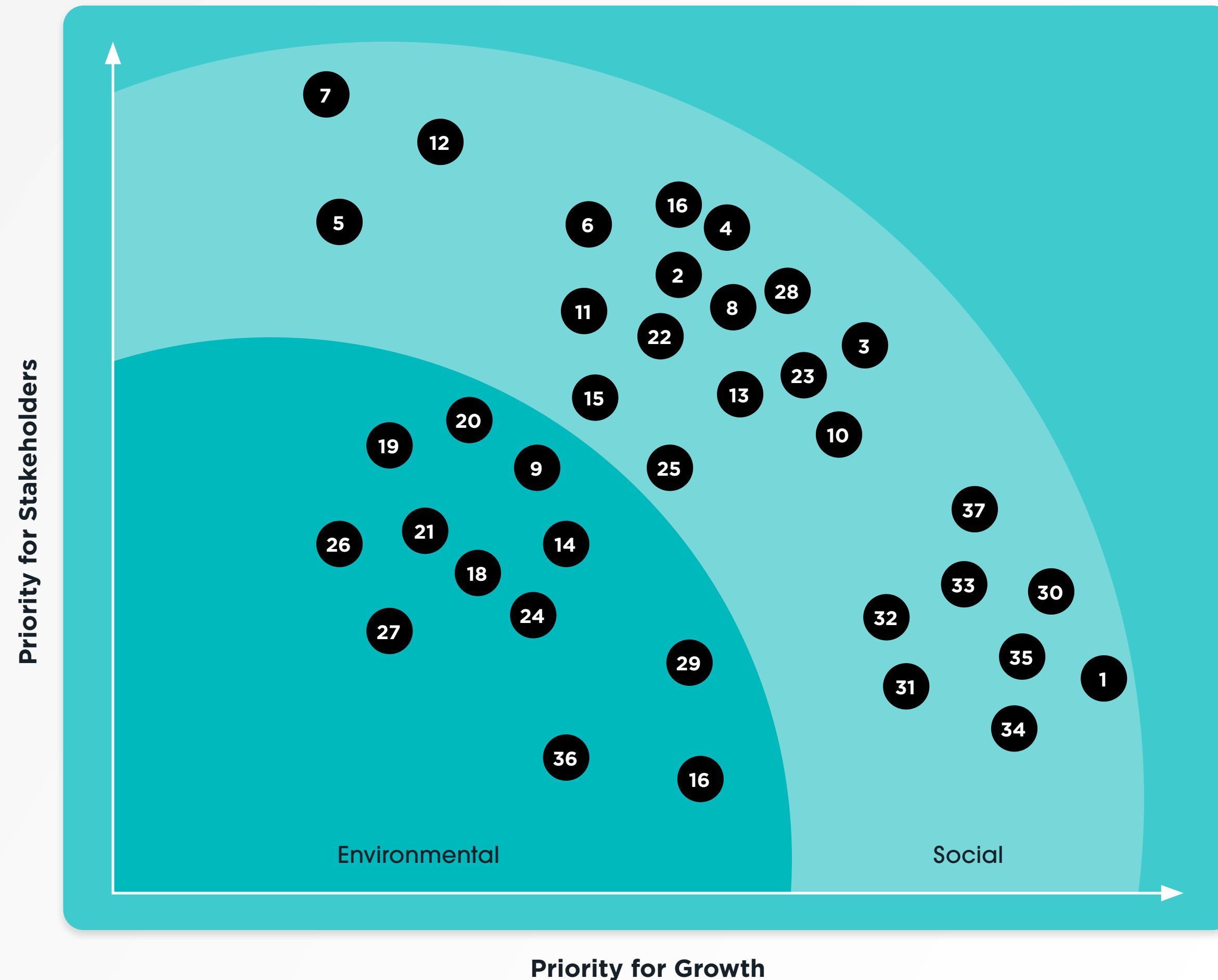


### Aflatoxin

Farmers' and shellers' knowledge of Aflatoxin (poisonous carcinogens) is limited, leading to health risks.



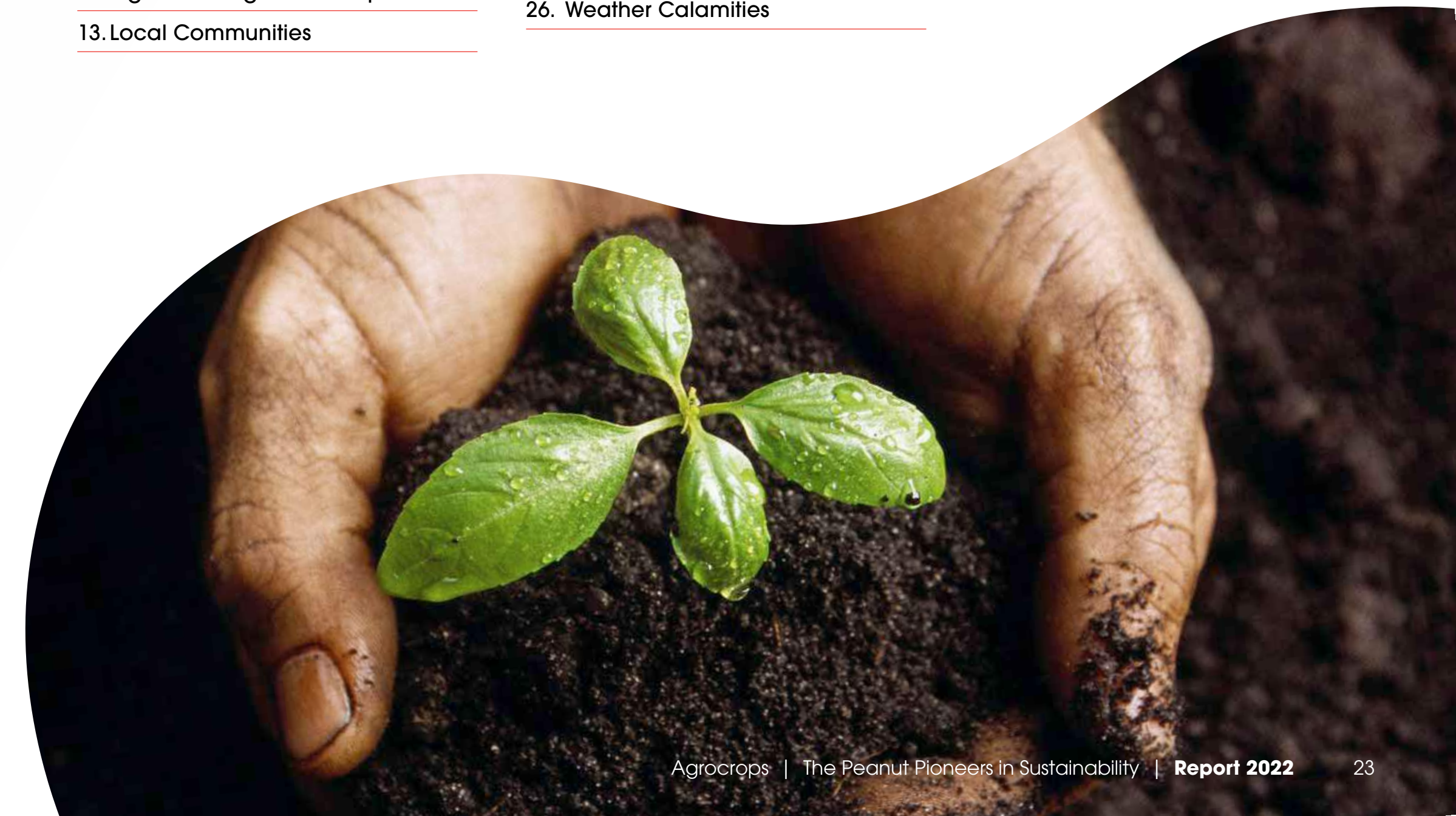
# The Peanut Industry Assessment **continued**



1. Marketing and Labelling
2. Farmer Livelihood
3. Child Labor
4. Food Safety
5. Food Security
6. Traceable and Responsible Supply Chain
7. Anti-Corruption
8. Business Ethics
9. Product Waste
10. Health and Safety
11. Forced or Compulsory Labor
12. Rights of Indigenous People
13. Local Communities

14. Pesticide Use
15. Economic Inclusion
16. Living Income and Living Wage
17. Infrastructure
18. Soil Health
19. Efficient Irrigation
20. Hygiene and Sanitation
21. Access to Clean Water
22. Access to Healthcare
23. Access to Finance
24. Deforestation
25. Community Wellbeing
26. Weather Calamities

27. Water Infrastructure
28. Farming Know-How
29. Monocropping
30. Lack of Farm Inputs
31. Poor Access to Markets
32. Poor Finance
33. Post Harvest Losses
34. Low-Tech or No-Tech Processing
35. Unorganized Markets
36. Landlocked Regions
37. Poor Seeds



We delved deeper into evaluating the global peanut industry and carried out a comprehensive materiality study specific to this sector. This materiality matrix holds immense value for all stakeholders, particularly for this pioneering sustainability report within the industry. Given the peanut industry's lack of investment and development, Agrocrops' aspiration to integrate and reengineer the global peanut sector is vividly evident in this materiality assessment.



# Corporate Governance

As the bedrock of our company, corporate governance is an integral part of our commitment to sustainability.

When it comes to establishing our culture, maintaining compliance with regulations, cultivating connections with internal and external stakeholders, and encouraging transparency and disclosures, our governance structure is vital. Therefore, we make it a priority to make ethical and effective decisions, so that we can satisfy our customers and grow our business for the long term.

Protecting the interests of our customers, clients, employees, shareholders, and communities is a top priority, and our strong corporate governance practices help us do just that. Agrocrops considers its Business Principles, which address the company’s long-term fortification, security, and expansion, to be the bedrock of its success. These guidelines are universally applicable to all of our product lines and operational regions.

Established positions and assigning explicit responsibilities to decision-makers at various levels, beginning with the Board of Directors, reinforce our corporate governance system. The Board’s role is to determine the company’s long-term goals, provide the resources necessary for the executive team to achieve those goals, oversee day-to-day operations, account for their actions as stewards, and look out for the interests of the company’s shareholders. The effectiveness of the Board is governed by statutes, rules, and shareholder votes at annual meetings.

