



SUSTAINABILITY **REPORT 2017**



LETTER FROM CEO

At Sol Organica, SA we work alongside smallholder farmers in Nicaragua to offer healthy snacks that have a positive impact on people and the planet and are pleased to present our second annual Sustainability Report.

We are proud to be leaders in sustainable organic farming in Central America, helping spread good agricultural practices resulting in improved livelihoods for farmers and their families.

Our customers are interested in knowing more about the products they consume. Customers want to know how their purchase may impact families or the environment, they want to know the stories behind the product - where it comes from and how it was made. At Sol Organica we work with our local staff and farmer communities to answer those questions.

Sol Organica is committed to providing organic smallholder farmers with access to technical assistance, financing for fertilizers and a safe, secure and transparent purchase process. In 2017 we grew our organic farmer network by 18% and distributed over 1.5 million kilograms of organic inputs so farmers can ensure their crops remain healthy during non-harvest seasons.

We also play an important role in deconstructing gender biases among farmer communities by providing leadership opportunities for female farmers, 39% of our farmer network are women.

We recognize that the challenge of helping improve the livelihoods of smallholder farmers requires partnership. As a result, we have ongoing collaborations with customers, suppliers, governments, NGOs and multilateral organizations to aid in solving systemic problems faced by farmers, such as access to financing or financial literacy.



We believe that if farmers succeed, so do we. Our success depends on our ability to work together, adapt to challenges and identify practical solutions. We have made great progress. Farmers have adopted sustainable farming practices and are earning more per hectare of land farmed than ever before. But there is still much to be done. We are up for the task and welcome you to join us by supporting our company's work.

Thanks to all our champions, both in Nicaragua and abroad, as we remain committed to our mission of providing the world with healthy products that are good for people and the planet.

Will Burke
Founder and CEO

ABOUT SOL ORGANICA

Sol Organica, LLC (Sol Organica) is the parent company of Sol Organica, S.A. Sol Simple, LLC and Burke Agro de Nicaragua, S.A. Through ethical business practices, organic agriculture programs and farmer empowerment workshops, Sol Organica's goal is to inspire consumers to become agents of change by supporting a sustainable and integrated supply chain, which not only gives back to farmers, but creates a new standards within the food industry.



SOL SIMPLE, LLC

Sol Simple, LLC (Sol Simple) is the retail brand of Sol Organica's dried fruits and pureed products in the United States. It is the link between conscientious consumers and smallholder Nicaraguan farmers and the means by which Sol Organica communicates its message of traceability, transparency, and sustainability to clients.



SOL ORGANICA, S.A.

Sol Organica, S.A. (SOSA) is a food processing company that sources, manufactures, exports, and markets all natural and organic certified solar dried fruit and tropical fruit purees and juices for export to North America, South America, and Europe. It is the direct connection between international markets and the Nicaraguan fruit growing communities.



BURKE AGRO DE NICARAGUA, S.A.

Burke Agro de Nicaragua, S.A. (Burke Agro) is Sol Organica's agricultural development branch in Nicaragua and exporter of fresh fruit to international customers. Burke Agro is led by a team of expert agronomists that works directly with over 600 smallholder farmers to implement sustainable farming techniques in Nicaragua.

WHO WE ARE

MISSION

Connect conscientious consumers in export markets with smallholder farmers in tropical countries through quality, sustainably produced natural products.

VISION

Be the worldwide provider of choice for delicious and healthy tropical products that help people and the planet.

VALUES

- Integrity
- Quality
- Health
- Smallholder Farming
- Sustainability
- Empowerment
- Collaboration



APPROACH TO IMPACT

OUR IMPACT FOCUS



**EMPOWER
SMALLHOLDER
FARMERS**



**PROMOTE
GENDER EQUITY**



**PIONEER SUSTAINABLE
ENVIRONMENTAL
IMPACT**

SUSTAINABLE DEVELOPMENT GOALS

Sol Organica responds to the universal call to action to end poverty and protect the planet by aligning with the United Nations Sustainable Development Goals (SDGs). The company places a strong focus on the following goals as they particularly relate to the Nicaraguan agriculture industry.

**1 NO
POVERTY**



**3 GOOD HEALTH
AND WELL-BEING**



**8 DECENT WORK AND
ECONOMIC GROWTH**



**12 RESPONSIBLE
CONSUMPTION
AND PRODUCTION**



SOL ORGANICA'S APPROACH TO IMPACT



Sol Organica's impact model enables the company to actively improve upon field program activities and implement necessary changes that:

- Monitor and assess progress towards goals
- Verify productivity and provide recommendations;
- Identify opportunities for efficiency;
- Improve upon organic farming best practices;
- Guarantee certifications.