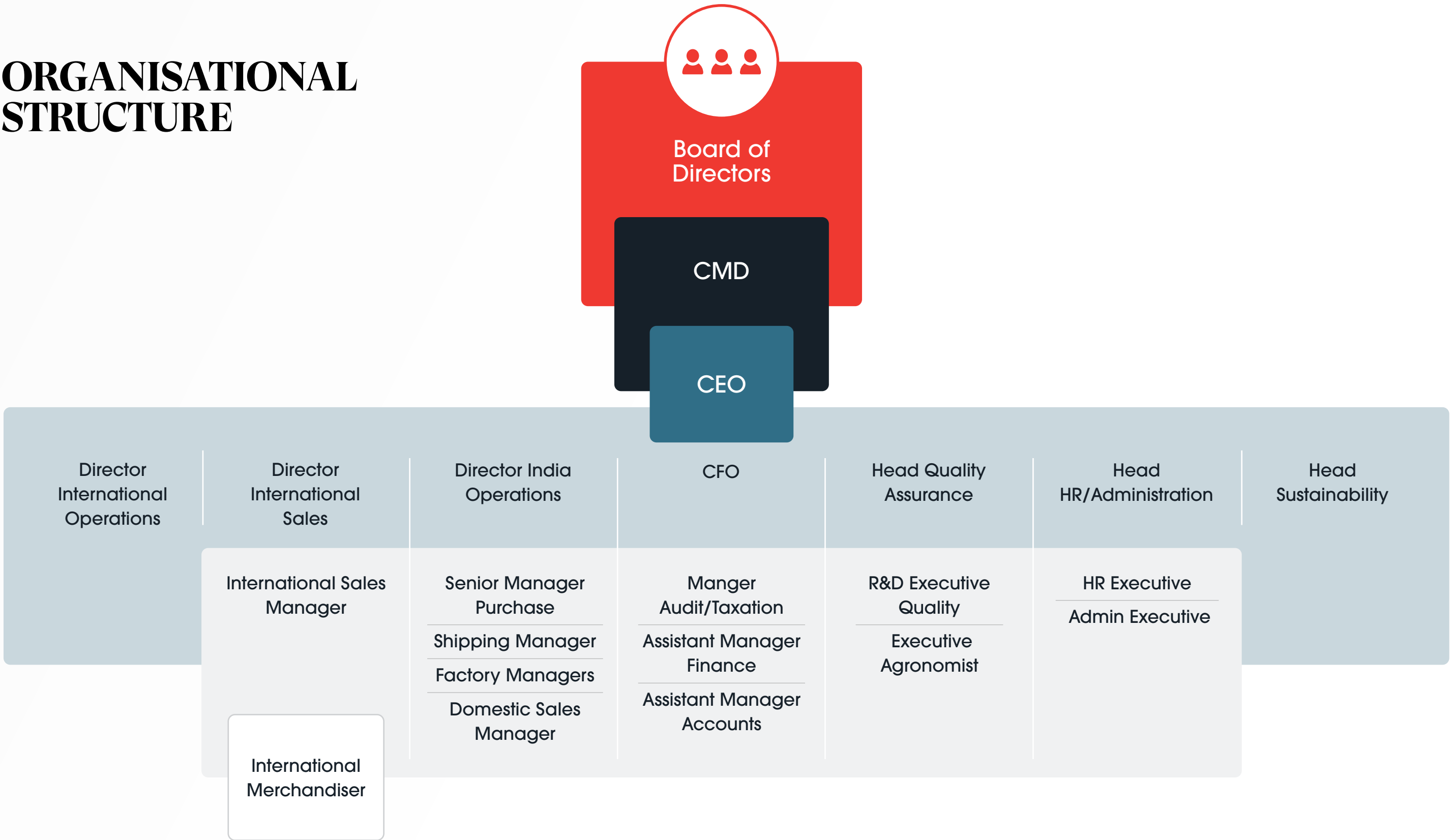
Our board

4  
Directors

25%  
Board diversity

1  
Woman

## ORGANISATIONAL STRUCTURE





# Governance Overview

We firmly believe that sustainable growth is inseparable from robust corporate governance. Our commitment to ethical conduct, transparency, and stakeholder value serves as the foundation upon which our company stands.

## OUR CORPORATE GOVERNANCE APPROACH



### Board of Directors

Our Board is a diverse blend of seasoned professionals, each bringing unique expertise to the table. Comprising experts in agriculture, finance, and sustainability, the Board is dedicated to steering the company towards responsible practices and long-term success. Regular meetings and strategic planning sessions ensure alignment with our core values and mission.



### Transparency and Accountability

Transparency is the cornerstone of our corporate governance approach. We provide shareholders with regular updates through comprehensive reports, detailing financial performance, sustainability initiatives, and governance matters. Our financial disclosures adhere to international standards, providing our investors with a clear picture of our fiscal health.



### Ethical Conduct

We hold ourselves to the highest standards of ethical behavior. Our Code of Conduct is not just a document but a reflection of our unwavering commitment to integrity in all business dealings. This commitment extends from our interactions with farmers and workers to engagements with suppliers, customers, and the communities we operate in.



### Stakeholder Engagement

Recognizing the interconnectedness of our business with various stakeholders, we actively engage with farmers, workers, local communities, consumers, and investors. Regular dialogue sessions, surveys, and community outreach programs ensure that their voices are heard, and their interests are considered in decision-making processes.



### Risk Management

A proactive approach to risk management is integral to our governance framework. We continuously assess and mitigate risks associated with environmental factors, supply chain dynamics, and market fluctuations. This risk-aware culture allows us to adapt to challenges and seize opportunities with agility.



### Sustainability Integration

Sustainability is not an addendum; it is woven into the fabric of our corporate governance. The Board oversees sustainability strategies, ensuring that our agricultural practices are environmentally friendly, our supply chain is transparent, and our social impact is positive. We are committed to continuous improvement, guided by ESG principles.



### Innovation and Adaptability

Innovation is the lifeblood of our company. The Board encourages a culture of innovation, driving us to embrace new technologies and methodologies that enhance efficiency, reduce environmental impact, and position Agrocrops as a leader in the evolving peanut industry.



### Compliance with Regulations

We adhere rigorously to local and international regulations, promoting a culture of compliance within our organization. Regular audits and legal reviews ensure that our operations align with the highest legal and ethical standards.

At Agrocrops, corporate governance is not merely a set of guidelines; it is our compass, guiding us through the dynamic landscape of the peanut industry. We recognize that by upholding the principles of integrity, transparency, and sustainability, we not only nurture the growth of our company but also contribute to the well-being of the planet and its communities.

Together, we march forward, sowing the seeds of responsible corporate governance for a sustainable harvest and a brighter future.





# We Rise by Lifting Others

Daman Chand embarked on a remarkable journey when joining Agrocrops as a field quality control staff member.

Rewinding to 2006, Daman Chand was an immigrant laborer from Nepal, holding a security guard position. His unwavering dedication and diligence at his job caught the attention of Agrocrops, leading towards a company sponsorship of his computer studies, ultimately propelling him into an office-based role. Over time, Daman

Chand's consistent development and growth got him a second sponsorship from Agrocrops for learning English. Today, he is a purchase head, proficient in conversing eight different Indian languages and possessing unparalleled expertise in peanut varieties and technical knowledge.



*My career journey with Agrocrops has been a remarkable odyssey of growth and resilience. From navigating the challenges of civil unrest to embracing new opportunities, I am grateful for the support and continuous development that has shaped my successful path since 2006.*



2006



2010



2015

2022

**PURCHASE HEAD**





# Business Ethics – Nurturing Integrity in Peanut Business

At Agrocrops, ethical conduct is not just a corporate value; it is the essence of who we are and how we operate. Our commitment to business ethics extends from our interactions with farmers and workers to our engagement with consumers, suppliers, and the broader community. Please find an overview of our business ethics framework, practices, and ongoing initiatives.

## Code of Conduct

Our Code of Conduct serves as the ethical compass that guides the behavior of every Agrocrops team member. Developed in alignment with international standards, it outlines our expectations regarding integrity, honesty, respect, and compliance with all applicable laws and regulations. The Code is disseminated across the organization and is integral to our induction and ongoing training programs.

## Transparency and Communication

Transparency is the bedrock of our ethical communication. We strive to provide clear and honest information to all stakeholders. Our communications, whether internal or external, are designed to foster trust and understanding. We regularly update stakeholders through reports, newsletters, and other communication channels.

## Fair Labor Practices

We recognize that our success is intertwined with the well-being of those involved in peanut cultivation. Agrocrops is committed to fair labor practices, ensuring that workers across our supply chain receive fair wages, work in safe conditions, and are treated with dignity and respect. Regular audits and assessments help us uphold these standards.

## Community Engagement

Agrocrops actively engages with local communities where we operate. We believe in being a responsible corporate citizen by contributing to community development, supporting education, and participating in local initiatives. Community feedback is sought and considered in our decision-making processes.

## Supplier Code of Conduct

Our relationships with suppliers are based on mutual trust and ethical principles. Our Supplier Code of Conduct outlines the expectations we have for our suppliers, including ethical sourcing practices, environmental responsibility, and compliance with labor standards. We actively engage with our suppliers to ensure alignment with these principles.

## Anti-Corruption Measures

We have zero tolerance for corruption in any form. Agrocrops employees are educated on the risks and consequences of corruption, and robust measures are in place to prevent and detect corrupt practices. We encourage a culture where employees feel empowered to report any unethical behavior.

## Environmental Responsibility

As stewards of the land, we understand the impact of agriculture on the environment. Agrocrops is committed to sustainable farming practices at our supply chain and operations that minimize our ecological footprint, conserve water, and preserve biodiversity. We invest in research and innovation to continually improve our environmental performance.

## Continuous Improvement

Ethics is a journey, not a destination. We continually assess our business practices, seeking areas for improvement and refinement. Feedback from stakeholders, regular ethical audits, and participation in industry initiatives contribute to our commitment to continuous improvement in ethical performance.

In conclusion, our commitment to business ethics is not just a checkbox; it is an integral part of our identity.

At Agrocrops, we believe that by upholding the highest ethical standards, we not only ensure the success of our business but also contribute positively to the well-being of our stakeholders and the sustainability of the peanut industry. Together, we sow seeds of ethical excellence, nurturing a harvest that sustains communities and the planet.

As we reflect on the past year at Agrocrops, we are proud to affirm our unwavering commitment to ethics and integrity. We are pleased to report that, throughout the reporting year, no business ethics violations or cases of corruption have been recorded within our organization.

Our robust ethical framework, which includes a comprehensive Code of Conduct, regular training programs, and vigilant monitoring, has contributed to maintaining the highest standards of business ethics. We believe

that an ethical business is a sustainable business, and our dedication to these principles is embedded in every facet of our operations. This achievement is not just a reflection of our policies and procedures; it is a testament to the ethical culture cultivated by every member of the Agrocrops family. Our team's commitment to doing business with integrity and in compliance with ethical standards is commendable, and we extend our gratitude to each member for their role in upholding our shared values.

As we look ahead, we remain steadfast in our commitment to fostering a culture of transparency, trust, and ethical excellence. We understand that maintaining these high standards is an ongoing process, and we are dedicated to continuous improvement in our ethical practices.



# Our Sustainability Milestones



Our foray into sustainability began with a dual commitment – one born of self-interest and the other of responsibility. As we continued to expand, our growth accompanied a profound sense of duty and a desire to contribute to the greater good. Our intention to grow hand in hand with the community became increasingly pronounced. This journey initially took on a collective form, and we actively pursued opportunities to extend its impact within our organization and beyond. In our early days, our initiatives aimed to settle our “karmic accounts.” However, with the infusion of talent, we refined our vision, ultimately making sustainability the cornerstone of our business strategy. We can proudly assert that our journey in sustainability is a self-made endeavor.

**Ranjith Raju**  
Trailblazer in Peanut Sustainability



## 2010

We embarked on a Pioneering “**Education for All**” Program, providing educational and tuition fee support to our employees’ children and extending this aid to selected students from underprivileged communities pursuing medical and engineering degrees.

We have established a Social Responsibility Committee dedicated to **launching community outreach initiatives** to make a positive impact and give back to the underprivileged segments of society.

## 2011

We initiated an Exclusive Women-Only Employment Drive, with a particular emphasis on recruiting women from economically disadvantaged backgrounds, especially those living below the poverty line. We then instituted comprehensive company policies centered on women’s employment, health, and safety. This initiative resulted in the hiring of nearly **320 female employees** daily.



## 2013

We launched a weekly initiative for distributing **Free Meals** to over **1,000 individuals**, including older adults and those below the poverty line. Additionally, we extended our support by providing hearing aids to a school of **250 students** and completely renovating the school’s infrastructure.



## 2015

Conducted comprehensive employee training in quality assurance, food safety, and health standards, alongside the establishment of company-wide policies, procedures, and committees to **oversee and maintain** these critical aspects.

We successfully executed a **100% Traceability System** to track our products back to the mill, ensuring complete transparency and accountability throughout our operations.



## 2017

We embarked on **our first contract farming venture** in collaboration with Farmer Producer Organisations (FPOs) and expanded our large-scale farming operations by acquiring leased land.

We attained BRC Certification, signifying our adherence to the **most rigorous food safety standards** and the highest level of product quality.



## 2021

Started **engagement** with several **NGOs** like M.S. Swaminathan foundation to establish strong hold relationship with several FPOs consisting of smallholder farmers and especially focused on women farmers, signed up more than **1,000 farmers**.

Established **Agrocrops Sustainability team** and org structure to steer sustainability.



## 2022 H1

We launched the **HOPE (High Oleic Peanut) Program** as an integral component of our Food Security Initiative, providing farmers free machinery and conducting demonstration plots to **enhance crop yield**.

We formulated the company’s **Fundamental Sustainability Strategy** for three years, outlining our commitment to long-term environmental and social responsibility.

We have attained Fair Trade and Global GAP Certifications, underscoring our dedication to **ethical practices and global agricultural standards**.

We pioneered adopting **100% Recyclable Packaging** for all consumer brands, simultaneously reducing packaging size and promoting eco-friendly practices.

We institutionalized sustainability-linked Key Performance Indicators (KPIs) within employees’ variable compensation structures, including the Board of Directors, to reinforce our **commitment to sustainability** at all levels of the organization.



## 2022 H2

We pioneered a Women-Only Workforce dedicated to producing and marketing our consumer products, employing nearly **30 highly skilled women employees**.

We committed as a Signatory to the United Nations Global Compact, reaffirming our dedication to **global corporate responsibility and sustainable practices**.

We initiated a comprehensive Baseline Audit of **Scope 1 and 2 Emissions** and established Key Performance Indicators (KPIs) and targets to drive our sustainability objectives forward.

We successfully concluded the evaluation of Farmer Producer Organisations (FPOs) and forged partnerships with over **5,000 farmers** across eight FPOs, marking one of the most extensive peanut farming collaborations in India.

We invested in a Watershed Project aimed at rainwater harvesting and reuse for farming, benefiting more than **1,500 villagers** and farmers in the region.

We planted **2,500 trees** as part of our Annual Greenhouse Gas Reduction and Afforestation Program, contributing to our commitment to combat climate change and promote reforestation.





# Environmental Stewardship

Environmental stewardship holds paramount importance for Agrocrops, as it serves as a guiding principle for responsible and sustainable practices. In a world facing escalating environmental challenges, Agrocrops' commitment to environmental stewardship goes beyond mere compliance; it becomes a proactive strategy that not only safeguards the planet but also enhances the company's long-term viability.

One of the key reasons environmental stewardship is vital for Agrocrops is due to our role in ensuring the sustainability of peanut cultivation. Peanuts, as a crop, are deeply connected to the environment, relying on soil health, water resources, and a stable climate. By adopting sustainable farming practices, such as precision farming and organic cultivation, we contribute to the resilience of peanut crops against climate variations, pests, and diseases. This not only secures the company's supply chain but also ensures a consistent and quality peanut yield for consumers.

Water conservation is another critical aspect of environmental stewardship for Agrocrops. Given that peanuts are a water-intensive crop, responsible water management practices are essential. By investing in efficient irrigation systems and monitoring technologies in its supply chain of farmers, the company not only minimizes water usage, but also mitigates the impact of agriculture on water resources. This is particularly crucial in regions prone to water scarcity, where the company's commitment to sustainable practices becomes a positive force for local ecosystems and communities.

Beyond the farm, environmental stewardship in peanut processing and distribution further contributes to the reduction of the company's overall ecological footprint. Adopting energy-efficient technologies, exploring renewable energy sources, and implementing waste reduction and recycling programs are integral to minimizing the environmental impact of the entire peanut supply chain. Such initiatives not only align with global sustainability goals but also position the company as a leader in environmentally conscious business practices.

Moreover, environmental stewardship is increasingly becoming a factor that influences consumer choices. Agrocrops prioritizes sustainability and environmental responsibility and hence we not only meet the expectations of an environmentally conscious consumer base but also gain a competitive edge in the market. Certifications such as ISO 22000, Fair Trade serve as visible indicators of our commitment to high environmental standards, enhancing our brand reputation and consumer trust.

In essence, the importance of environmental stewardship for Agrocrops lie in our ability to harmonize agricultural productivity with ecological health. It is a holistic approach that recognizes the interconnectedness of business operations with the environment, local communities, and global sustainability objectives. By embracing environmental stewardship, Agrocrops not only fulfils its ethical responsibilities but also positions itself for enduring success in a world where environmental consciousness is a key driver of business resilience and relevance.



## George Washington Carver

George Washington Carver is celebrated for revolutionising farming practices by promoting crop rotation among farmers by using the peanut crop. To encourage the adoption of peanuts, he innovated over 100 different uses for this versatile legume.



# GHG Emissions

As per our recent Greenhouse Gas (GHG) Accounting exercise, we identified that our major GHG emissions arise from various stages of the production and processing cycle. Understanding and managing these emissions is crucial for our climate mitigation plan and decarbonization strategy.

## HERE ARE KEY AREAS WHERE GHG EMISSIONS OCCUR IN OUR OPERATIONS AND SUPPLY CHAIN.



### Raw Material Production

#### Agricultural Emissions:

The cultivation of peanuts may involve the use of fertilizers and pesticides, contributing to GHG emissions. The energy used in planting, harvesting, and transportation of peanuts to processing facilities also contributes to the carbon footprint.



### Transportation

#### Raw Material Transportation:

Emissions occur during the transportation of raw peanuts from farms to processing facilities. This includes both direct emissions from vehicles and indirect emissions associated with fuel production.

#### Finished Product Distribution:

Emissions result from the transportation of processed peanut products to distribution centers, retailers, and consumers.



### Processing Operations

#### Energy Consumption:

The processing of peanuts involves various energy-intensive operations, such as drying, roasting, and packaging. The energy source for these processes, whether it be electricity or natural gas, can significantly contribute to GHG emissions.

#### Waste Management:

Waste generated during processing, if not managed efficiently, can contribute to emissions. For example, organic waste in landfills may produce methane, a potent greenhouse gas.



### Packaging

#### Material Production:

The production of packaging materials, especially if derived from fossil fuels, can contribute to GHG emissions.

#### Waste and Recycling:

Improper disposal of packaging waste can result in emissions, while recycling efforts can help mitigate the overall impact.

### Efficiency Measures

#### Energy Efficiency:

Implementing energy-efficient technologies in processing operations can help reduce emissions associated with energy consumption.

#### Waste Reduction:

Minimizing waste and optimizing waste management practices can contribute to emissions reduction.

#### Renewable Energy:

Transitioning to renewable energy sources, such as solar or wind power, for processing operations can significantly reduce direct emissions.

#### Efficient Transportation:

Optimizing transportation routes and using fuel-efficient vehicles can reduce emissions associated with transportation.

#### Sustainable Agricultural Practices:

Encouraging or adopting sustainable and low-emission agricultural practices can reduce emissions from the cultivation of peanuts.

#### Carbon Offsetting:

Investing in carbon offset projects can help neutralize emissions that are challenging to eliminate completely.

#### Lifecycle Assessments:

Conducting comprehensive lifecycle assessments can help identify emission hotspots and inform targeted reduction strategies.

By implementing a combination of these strategies, we are planning towards minimizing our GHG emissions and contributing to a more sustainable and environmentally friendly operation.

Emission Category	GHG Emissions in mtCO <sub>2</sub> e
Scope 1	14.78
Scope 2	211.73
Total Emissions	226.51

We are thrilled to announce a significant achievement in our sustainability journey at Agrocrops. In our ongoing commitment to transparency and environmental responsibility, we have recently completed a comprehensive third-party verification (TUV SUD) of our GHG report.

This verification process ensures that our GHG report aligns with the highest standards of accuracy and credibility. By engaging with a respected third-party organization, we aim to provide you, our valued stakeholders, with the utmost confidence in the environmental data we share.

Beginning from the next reporting year, we will be extending our efforts to calculate and report on Scope 3 emissions. This expansion aims to provide a more holistic view of our environmental impact, encompassing emissions beyond our direct operations and into our value chain.

This expansion aligns with global best practices and standards for sustainability reporting, providing you with a more comprehensive view of our environmental performance. It enables us to better identify opportunities for emissions reduction throughout our value chain and collaborate more effectively with our partners to drive positive change.

This strategic decision reflects our commitment to continuous improvement and transparency. We believe that by expanding our reporting scope, we can better address the challenges of climate change and work towards a more sustainable future.



# Biodiversity Conservation



Biodiversity is a critical aspect of sustainability, and its preservation is of paramount importance for Agrocrops. Beyond the immediate operations of processing, Agrocrops plays a crucial role in the broader agricultural landscape, and our impact on biodiversity extends from the fields to the surrounding ecosystems. Here’s a comprehensive exploration of the significance of biodiversity for Agrocrops.



### Ecological Harmony

Biodiversity in and around peanut fields contributes to ecological harmony. Diverse ecosystems create a balance where various species coexist and depend on each other. In peanut cultivation, promoting biodiversity helps maintain natural predators, such as insects and birds, which can control pests without the need for excessive pesticides.



### Pollination and Crop Yield

Biodiversity, especially pollinators like bees and butterflies, plays a vital role in the pollination of flowering plants, including peanuts. A diverse ecosystem attracts and supports these pollinators, positively impacting crop yield and quality. A decline in biodiversity could result in reduced pollination, potentially affecting peanut production.



### Soil Health and Nutrient Cycling

Diverse plant species contribute to soil health through a process known as nutrient cycling. Different plants have varying nutrient needs and contribute different nutrients to the soil. Crop rotation with diverse plants enhances soil fertility and reduces the risk of nutrient depletion, ultimately benefiting peanut crops.



### Resilience to Climate Change

Biodiverse ecosystems are more resilient to the impacts of climate change. Diverse plant species can adapt to changing environmental conditions, providing a buffer against extreme weather events and temperature fluctuations. This resilience is essential for the long-term sustainability of peanut cultivation in the face of climate uncertainties.



### Prevention of Monoculture Risks

Monoculture, or the cultivation of a single crop over a large area, poses risks to biodiversity and can lead to ecosystem degradation. Peanut processing companies can contribute to preventing monoculture risks by encouraging crop rotation and the cultivation of other compatible crops alongside peanuts. This approach mitigates the negative environmental impact associated with monoculture.



### Preservation of Natural Habitats

Sustainable peanut processing involves considering the broader impact on natural habitats. Responsible land use practices that preserve natural habitats, such as wetlands or forested areas, contribute to biodiversity conservation. This, in turn, ensures the survival of diverse plant and animal species in the surrounding environment.



### Water Quality and Conservation

Biodiversity in riparian zones and water bodies associated with peanut cultivation plays a crucial role in maintaining water quality. Diverse plant species act as a natural filter, preventing soil erosion and runoff, thus preserving water quality. Additionally, maintaining natural vegetation along water bodies contributes to water conservation efforts.

In conclusion, the preservation and promotion of biodiversity are integral to the responsible practices of Agrocrops. Beyond regulatory compliance, it represents a commitment to the health of ecosystems, the resilience of agriculture, and the well-being of communities. By integrating biodiversity considerations into its operations, Agrocrops not only contributes to environmental sustainability but also secures the long-term viability of our industry.



# Our Biodiversity Conservation Status and Projects

Our facilities neither fall under nor affect high biodiversity value, as either a commercial or industrial land was only purchased by us to set-up our facilities.



We initiated tree plantation activities in the open spaces within the plant facilities, starting with the Hiriya location in Karnataka during October-November 2022.