ABOUT NICARAGUA

Many parts of Nicaragua are characterized by high levels of inequality, including limited access to basic services such as water and electricity. A severe lack of jobs and education in rural areas coupled with smallholder farmers' inability to compete in the global market has created a perpetual cycle of poverty in many farming communities.

According to the World Bank, Nicaragua is the poorest country in Central America and the second poorest country in the Western Hemisphere. In many respects, Nicaragua's inability to break free from its current World Bank ranking has much to do with the absence of political unity and almost yearly natural disasters. Needless to say, these are huge obstacles for a country and economy that are so heavily dependant on the agriculture industry (about 25% of all Nicaraguans are employed, in some capacity, by the agriculture sector).

Despite these obstacles, Nicaragua has maintained the lowest crime rates of any country in the region and is continuing to show resilience and economic advancement. According to the World Bank, between 2009 and 2014 general poverty dropped from 42.5 percent to 29.6 percent and extreme poverty fell from 14.6 percent to 8.3 percent.

NICARAGUA AT A GLANCE



POPULATION
5.9 MILLION



GDP
**10.51
BILLION USD**



GNI PER CAPITA
\$1,650



ETHICAL AND IMPACT STANDARDS

WORKING TO REDUCE CHILD LABOR IN SUPPLY CHAIN

Sol Organica has a zero tolerance policy for child labor in its supply chain (as defined by the International Labor Organization Conventions 138 and 182). Our hands on approach to community development, training and capacity building helps prevent this industry-wide challenge.



Sol Organica's certified B Corp status reflects a commitment to rigorous standards of social and environmental performance, accountability and transparency.



Sol Organica indicators are selected from the IRIS registry, a catalog of metrics used to measure social, environmental and financial performance.



Organic certifications protect farmers from applying harmful synthetic additives such as pesticides and chemical fertilizers. Under Sol Organica's certification, farmers follow a calendar of activities and apply authorized inputs.



Fair trade certifications help promote sustainable farming, social and environmental standards and advocates for payment of higher prices to smallholder farmers. As a result, Sol Organica's farmers benefit from increased access to resources to improve communities and their own livelihoods.



TROPICAL FRUIT PRODUCTS

Sol Organica works alongside smallholder farmers and cooperatives to produce premium all-natural products with no added ingredients.



FRUIT PUREES AND JUICES

Each piece of fruit that goes into the single strength purees and juices is hand picked by smallholder farmers at the optimum ripeness, ensuring maximum flavor and consistency. The fruit is washed, hand cut and run through a screen. Products are then packed and frozen and are available as fresh-frozen or pasteurized.

SOLAR DRIED FRUIT

Every piece of dried fruit produced by Sol Organica is 100% organic with nothing added. The fruit is dried using the sun's energy, which reduces fossil fuel consumption and greenhouse gas emissions, creating a safer product for consumers and the planet.



In addition to offering a wide variety of tropical flavors, such as mango, banana, pineapple, papaya, and passion fruit, Sol Organica is also one of the world's leading exporters of organic, non-gmo red pitahaya (dragon fruit) puree.

CERTIFICATIONS

Sol Organica works with farmers, cooperatives, and specialists to secure a variety of certifications.

These certifications provide benefits to farmers including access to international markets and premium prices for their products, improved agricultural practices resulting in increased productivity and incomes, and access to additional financial resources and technical assistance.



COMPANY VALUE CHAIN



FARMER RECRUITMENT AND IDENTIFICATION

Identify farming communities that demonstrate interest in participating in organic agriculture.



TECHNICAL ASSISTANCE AND CERTIFICATIONS

Analysis of farming practices, training and capacity building, management of certifications and opportunities for increased productivity (actively transitioning growers to organic and sustainable farming practices).

PURCHASE AND PROCESS

Transparent and consistent purchasing practices with fair and stable prices and a certified facility for all-natural raw material processing.



EXPORT AND SELL

Complete management of export, import, warehousing and distribution process in U.S. and Europe.