In partnership with MSSRF, we've plans to promote plantation and nutritional gardens across FPO operational regions. We've also sponsored an international event organized by MSSRF on the sustainable development of hills and coastal ecosystems during August, 2022.





# Our Natural Ecosystem Conservation Status and Projects

Agrocrops procures a total of 10 types of products, including Groundnut Kernels (78.5%) and other groundnut by-products such as blanched groundnut and groundnut oil. Additionally, Agrocrops procures sesame seeds along with Red Chili (18%) and other spices, including fenugreek seeds, turmeric, and coriander seeds.



S No	Procurement	Region	Volume in MT	Percentage
1	GROUNDNUT KERNELS	Agrocrops Chennai	10,884	33.92%
		Agrocrops Hiriya	35	0.11%
		Agrocrops Mundra	14,282	44.50%
2	RED DRY CHILIES	Agrocrops Chennai	0	0.00%
		Agrocrops Guntur	5,782	18.02%
3	BLANCHED GROUNDNUTS	Agrocrops Chennai	0	0.00%
		Agrocrops Mundra	393	1.23%
4	GROUNDNUTS IN SHELL	Agrocrops Chennai	262	0.82%
		Agrocrops Hiriya	58	0.18%
		Agrocrops Mundra	52	0.16%
5	SESAME SEEDS	Agrocrops Chennai	10	0.03%
		Agrocrops Mundra	139	0.43%
6	FENUGREEK SEEDS	Agrocrops Mundra	120	0.37%
7	GROUNDNUT OIL	Agrocrops Chennai	24	0.07%
		Agrocrops Mundra	4	0.01%
8	BLANCHED ROASTED	Agrocrops Mundra	25	0.08%
9	TURMERIC	Agrocrops Guntur	19	0.06%
10	CORIANDER SEEDS	Agrocrops Chennai	3	0.01%
Total			32,091	100%



# Improving Soil Health

Soil health is of paramount importance for Agrocrops as it directly impacts the quality and sustainability of peanut cultivation. Healthy soil provides essential nutrients for peanut plants, influencing crop yield and quality.

The structure and composition of soil also play a crucial role in water retention and drainage, affecting irrigation efficiency. Sustainable peanut processing relies on maintaining soil health to mitigate erosion, enhance biodiversity, and prevent nutrient depletion.

By adopting practices that prioritize soil health, such as crop rotation and cover cropping, a peanut processing company ensures the long-term viability of its supply chain, reduces environmental impact, and contributes to the overall resilience of agriculture in the face of changing climate conditions.

In collaboration with MSSRF – FPOs, we are providing training to farmers on good agricultural practices. Additionally, we are supporting the distribution of biological fertilizers and pesticides. This initiative is set to benefit **32 farmers** and involves the distribution of Trichoderma and Aspergillus.

Pesticide use, when carefully managed, can be a strategic component of the environmental stewardship efforts of a peanut processing company. As part of a comprehensive approach to sustainable agriculture, the judicious application of pesticides contributes to the protection of peanut crops, ensuring their health and quality.

The key to responsible pesticide use lies in adopting integrated pest management (IPM) practices. This involves a holistic approach that considers various factors, including pest biology, natural predators, and environmental impact. By implementing IPM strategies, a peanut processing company can minimize the need for broad-spectrum pesticides, opting instead for targeted and more environmentally friendly solutions.

Furthermore, the selection of pesticides with lower environmental toxicity and reduced persistence in the ecosystem is crucial. This helps in limiting adverse effects on non-target species and reducing the potential for pesticide residues in the final peanut products.

Regular monitoring of pest populations and employing early intervention measures, such as the introduction of natural predators, can significantly decrease the reliance on chemical pesticides. Additionally, investing in research and development of alternative pest control methods, such as biopesticides or organic solutions, aligns with the company's commitment to environmental sustainability.



# Responsible Pesticides Use

Agrocrops is actively engaging with stakeholders to contribute to the reduction of the environmental impact of pesticide use by educating and collaborating with farmers in its supply chain. Training programs on responsible pesticide application, emphasizing proper dosage and timing, can enhance the effectiveness of pest control while minimizing negative environmental consequences.

The use of pesticides as part of the environmental stewardship strategy of Agrocrops hinges on a commitment to sustainable and responsible practices. By embracing integrated pest management, selecting environmentally friendly pesticides, and promoting education and collaboration within the supply chain, Agrocrops is striving to strike a balance between protecting its crops and preserving the ecological health of the surrounding environment.

As part of our 'Responsible Pesticide Use' initiative, we use a limited quantity of Aluminium Phosphate and Methyl Bromide for fumigation purposes when exporting commodities, adhering to applicable international standards.

### Type of Materials

Aluminium Phosphate (ALP Gas - Moderately hazardous) and Methyl Bromide (MBR Gas - Highly hazardous) are utilized for fumigation in containers before transport to customer destinations. This process strictly adheres to the requirements of the destination countries. Detailed Standard Operating Procedures (SOPs) and country regulations are readily available at the sites. These chemicals are globally recognized as standard and comply with the World Trade Organization's (WTO) sanitary and phytosanitary measures.

Daily usage records are available at the plant, and consolidated data is accessible at the corporate level.

Three assistants are stationed at the sites, receiving regular training from a certified expert on the safe application of these materials, operating the tools used for application, and ensuring the safe disposal of waste. Practices are reviewed on a quarterly basis. All safety precautions and mitigation measures are outlined at the sites in the event of any failure or hazard due to the use of these materials.

The waste generated in the process, typically aluminum containers, is disposed of safely through a waste collection agent.

Use of Hazardous Chemicals for Fumigation Purpose During CY 2022

	ALP Gas (Kgs)	MBR Gas (Kgs)	Insecticides (Kgs)	Rodent trap (no. of sheets)
Agrocrops-Chennai	31.4	346.7	60	60
Agrocrops-Mundra	16.2	409.7	60	180
	47.6	756.4	120	240

### Pesticides management at community level

As part of our community engagement collaboration through MSSRF, we support farmers with training on good agricultural practices, including the use of bio-fertilizers and pesticides, replacing the application of chemical pesticides.

Training on Fairtrade and GlobalGAP standards on Integrated Pest Management (IPM) covers material issue management, such as ensuring the non-use of banned pesticides (categorized as RED) and promoting the application of biological farm inputs.

We maintain a document with list detailing the usage of chemicals (organized by crop) and a compilation of prohibited hazardous materials in accordance with the Fairtrade phase-out plan.



# Water Stewardship

Water stewardship is a fundamental pillar of sustainability for Agrocrops, encompassing responsible water use, conservation, and environmental protection. Agrocrops' commitment to water stewardship goes beyond compliance, striving to balance operational needs with the preservation of water resources for current and future generations.



## Water Conservation Practices

Agrocrops prioritize water conservation in our operations and supply chain through the implementation of efficient irrigation systems, optimized agricultural practices, and investment in cutting-edge technologies. These measures not only ensure the responsible use of water but also contribute to the overall sustainability of the agricultural supply chain.



## Rainwater Harvesting

Recognizing the importance of local water availability, Agrocrops explores rainwater harvesting systems. Collecting and utilizing rainwater for non-potable purposes within the facility not only reduces reliance on external water sources but also contributes to the conservation of natural water reservoirs.



## Efficient Processing Techniques

Within the processing facilities, Agrocrops employs water-efficient techniques. Recycling and reusing water in various stages of processing, such as washing and cleaning, minimize the overall water footprint. The integration of water-saving technologies enhances the efficiency of operations while reducing the demand on local water sources.



## Effluent Managements

The responsible treatment of effluents is a key component of Agrocrops' water stewardship strategy. The company actively monitors and reports on effluent quality, demonstrating a commitment to transparency and compliance.



## Community Engagement

Engaging with local communities on water-related initiatives is a cornerstone of Agrocrops water stewardship efforts. Collaborative projects, such as water conservation awareness campaigns and community-based water management initiatives, strengthen relationships and contribute to the overall well-being of the regions where the company operates.

In conclusion, Agrocrops' water stewardship approach reflects a holistic commitment to environmental responsibility. By integrating water-efficient practices throughout our operations, and actively engaging with stakeholders, We strive to be a water steward that not only meets its operational needs but also contributes to the broader sustainability of water resources and ecosystems.



## Employee Training and Awareness

Agrocrops fosters a culture of water stewardship among its employees through training and awareness programs. Employees are educated on the importance of water conservation, efficient usage practices, and the role each individual plays in the company's broader commitment to sustainable water management.



# Waste Management

Waste management is a crucial component of sustainability for Agrocrops, ensuring responsible handling of by-products and minimizing environmental impact. The company adopts a comprehensive waste management approach that encompasses the entire production process.



Through these waste management practices, Agrocrops not only meets regulatory requirements but also actively contributes to environmental conservation, resource efficiency, and the broader goal of sustainable and responsible business operations.

## Some of our waste management initiatives are as follows:

- In the processing of peanuts and chili, various waste materials such as stones, mud/sand, plant roots/sticks, etc., are generated and sent for landfilling within the premises. Other waste, which is minimal, such as plastics or electronic waste, is disposed of through municipal waste collection.
- The husk generated during the shelling activity is sold to biomass plants. The total quantity of husk sold for fuel and energy generation by other industries is 90.24 MT. Additionally, the total waste sent for landfilling and disposal to the municipality in peanut processing is 10.024 MT, and the total waste sent for landfilling and disposed of to waste collection agents and the municipality in chili processing is 124 MT. Currently, the related costs are borne by the company.
- Agrocrops is planning to obtain an Extended Producer Responsibility (EPR) license for plastic consumption in our B2C production in the coming years. The company is also planning to implement a project on biofuel or biochar production from the waste (husk) generated in our plants during the year 2024/25.



# Food Security

Food security is a multifaceted concept that involves ensuring that all individuals have access to safe, nutritious, and sufficient food to meet their dietary needs for an active and healthy life.



### Nutrient-Rich Products

Peanuts are rich in essential nutrients, including proteins, healthy fats, and vitamins. As a primary processor of peanuts, Agrocrops contributes to providing nutrient-dense food products to consumers, enhancing the nutritional content of diets.



### Diverse Product Offerings

Agrocrops has a range of products and this diversity of peanut-based products contributes to a varied and balanced diet, addressing different nutritional needs and preferences.



### Accessibility and Affordability

Through efficient processing and distribution channels, peanut products become more accessible and affordable to a broader consumer base. This accessibility is critical for addressing food security challenges, particularly in regions where access to nutritious food may be limited.



### Employment and Economic Development

By operating and expanding its activities, we contribute to local economies. The creation of employment opportunities and economic development in the areas where peanuts are cultivated and processed enhances the purchasing power of communities, improving their overall food security.



### Community Engagement and Education

We engage with local communities to enhance awareness about the nutritional benefits of peanuts and the importance of a balanced diet. Educational programs contribute to empowering communities to make informed choices for better food security.



### Sustainable Agriculture Practices

We work closely with farmers to promote sustainable agriculture practices. This not only ensures a stable and quality supply of peanuts but also contributes to the long-term food security of communities relying on peanut cultivation.



### Value Addition to Raw Peanuts

Processing raw peanuts into various products adds value to the agricultural produce. This value addition not only benefits the company but also supports the livelihoods of farmers, reinforcing the overall food security of the region.

## FEW OF OUR RECENT FOOD SECURITY INITIATIVES ARE AS FOLLOWS.

We have launched our flagship program, in collaboration with FPOs, to distribute high Oleic seeds to our farmer suppliers. This initiative addresses the overarching challenges in the food value chain by offering high yield potential for farmers, leading to economic benefits. Additionally, it tackles the malnutrition problem through the supply of High Oleic Peanuts (HOPE) in partnership with Nutriset – France.

As part of our community development initiative aimed at supporting the nutritional needs of farmer families, we are currently developing a curriculum to promote nutritional gardens. Furthermore, we will provide financial assistance or supply the required inputs during the calendar year 2023/24.



# Food Safety

Ensuring food safety is a paramount concern for Agrocrops. Adhering to rigorous standards and implementing robust practices is crucial to delivering safe and high-quality peanut products.

## Quality Control Measures

Agrocrops has implemented stringent quality control measures throughout the processing stages. Our regular checks and inspections help identify and eliminate potential contaminants, ensuring the production of safe and wholesome peanut products.

## Compliance with Regulations

Our adherence to local and international food safety regulations is non-negotiable. We stay updated on regulatory requirements and ensure full compliance to guarantee the safety of our products.

## Sanitary Processing Environments

Maintaining a clean and sanitary processing environment is critical. This includes regular cleaning of equipment, facilities, and surfaces to prevent the growth of harmful microorganisms and cross-contamination.

## Traceability and Recall Procedures

We are in the process of implementing robust traceability systems that allow us to trace the source of raw materials and track the journey of products throughout the supply chain. In case of any safety concerns, effective recall procedures can be initiated promptly.

## Hazard Analysis and Critical Control Points (HACCP)

We have employed a Hazard Analysis and Critical Control Points system which helps to identify, assess, and manage potential hazards in the processing chain. This systematic approach enhances the ability to control and mitigate risks associated with food safety.

## Employee Training

We constantly engage in providing comprehensive training to employees on hygiene, sanitation, and food safety practices. Well-trained staff contribute significantly to maintaining a safe processing environment.

## Testing and Monitoring

We conduct regular testing and monitoring of raw materials, intermediate products, and final products to ensure that they meet the required safety standards. This includes checks for aflatoxins, pesticides, and other potential contaminants.

## Packaging and Storage Protocols

We have implemented a system that helps in adopting proper packaging protocols, including the use of food-grade materials, and ensures the integrity of the final product. Adequate storage conditions, including temperature control, are also implemented which is crucial for preventing microbial growth.

## Allergen Management

Given the potential for peanut allergies, effective allergen management is paramount. Clear labelling, segregation of allergens, and thorough cleaning practices help prevent cross-contamination.

## Continuous Improvement

Regular audits, reviews, and continuous improvement initiatives contribute to an evolving and robust food safety management system. Agrocrops remains proactive in identifying areas for enhancement in its food safety practices.

## Food safety management certifications:

- We hold HACCP, ISO 22000, BRCGS, Fairtrade, and GlobalGAP certifications that ensure product safety by eliminating or reducing hazards.
- Additionally, we possess religious certifications such as Halal and Kosher. The list of these certifications is available on our website: [About-Us](#).
- All our products are 100% compliant with HACCP standards.

Breakdown of international food safety certifications according to plants/sites:

- Agrocrops – Mundra: BRCGS, Kosher and Halal, Fairtrade, Sedex pillar4 and ISO 22000.
- Agrocrops – Chennai + KMPL: HACCP and Fairtrade.
- Agrocrops – Hiriyur: HACCP.
- Agrocrops Spices Pvt Ltd (ASPL) – Guntur: Halal, ISO 22000 and GlobalGAP.

Other statutory certifications obtained include FSSAI, APEDA, and Export Council of India (IOPEPC).

## Geo-tagging and I-nut:

- Geo-tagging of suppliers' (producers') farms is in progress and aligns with the traceability plan as per ISO 22000 and BRCGS requirements.
- I-nut is a mobile application that will be introduced in CY 2023/24, enabling supply chain stakeholders to adhere to global practices and standards related to good agricultural practices, production, quality, and trade.

In summary, Agrocrops' commitment to food safety involves a holistic approach, covering everything from raw material sourcing to final product delivery. By prioritizing quality control, adherence to regulations, and continuous improvement, Agrocrops ensures that its peanut products meet the highest standards of safety for consumers worldwide.



# Our People and Community

In the dynamic landscape of corporate responsibility, the Social Pillar holds paramount importance for Agrocrops who is committed to sustainable and ethical business practices.

As a key component of the company's Environmental, Social, and Governance (ESG) framework, the Social Pillar encompasses initiatives and strategies that address the well-being of individuals, communities, and stakeholders involved in Agrocrops operations. In this context, the social dimension goes beyond mere compliance with regulations; it signifies a proactive commitment to fostering positive impacts and creating a harmonious coexistence between the Agrocrops, our workforce, and the communities Agrocrops serves.

For Agrocrops, the Social Pillar is a reflection of its dedication to contributing meaningfully to societal

welfare. This entails engaging in fair trade practices that uplift farmers, prioritizing the health and safety of its employees, and actively participating in community development endeavors. As Agrocrops navigates the complexities of the global supply chain, ensuring ethical practices in every facet of its operations becomes integral to building trust, fostering resilience, and creating lasting value for all stakeholders.

This introduction sets the stage for an ESG report that delves into the various dimensions of the Social Pillar, outlining Agrocrops initiatives, commitments, and achievements in areas such as community engagement, employee welfare, fair

trade practices, and philanthropy. By aligning our business strategies with social responsibility, Agrocrops not only fortifies its ethical standing but also cultivates a positive impact on the communities it touches. This section aims to provide a comprehensive overview of Agrocrops social sustainability initiatives, emphasizing our role as a responsible corporate citizen in the broader societal context.





# Agrocrops’ Responsible Social Engagement Framework

In the context of Agrocrops, addressing the social pillar of sustainability involves initiatives and practices that contribute to the well-being of the community, employees, and other stakeholders. Our Responsible Social Engagement Framework involves following aspects.

## Community Engagement

Agrocrops is constantly engaging with local communities where it operates, supporting initiatives that enhance community well-being. This includes health and education programs, infrastructure development, and other projects that positively impact the local community.

## Education and Training Programs

Supporting education and training programs within the community, especially those related to sustainable agriculture, nutrition, and other relevant skills. This can empower individuals and contribute to overall community development.

## Fair Trade Practices

Implementing fair trade practices in the supply chain ensures that farmers and workers involved in peanut cultivation are treated ethically. This includes fair wages, safe working conditions, and community development initiatives.

## Cultural Sensitivity

Being culturally sensitive in business operations, respecting local customs and traditions. This can help build positive relationships with the community and demonstrate the company’s commitment to social responsibility.

## Employee Welfare

Prioritizing the welfare of employees through fair compensation, healthcare benefits, and opportunities for professional development. Providing a safe and inclusive working environment fosters a positive workplace culture.

## Philanthropy and Community Investment

Investing in philanthropic activities and community development projects, such as building schools, healthcare facilities, or supporting local entrepreneurship. This demonstrates a commitment to giving back to the communities that the company serves.

## Health and Safety Programs

Implementing health and safety programs within the processing facilities to ensure the well-being of workers. This includes regular training on safety procedures, providing necessary safety equipment, and maintaining a hazard-free workplace.

## Ethical Marketing Practices

Ensuring that marketing practices are ethical and responsible, providing accurate information about the products, and avoiding practices that could be misleading or harmful.

## Social Impact Assessments

Conducting social impact assessments to understand the potential effects of the company’s operations on the local community. This helps in identifying and addressing any social concerns or negative impacts.

## Stakeholder Engagement

Engaging with a wide range of stakeholders, including local communities, suppliers, customers, and non-governmental organizations. Regular communication and feedback mechanisms can help address concerns and build positive relationships.



By focusing on the social pillar of sustainability with our above mentioned framework, we are focusing our efforts to contribute to the social and economic development of the communities we operate in, while also fostering a positive and ethical corporate image.



# Positive Engagement with Local Community

Positive community engagement is of utmost importance for Agrocrops, transcending traditional business paradigms and fostering a symbiotic relationship between Agrocrops and the communities we serve.

Beyond being a moral imperative, robust community engagement is a strategic investment in sustainable operations. By actively participating in community development initiatives, Agrocrops contributes to the well-being and prosperity of local residents, creating a positive ripple effect. Whether through educational programs, health initiatives, or infrastructure development, Agrocrops becomes an integral part of the social fabric. This not only enhances the quality of life for community members but also fortifies the company's reputation, establishing it as a responsible corporate entity.

Moreover, positive community engagement builds trust and social capital, laying the groundwork for resilient and enduring relationships. As Agrocrops navigates the intricacies of the global supply chain, its commitment to positive community engagement becomes a testament to ethical practices, aligning business success with societal prosperity. In essence, we believe that a company that actively engages and uplifts the community it operates in redefines success, understanding that true prosperity is measured not only in economic gains but in the positive impact it leaves on the lives of those it touches.



# Community Engagement Partnerships



Agrocrops has collaborated with M S Swaminathan's Research Foundation (MSSRF) to develop a project aimed at enhancing standards in the seed production system and primary value chain of groundnut production for farm families and producer organizations in the Pondicherry, Cuddalore, Nammakkal, Thiruvannamalai and Villupuram regions of Tamil Nadu. M. S. Swaminathan is the founder of the green revolution and was the winner of the first World Food Prize in 1987.

Through this contract, Agrocrops aims to interact with 1,000 farmers covering a span of 1,600 acres. Agrocrops will pay a premium price to these farmers to enable better earnings, thereby improving their livelihoods. Agrocrops is committed to peanut farmers and enabling hybrid models of business with farmers that develop the upstream ecosystem. Apart from paying a premium price to these farmers, Agrocrops will also share profit margins and post-harvest management support such as mechanical drying. By converting to Fairtrade peanuts, Agrocrops will provide peanut farmers in its supply chain not only with the Fairtrade Minimum Price for peanuts, but also nearly **\$110/ton** (peanut kernel) in Fairtrade premiums. Farmer organisations are empowered to democratically determine how to spend those premium funds, whether it be on community projects, farmer education, or farming inputs like mechanization, fertilisers, or seedlings. Agrocrops continues to shift its focus towards sustainability as

part of a comprehensive global peanut strategy, which includes transitioning to more eco-friendly production. "We've put sustainability high on our new agenda and hope to inspire other peanut producers to be more thoughtful about their participation in the peanut value chain," said Saravanan Lokasundaram, Agrocrops' CEO. Farmer empowerment under this partnership is directly contributing to the UNSDGs 1, 2, 13, 17.

Similarly, Agrocrops has entered into a partnership with National Agro Foundation (NAF) for the other regions of Villupuram, Cuddalore, Kancheepuram and Thiruvannamalai, providing support to farmer producer organizations in December 2022. NAF was set-up in the year 2000 by the Architect of Indian Green Revolution, Bharat Ratna Shri C Subramaniam and further nurtured by the Former President Bharat Ratna Abdul Kalam. NAF was created to address the unsustainable farming of majority Indian farmers

who are small and marginal. A 4E development model is followed to address the challenges such as Education (training and capacity building of farmers and women), Economy (farm productivity improvement), Environment (watershed and natural resource management) and Empowerment (institutionalizing the rural community into community based institutions like FPOs, SHG Federations etc).

The farmers associated with these FPOs stand to benefit significantly from training in sustainable agricultural practices, the establishment of seed banks, the supply of HOPE seeds, biological farm inputs, farm machinery, fairtrade certification as well as technology, financial and market linkages. This collaborative effort minimizes the role of middlemen in the supply chains and maximizes the return on investment for the farmers.

## Monitoring and Evaluation (M&E):

We are in the process of establishing a baseline database for farmers associated with FPOs. As various initiatives are being implemented, an impact assessment of such initiatives, including HOPE and others, will be undertaken during the calendar year 2023/24.

## Free Food Distribution to Orphanages:

Agrocrops has been steadfast in its support for various orphanages in Chennai by distributing food on a monthly basis since 2013. A cumulative sum of **INR 49,37,960** has been disbursed for this purpose since the program's inception.

## Construction of WHS:

Agrocrops extended support to the village community of Venkatathripalayam, located **57 Kilometers** away from Chennai in the Tada block of the Tirupati district, Andhra Pradesh. The company constructed a multi-purpose water harvesting structure with a total water recharging capacity capable of storing 30 million liters.



## Supporting Education Expenses for Children of Full-time Employees:

Agrocrops' flagship program, active since 2009, supports the education expenses of children belonging to full-time employees. In the academic year 2022, a total of **17 full-time employees** benefited from the program, receiving a total sum of **INR 7,41,781**.

## Scholarship Distribution for Poor and Disabled Students:

In alignment with corporate responsibility, Agrocrops has consistently contributed to the education of children from impoverished and disadvantaged communities. A cumulative sum of **INR 35,20,678** has been disbursed as scholarships to students since the inception of the program in 2013. This initiative is actively conducted through partnerships with various NGOs in Chennai. Additionally, financial assistance has been provided to disabled individuals in collaboration with NIEPID, with a cumulative sum of **INR 10,61,712** disbursed since 2013.

## Financial Support for Community Infrastructure:

Agrocrops contributes financial support to community infrastructure projects, including school toilets, cyclone relief efforts, rehabilitation initiatives, and temples. A cumulative sum of **INR 10,61,712** has been disbursed since the inception of these initiatives.



# Non-discrimination and Equal Opportunity

Ensuring non-discrimination and equal opportunity within Agrocrops is not merely a legal requirement but a fundamental ethical imperative that fosters a workplace environment built on fairness, justice, and inclusivity. By upholding these principles, Agrocrops cultivates a culture where every employee, regardless of gender, race, ethnicity, religion, or any other characteristic, is accorded respect and given equal opportunities for growth and advancement. This commitment to non-discrimination transcends beyond compliance, becoming a cornerstone for attracting and retaining diverse talents.

In a sector as dynamic and global as peanut processing, embracing diversity ensures a rich tapestry of perspectives and ideas, fuelling innovation and adaptability. Equal opportunity safeguards against biases, creating a level playing field where merit and competence are the primary

determinants of success. Beyond the immediate workforce, it sends a powerful message to stakeholders, customers, and partners that the company values social responsibility and is committed to contributing to a more equitable society.

Moreover, fostering non-discrimination and equal opportunity aligns with broader sustainable development goals by promoting social inclusivity and economic justice. In essence, it is not only a reflection of ethical business practices but a strategic investment in a resilient, forward-looking, and socially responsible peanut processing enterprise.

## Our performance in Non-Discrimination and Equal Opportunity is as Follows:

In the highest governance structure of Agrocrops, the Board of Directors comprises a total of four members. The MD and board director, a woman, holds 100% ownership. This results in a 25% representation of females on the Board of Directors. The detailed gender representation within the company is outlined in the table below:

Gender Category	Percentage of female employees
Board of Directors	25%
Full-time Employees	1.2%
Temporary Workers	57%

It is evident from the table that efforts are needed to enhance gender diversity, particularly in full-time employment. The representation of women among temporary workers, while comparatively higher, signifies an area where gender inclusivity is relatively stronger. Continuous commitment to diversity and inclusion initiatives will contribute to fostering a more equitable and representative workforce.

Implementing comprehensive initiatives to enhance gender diversity is vital for fostering an inclusive workplace. Agrocrops is committed to promoting gender equality by launching targeted programs such as mentorship initiatives, leadership development opportunities, and awareness campaigns. Encouraging a culture of diversity and inclusion, the company is actively working towards minimizing gender gaps in recruitment, ensuring equal opportunities for professional growth, and providing a supportive environment. Regular assessments and feedback mechanisms are in place to continually refine and expand these initiatives, fostering an organizational culture where diverse perspectives thrive, and all employees, irrespective of gender, can contribute and excel.



# Forced or Compulsory Labor

Agrocrops is unwavering in its commitment to avoiding forced or compulsory labor. The company upholds stringent policies and ethical practices, ensuring that all employees are engaged voluntarily and have the freedom to terminate their employment. Agrocrops' dedication to human rights extends to its supply chain, where suppliers are expected to adhere to similar principles, creating an environment where labor is freely chosen, and individuals are treated with dignity and respect.

**This steadfast commitment reflects Agrocrops' ethical stance against any form of forced or compulsory labor in its operations and broader business activities.**

Agrocrops maintains a robust hiring policy explicitly addressing and prohibiting forced or compulsory labor. The company ensures **100%** compliance with applicable laws and continuously monitors supplier adherence through Fairtrade audits.

In Calendar year 2023, an updated sustainable procurement policy has been developed, aiming to implement the supplier code of conduct through supplier education and training. The policy is ambitious, targeting 100% coverage of suppliers by 2030.

Additionally, there is a commitment to certifying at least **50%** of Farmers Producer Organisations (FPO) farmers under Fairtrade by 2030. The detailed commitments and progress are outlined in the table below:

Initiative	Target/Compliance
Compliance with Hiring Policy	100%
Sustainable Procurement Policy Implementation	100% by 2030
Fairtrade Certification for FPO Farmers	50% by 2030



# Child Labor Prohibition

Agrocrops' comprehensive hiring policy explicitly addresses and prohibits child labor, ensuring **100%** compliance with applicable laws. Continuous monitoring of suppliers for adherence to this policy is conducted through Fairtrade audits.

The Commitment to Preventing Child Labor is Outlined in the Table Below:

Initiative	Compliance
Child Labor Prevention (Hiring)	100%
Supplier Monitoring through Fairtrade Audit	Ongoing

This table succinctly presents Agrocrops' efforts in preventing child labor through hiring policies and ongoing monitoring of suppliers, aligning with the commitment to ethical and responsible practices.



# Occupation Health and Safety



Agrocrops upholds a comprehensive Occupational Health and Safety (OHS) policy overseen by a safety committee led by the CEO and supported by the respective plant heads, engineering, processing, and quality assurance teams. The committee conducts biannual reviews of OHS measures, while continuous monitoring is carried out by plant heads for their operations.

Non-compliance or incidents are promptly reported to the safety committee. Regular OHS training is provided to workers by certified internal trainers.

The company's operations pose lower risks, devoid of boilers, steam lines, sharp-edged tools/machinery, heavy motors, or the use of hazardous chemicals. Notably, there have been no reported incidents of work-related injuries or ill health in 2022 or prior.

This table provides a concise overview of Agrocrops' commitment to occupational health and safety, including policy administration, monitoring practices, risk assessments, and incident reports.

Stakeholder Group	Engagement Mode
<b>OHS Policy Administration</b>	Safety committee chaired by CEO, supported by plant heads, etc.
<b>OHS Monitoring Frequency</b>	Biannual reviews by the safety committee
<b>Continuous Monitoring (Plant Heads)</b>	Regular monitoring with prompt reporting of incidents
<b>Worker Training</b>	Regular OHS training by certified internal trainers
<b>Operation Risk Assessment</b>	Low-risk operations, no boilers, sharp tools, etc.
<b>Incidents in 2022 or previously</b>	No reported work-related injuries or ill health incidents



# Employment Practices

Our comprehensive hiring policy encompasses our commitments to ethical recruitment practices, ensuring compliance with principles of non-discrimination, diversity, equality, and inclusion throughout the hiring process. All written contracts for full-time employees are in English, a language generally understood. However, no formal contracts exist for temporary workers.

The Table Below Summarizes Key Aspects of our Employment Practices:

Aspect	Details
Hiring Policy Coverage	Ethical recruitment, non-discrimination, diversity, equality, and inclusion commitments
Language of Contracts (Full-time Employees)	English
Temporary Worker Contracts	No formal contracts exist for temporary workers

Additionally, employee testimonials, available in both text and video formats, can be accessed on the Agrocrops website under the 'Hear from the pioneers' section:



Click here for Employee Testimonials



# Economic Inclusion

Economic inclusion is pivotal for Agrocrops as it ensures equitable participation in economic opportunities, empowering diverse stakeholders. By fostering an inclusive ecosystem, Agrocrops enhances socio-economic resilience, promotes fair business practices, and catalyses sustainable growth.

This commitment not only aligns with ethical standards but also cultivates a robust network where all contributors, irrespective of background, thrive collectively. Embracing economic inclusion at its core, Agrocrops not only

fulfils corporate social responsibility but also contributes to a more just and prosperous society, aligning with global sustainability goals and fortifying its position as a responsible corporate entity.

## OUR INITIATIVES ARE AS FOLLOWS:

### Implementation of Fairtrade Premium for MSSRF FPOs Farmers in Villupuram:

Agrocrops prioritizes peanut farmers' well-being by offering premium prices, profit sharing, and post-harvest assistance. Committed to sustainable practices, it embraces Fairtrade, ensuring farmers receive the Fairtrade Minimum Price and an additional \$110 per ton of peanut kernels, fostering socio-economic development and addressing SDG goals 13 and 15.

### Fairtrade Premium Payment to Certified FPO Members:

The Fairtrade premium is disbursed to farmers who are members of FPOs certified under Fairtrade. Agrocrops strictly adheres to the globally applicable Fairtrade premium standards.

### Calendar Year 2022 and Calendar Year 2023 Fairtrade Premium Purchases:

In Calendar year 2022, Agrocrops procured approximately 9.56 MT of peanuts, resulting in an additional 11.5% Fairtrade premium above the prevailing market rate for the respective FPO. From CY 2023 until the present date, an additional 32.83 MT has been purchased from the FPO, with a Fairtrade premium of 9%.

### Benefits for HOPE Suppliers (FPOs):

Suppliers (FPOs) under the HOPE program will continue to enjoy advantages through Fairtrade and contract farming. The provision of seeds at no cost eliminates the need for investment in seeds, ensuring higher yield gains.

### Agrocrops' Partnership with ICRISAT on HOPE Seed Program:

Collaborating with ICRISAT and ICAR, initiated a breeding program to develop high-oleic groundnut varieties for the Indian market. Two cultivars, Girnar 4 and Girnar 5, were commercialized, benefiting over 3,000 farmers, including an all-female producer organization, aligning with SDG goals 2, 13, and 17. The aim is to enhance farmer yields through expanded cultivation of this seed type.





# Sustainable Procurement

Sustainable procurement is crucial for Agrocrops as it aligns with responsible business practices and global sustainability goals. By integrating environmental, social, and ethical considerations into the procurement process, Agrocrops not only ensures the resilience and longevity of its supply chain but also contributes to positive social and environmental impacts. Prioritizing sustainable sourcing minimizes environmental footprints, promotes fair labor practices, and fosters community well-being.

This commitment not only resonates with ethical values but also strengthens Agrocrops' reputation as a socially responsible and environmentally conscious organization. Sustainable procurement, therefore, becomes an integral part of Agrocrops strategy, enhancing both corporate responsibility and long-term business success. We have implemented ISO 20400: 2017 Sustainable Procurement standard as part of this initiative.





# ISO 20400 Implementation

Implementing ISO 20400 at Agrocrops represents a significant milestone in the company’s commitment to sustainable procurement. The successful implementation of ISO 20400, an international standard for sustainable procurement, signifies that Agrocrops has established a systematic approach to integrating sustainability into its procurement processes.

### Key Aspects of the Successful Implementation Include:

- 1 Policy Development:** Agrocrops has developed a sustainable procurement policy aligned with the principles of ISO 20400, outlining the company’s commitment to social, environmental, and ethical considerations in procurement.
- 2 Risk Assessment:** The company conducted a comprehensive assessment of procurement risks related to sustainability, identifying areas where improvements and mitigations were needed.
- 3 Engagement with Stakeholders:** Agrocrops engaged with internal and external stakeholders, including suppliers, to communicate the importance of sustainable procurement and to foster collaboration.
- 4 Training and Awareness:** Agrocrops has provided training to its procurement teams to enhance their understanding of sustainable procurement principles and ensure the effective implementation of ISO 20400.
- 5 Integration with Existing Processes:** The standard seamlessly integrated into existing procurement processes, ensuring that sustainability considerations are systematically embedded in decision-making.
- 6 Measurement and Evaluation:** Agrocrops established key performance indicators (KPIs) and metrics to measure the effectiveness of sustainable procurement practices, allowing for continuous improvement.
- 7 Documentation and Reporting:** Agrocrops has documented its sustainable procurement processes and practices, facilitating transparency and reporting on sustainability performance.
- 8 Continuous Improvement:** Successful implementation involves an ongoing commitment to continuous improvement, with regular reviews, updates, and adjustments to procurement practices based on feedback, performance data, and evolving sustainability goals.

By successfully implementing ISO 20400, Agrocrops demonstrates its dedication to responsible business practices, environmental stewardship, and ethical sourcing, contributing to its overall sustainability strategy.

This achievement enhances Agrocrops’ reputation, aligns with global best practices, and positions the company as a leader in sustainable procurement within its industry.



# Supply Chain Traceability



## Description of Supply Chain Traceability:

Innovatively implements the “Every Nut” traceability program, tracking peanuts comprehensively across economic, environmental, and social aspects. Our capital expenditure prioritizes food safety, aligning with SDG goals 9, 13, and 15.



## Sustainable Sourcing:

Prioritizing sustainability, we drive global change through responsible sourcing, supporting farmers, and collaborating for international standards. Engaging stakeholders ensures transparency, aligning with SDG goals 13 and 15, while minimizing environmental impact and enhancing community well-being.



## Traceability Practices:

The traceability of commodities in Agrocrops’ supply chain is currently established up to the supplier level. This traceability can be tracked through purchase orders, delivery receipts, and inward quality check reports.



## Yearly Traceability Exercises:

Traceability exercises are conducted annually, meeting the requirements stipulated by food safety standards such as FSSAI and BRC.



## Certifications and Standards:

Explore our certifications, standards, and awards on page 10 of ‘Awards and accolades’ for a comprehensive list.



# Beyond Sustainability

For Agrocrops, sustainability is not just a goal; it’s a commitment to stewarding the industry’s growth.

It’s about challenging the status quo and innovating efficient solutions for today’s and future challenges and opportunities. Our impact and challenges span the spectrum in a diverse and global peanut industry. We’re dedicated to showcasing our pioneering initiatives, fostering opportunities for all, and prioritizing efficiency without fearing failure. Our actions are grounded in the present, but our thoughts are fixed on tomorrow.

## Handling Worldwide Waste

Our commitment to sustainability extends to innovative Research and Development efforts aimed at deriving commercial value from the staggering worldwide waste of peanuts, which currently amounts to a staggering 15 million tons and is a rising problem. If left unaddressed, this waste issue can become a significant environmental and disposal concern.

Our objective is to find planet-friendly solutions that alleviate this growing problem and open up an entirely new industry segment within the peanut world. By harnessing cutting-edge technology, sustainable practices, and creative thinking, we seek to transform what was once considered waste into valuable resources, contributing to a more environmentally responsible and economically viable future for the peanut industry and beyond.

## Peer-Peer Sustainability Drive

Our spirit of perpetual experimentation and learning is intrinsic to our identity. We embrace an open approach, sharing our insights with industry peers to uplift the entire sector collectively. We are actively educating fellow industry professionals on sustainability within the peanut industry, exemplifying our partnership-driven and open-minded ethos.

## Natural ONLY Consumer Products

We began with “fresh” peanut oil and advanced into crafting wholesome snacks with natural ONLY ingredients, leveraging innovative technology for maximum consumer satisfaction. This approach has enabled us to offer various products that resonate with health-conscious consumers.





# Our KPIs

We have defined key performance indicators for sustainability and implementing initiatives to address material sustainability issues.

These are in alignment with our sustainability mission and the UN SDGs. As part of our continuous improvement process, we will review them and develop a more comprehensive roadmap in the coming year.

## ENVIRONMENTAL

### Strategic Objective



Define net-zero roadmap based on the carbon footprint assessment including scope-3 emissions for CY 2023



Set-up solar power units (reduce the dependency on scope-2 emissions within the supply chain)



Obtain Green building certification for India corporate office in Chennai in 2024



Monitoring, report and become water positive by 2030 for all facilities/processing units



Improved soil health for farmer producers/suppliers: reduced use of chemical application and improved organic carbon through supply of biological farm inputs under FPO procurement under sustainable farming capacity building – establish baseline of farmers in 2024 and set reduction targets



Improved biodiversity through tree plantation/afforestation in own facilities and in partnership with FPOs for farmers



Establish and convert production waste into biochar/bio-fuel

## SOCIAL

### Strategic Objective



#### Implementation of sustainable procurement

- Complete supply chain traceability – 75% by 2030
- Fairtrade certification of FPO farmers – 50% by 2030
- Continue to upgrade and obtain existing and new sustainability certifications
- Fairtrade, GlobalGAP, ProTerra and ISCC etc



#### Workers economic development, health and safety

- Establish formal contract for temporary workers by 2025, 50% by 2030
- 100% compliance with minimum wages in CY 2024
- Continue to ensure prevention of child labor, forced/compulsory labor of 100%
- Continuous trainings on workplace safety, professional development



Social Impact Assessment in 2024, continue to publish the results of social impact in the annual sustainability report from 2024 (to cover FPO Procurement, HOPE program, Fairtrade and GlobalGAP)



Expansion of community engagement through partnerships (SDG-17) for the sustainable management of groundnut and chilli production (SDG-12) FPO procurement from the current 1% to 6% by 2024 and 22% by 2030 – also addresses food security (SDG-2), food safety/traceability



Community development – continue to support the needy children for education support

## GOVERNANCE

### Strategic Objective



#### Implementation of governance committees

Monitoring and Reporting on grievance mechanism, whistle blower policy, health and safety committee, anti-corruption policy, code of ethics etc.



Obtain BCorp certification (ESG) in CY 2024 for the group company



# Annex

GRI Index	56
Pioneering the Future	61
Disclaimer	62





# GRI Index

GRI STANDARD / OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENTS OMITTED	REASON	EXPLANATION	
GENERAL DISCLOSURES						
GRI 2: General Disclosures 2021	2-1 Organizational details	Welcome to the first Peanut centric Sustainability report 2022, page 4 About Agrocrops, page 6				
	2-2 Entities included in the organization's sustainability reporting	Welcome to the first Peanut centric Sustainability report 2022, page 4 About Agrocrops, page 6				
	2-3 Reporting period, frequency and contact point	Welcome to the first Peanut centric Sustainability report 2022, page 4				
	2-4 Restatements of information	Welcome to the first Peanut centric Sustainability report 2022, page 4				
	2-5 External assurance	Welcome to the first Peanut centric Sustainability report 2022, page 4				
	2-6 Activities, value chain and other business relationships	Sustainable Procurement, page 50				
	2-7 Employees	Our People & Community, page 40				
	2-8 Workers who are not employees	Our People & Community, page 40				
	2-9 Governance structure and composition	Our Corporate Governance, page 24				
	2-10 Nomination and selection of the highest governance body	Governance Overview, page 25				
	2-11 Chair of the highest governance body	Governance Overview, page 25				
	2-12 Role of the highest governance body in overseeing the management of impacts	Governance Overview, page 25				
	2-13 Delegation of responsibility for managing impacts	Governance Overview, page 25				
	2-14 Role of the highest governance body in sustainability reporting	Governance Overview, page 25				
	2-15 Conflicts of interest	Governance Overview, page 25				
	2-16 Communication of critical concerns	Welcome to the first Peanut centric Sustainability report 2022, page 4				
	2-17 Collective knowledge of the highest governance body	Governance Overview, page 25				
	2-18 Evaluation of the performance of the highest governance body	Governance Overview, page 25				
	2-19 Remuneration policies	Governance Overview, page 25				
	2-20 Process to determine remuneration	Governance Overview, page 25				
	2-21 Annual total compensation ratio	Our People & Community, page 40				
	2-22 Statement on sustainable development strategy	Our Sustainability Highlights, page 14				



# GRI Index continued

GRI STANDARD / OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENTS OMITTED	REASON	EXPLANATION	
GRI 2: General Disclosures 2021	2-23 Policy commitments	Our Sustainability Highlights, page 14				
	2-24 Embedding policy commitments	Our Sustainability Highlights, page 14				
	2-25 Processes to remediate negative impacts	Our Sustainability Highlights, page 14				
	2-26 Mechanisms for seeking advice and raising concerns	Our Sustainability Highlights, page 14				
	2-27 Compliance with laws and regulations	Our Sustainability Highlights, page 14				
	2-28 Membership associations	About Agrocrops, page 6				
	2-29 Approach to stakeholder engagement	Stakeholder Engagement, page 15				
	2-30 Collective bargaining agreements	We don't have collective bargaining agreements				
MATERIAL TOPICS						
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Materiality Matrix Agrocrops, page 18				
	3-2 List of material topics	Our Material topic, page 19				
Economic performance						
GRI 3: Material Topics 2021	3-3 Management of material topics	Our Material topic, page 19				
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Not reported as we are in the process of integrating our business operations				
	201-2 Financial implications and other risks and opportunities due to climate change	Not reported as we are in the process of integrating our business operations				
	201-3 Defined benefit plan obligations and other retirement plans	No retirement plans				
	201-4 Financial assistance received from government	No financial assistance received from the government during the reported year				
Market presence						
GRI 3: Material Topics 2021	3-3 Management of material topics	Our Material topic, page 19				
	202-2 Proportion of senior management hired from the local community	100% of our senior management is from local community				
Indirect economic impacts						
GRI 3: Material Topics 2021	3-3 Management of material topics	Our Material topic, page 19				
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Confidential data. Hence not reported				
	203-2 Significant indirect economic impacts	Confidential data. Hence not reported				
Procurement practices						
GRI 3: Material Topics 2021	3-3 Management of material topics	Our Material topic, page 19				
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	100% of our spending is from local suppliers				
Anti-corruption						
GRI 3: Material Topics 2021	3-3 Management of material topics	Our Material topic, page 19				
GRI 205:Anticorruption 2016	205-1 Operations assessed for risks related to corruption	Our entire operations are assessed				
	205-2 Communication and training about anti-corruption policies and procedures	Our induction training covers anti-corruption policies and procedures. We regularly conduct business ethics training to all our employees				
	205-3 Confirmed incidents of corruption and actions taken	No corruption incidents reported in the reporting year				



# GRI Index continued

GRI STANDARD / OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENTS OMITTED	REASON	EXPLANATION	
Anti-competitive behavior						
GRI 3: Material Topics 2021	3-3 Management of material topics	Our Material topic, page 19				
GRI 206: Anticompetitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	No legal actions reported in the reporting year				
Water and effluents						
GRI 3: Material Topics 2021	3-3 Management of material topics	Our Material topic, page 19				
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Water Stewardship, page 36				
	303-2 Management of water discharge-related impacts	Water Stewardship, page 36				
	303-3 Water withdrawal	Water Stewardship, page 36				
	303-4 Water discharge	We are not currently measuring our water discharge				
	303-5 Water consumption	Water Stewardship, page 36. Our water consumption is same as our water withdrawal				
Biodiversity						
GRI 3: Material Topics 2021	3-3 Management of material topics	Our Material topic, page 19				
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Biodiversity Conservation, page 31				
	304-2 Significant impacts of activities, products and services on biodiversity	Biodiversity Conservation, page 31				
	304-3 Habitats protected or restored	Biodiversity Conservation, page 31				
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	None of our sites are under this category				
Emissions						
GRI 3: Material Topics 2021	3-3 Management of material topics	Our Material topic, page 19				
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	GHG Emissions, page 30				
	305-2 Energy indirect (Scope 2) GHG emissions	GHG Emissions, page 30				
	305-3 Other indirect (Scope 3) GHG emissions	We are not measuring our scope 3 emissions currently due to data challenges				
	305-4 GHG emissions intensity	We are not measuring our GHG emissions intensity as scope 3 is not calculated currently				
	305-5 Reduction of GHG emissions	GHG Emissions, page 30				
	305-6 Emissions of ozone-depleting substances (ODS)	No emission of Ozone depleting substances in the reporting year				
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	No significant air emissions in the reporting year				
Waste						
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality Matrix Agrocrops, page 18				



# GRI Index continued

GRI STANDARD / OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENTS OMITTED	REASON	EXPLANATION	
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Waste Management, page 37				
	306-2 Management of significant waste-related impacts	Waste Management, page 37				
	306-3 Waste generated	Waste Management, page 37				
	306-4 Waste diverted from disposal	Waste Management, page 37				
	306-5 Waste directed to disposal	Waste Management, page 37				
Supplier environmental assessment						
GRI 3: Material Topics 2021	3-3 Management of material topics	Our Material topic, page 19				
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Sustainable Procurement, page 50				
	308-2 Negative environmental impacts in the supply chain and actions taken	Sustainable Procurement, page 50				
Labor/management relations						
GRI 3: Material Topics 2021	3-3 Management of material topics	Our Material topic, page 19				
GRI 402: Labor/Management Relations 2016	402-1 Minimum notice periods regarding operational changes	Occupation Health & Safety, page 47				
Occupational health and safety						
GRI 3: Material Topics 2021	3-3 Management of material topics	Our Material topic, page 19				
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Occupation Health & Safety, page 47				
	403-2 Hazard identification, risk assessment, and incident investigation	Occupation Health & Safety, page 47				
	403-3 Occupational health services	Occupation Health & Safety, page 47				
	403-4 Worker participation, consultation, and communication on occupational health and safety	Occupation Health & Safety, page 47				
	403-5 Worker training on occupational health and safety	Occupation Health & Safety, page 47				
	403-6 Promotion of worker health	Occupation Health & Safety, page 47				
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupation Health & Safety, page 47				
	403-8 Workers covered by an occupational health and safety management system	100% of our workers are covered by an occupational health and safety management system				
	403-9 Work-related injuries	No work related injuries reported in the reporting period				
	403-10 Work-related ill health	No work related ill health reported				
Diversity and equal opportunity						
GRI 3: Material Topics 2021	3-3 Management of material topics	Our Material topic, page 19				
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Non-discrimination and equal opportunity, page 44				
	405-2 Ratio of basic salary and remuneration of women to men	Non-discrimination and equal opportunity, page 44				
Non-discrimination						
GRI 3: Material Topics 2021	3-3 Management of material topics	Our Material topic, page 19				



# GRI Index continued

GRI STANDARD / OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENTS OMITTED	REASON	EXPLANATION	
GRI 406: Nondiscrimination 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	No such freedom of association and collective bargaining in place				
Freedom of association and collective bargaining						
GRI 3: Material Topics 2021	3-3 Management of material topics	Our Material topic, page 19				
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	No such freedom of association and collective bargaining in place				
Child labor						
GRI 3: Material Topics 2021	3-3 Management of material topics	Our Material topic, page 19				
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Child Labor Prohibition, page 46				
Forced or compulsory labor						
GRI 3: Material Topics 2021	3-3 Management of material topics	Our Material topic, page 19				
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Forced or Compulsory Labor, page 45				
Local communities						
GRI 3: Material Topics 2021	3-3 Management of material topics	Our Material topic, page 19				
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Positive Engagement with Local communities, page 42				
	413-2 Operations with significant actual and potential negative impacts on local communities	Positive Engagement with Local communities, page 42				
Supplier social assessment						
GRI 3: Material Topics 2021	3-3 Management of material topics	Our Material topic, page 19				
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Sustainable Procurement, page 50				
	414-2 Negative social impacts in the supply chain and actions taken	Sustainable Procurement, page 50				
Public policy						
GRI 3: Material Topics 2021	3-3 Management of material topics	Our Material topic, page 19				
GRI 415:Public Policy 2016	415-1 Political contributions	We are not engaged in any public policy and political contributions				

TOPICS IN THE APPLICABLE GRI SECTOR STANDARDS DETERMINED AS NOT MATERIAL	
FORCED OR COMPULSORY LABOR	EXPLANATION
(Title of GRI Sector Standard)	
Nil	Nil
Nil	Nil



# Pioneering the Future

As we reflect on the strides we've made in our sustainability journey, we recognize that the path forward is both an opportunity and a responsibility. Agrocrops remains committed to fostering a sustainable future for generations to come.

## LOOKING AHEAD, OUR FOCUS WILL BE ON:

### 1. Innovative Solutions:

Embrace innovation and cutting-edge technologies to develop sustainable solutions. We commit to exploring and adopting technologies that minimize our environmental impact and enhance the overall sustainability of our operations.

### 2. Stakeholder Collaboration:

Strengthen collaboration with our stakeholders, including employees, suppliers, customers, and local communities. We understand the importance of collective efforts, and we will actively seek partnerships to amplify our impact on social and environmental initiatives.

### 3. Circular Economy Principles:

Advance our commitment to a circular economy by re-evaluating our product life cycles. We will explore ways to minimize waste, optimize resource use, and contribute to the creation of a regenerative and sustainable economy through sustainable agriculture practices.

### 4. Climate Resilience:

Develop comprehensive climate resilience plans to address potential risks and challenges posed by a changing climate. We will work towards building a more resilient business model that can thrive in the face of environmental uncertainties.

### 5. Transparency and Reporting:

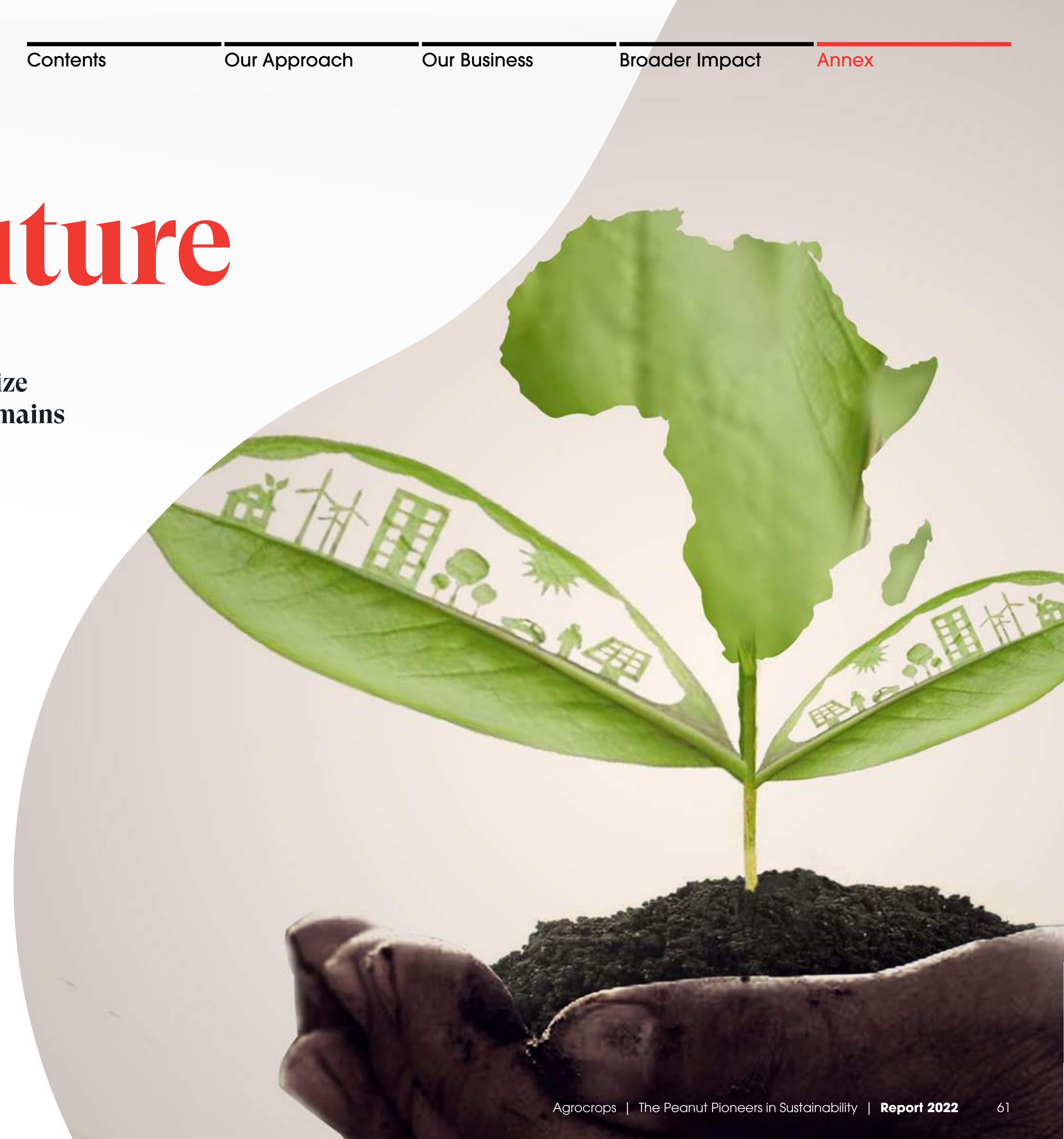
Continue our journey towards greater transparency. Agrocrops is dedicated to providing detailed insights into our sustainability initiatives through regular reporting. This transparency ensures accountability and builds trust among our stakeholders.

### 6. Empowered Workforce:

Invest in the training and empowerment of our workforce. Our employees are pivotal in driving sustainability initiatives, and we commit to providing them with the knowledge and tools needed to actively contribute to our sustainable vision.

### 7. Community Impact:

Expand our social impact programs to create a meaningful difference in the communities where we operate. Agrocrops is dedicated to supporting education, healthcare, and livelihood initiatives that enhance the well-being of the communities we serve.





# Disclaimer

The information provided in this Sustainability Report reflects Agrocrops' approach to ESG as of the date of this Sustainability Report. The GRI Standards inform our approach to including disclosures in this Sustainability Report. Any references to "ESG" or similar terms in this report are intended as references to the internally defined criteria of Agrocrops only and not to any jurisdiction-specific regulatory definition.

This Sustainability Report is not intended to, nor can it be relied on, create legal relations, rights or obligations or construed as an Agrocrops commitment to undertake any legal obligations. Any legal obligation and commitments

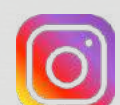
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Forward-looking statements issued in this Sustainability Report relate to, among other things, Agrocrops' goals, commitments, aspirations or approaches. They are based on the current beliefs and expectations of Agrocrops' management and are subject to significant risks and uncertainties. Many of which are beyond Agrocrops' control. Expected results or actions may differ from the anticipated goals, approaches, and targets due to many factors. Agrocrops does not undertake to update any such information in this Sustainability Report or any forward-looking statements. The Sustainability Report is subject to change without notice.

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# A Rising Tide

Lifts Every Boat.