**KNOWLEDGE AND SHARING - MONITORING AND
EVALUATION - COMMUNITY RELATIONSHIPS**

BURKE AGRO'S FIELD TEAM



MEET BURKE AGRO'S FIELD TEAM

Burke Agro has a dedicated team of agronomists focused on improving sustainable farming practices with smallholder farmers, as well as with other suppliers, to ensure quality, productivity, certifications and a consistent and transparent purchase process.

The field team is also responsible for hosting workshops and training programs, monitoring yields and productivity, and providing recommendations for improvements. The results of these actions are increased income and improved livelihoods for smallholder farming families.



2017 HIGHLIGHTS

Burke Agro manages a smallholder farmer network that grew by 18% in 2017. By providing hands-on technical support and a roadmap for best practice implementation, Burke Agro is incorporating into its value chain a wave of new farmers that are transitioning to organic farming techniques. As a result of the company's integrated farmer development program, farming families now realize the importance of the sustainability of their plots and value the opportunity for future generations to have access to productive and healthy farms.

2017 FARMER NETWORK SUMMARY



458 SMALLHOLDER FARMERS CERTIFIED



179 FEMALE FARMERS



476 HECTARES UNDER CERTIFICATION



648 TOTAL FARMERS IN NETWORK



592 FARMERS WITH ACCESS TO FORMAL BANK ACCOUNT



3,888 MEMBERS OF FARMING FAMILIES BENEFITED



1 HECTARE AVERAGE FAMILY FARM SIZE

2017 HIGHLIGHTS

1,330 METRIC TONS OF ORGANIC CERTIFIED FRUIT PURCHASED

832,040 USD VALUE OF PAYMENTS MADE TO SMALLHOLDER FARMERS

1,726 USD AVERAGE PAYMENT PER YEAR PER HECTARE MADE TO ORGANIC DRAGON FRUIT FARMERS

1,595,000 KG OF ORGANIC FERTILIZER DISTRIBUTED

58% OF ALL SEASONAL PLANT WORKERS ARE WOMEN

AWARDS AND INITIATIVES

Sol Organica is Nicaragua's leading certified organic food processing company and has been recognized nationally and internationally for its excellent business practices.

REGENERATIVE FARMING

In 2017, Sol Organica was invited to participate in the first ever Regenerative Organic Certification (ROC) pilot program. The Regenerative Agriculture Certification was created by a coalition of agriculture and food system leaders and focuses on organic farming techniques that will improve and regenerate the soil so it can sequester carbon from the atmosphere. The ROC combines best practices of monitoring and managing soil health, animal welfare and social fairness into one certificate.

Sol Organica's regenerative farming program will focus on rebuilding organic matter in soils, restoring biodiversity, carbon drawdown, improving water filtration cycles and increasing farm productivity.

Sol Organica is honored to be selected for this ground-breaking program that will change the way consumers and businesses view responsible sourcing, sustainable farming, and ethical business practices

SOCIALLY RESPONSIBLE COMPANY OF THE YEAR

Each year, the Association of Producers and Exporters of Nicaragua (APEN), honors the most innovative, accomplished and inspiring businesses in the country. Sol Organica is proud to announce that in 2017 it was awarded Socially Responsible Company Of The Year and is grateful to APEN for acknowledging its achievements and efforts in the areas of sustainability and agricultural protection.



IMPACT INDICATORS

In 2017, Nicaragua experienced two forceful hurricanes and the full frontal effects of global climate change, which impacted some of the company's production numbers. Sol Organica is grateful to all of the hardworking and dedicated farmers and agronomists for making the most out of the affected fruit seasons. The company is looking forward to a productive and prosperous 2018.

Area	Sol Organica Indicator	IRIS ID	2013	2014	2015	2016	2017
Social	Smallholder farmers certified organic (individual)	PI9991	156	212	295	389	458
	Annual change in the number of new certified organic farmers (individual)	PI9991	42	57	83	94	69
	Women farmers certified organic (individual)	PI1728	44	72	82	132	179
	Smallholder farmer family members supported with increased family incomes (individual)	PD5752	936	1,272	1,770	2,310	3,888
	Part time women hired and trained as processing plant operators throughout the year (individual)	OI2444	74	87	101	108	190
	Representation of women during peak seasonal work force (individual)	OI8838	55%	56%	57%	61%	58%
	Representation of women as members of the executive team (individual)	OI1571	0%	50%	50%	50%	50%
Environmental	Hectares certified organic and protected from deforestation (area)	PI6796	156 ha	184 ha	270 ha	330 ha	476 ha
	Organic fertilizer distributed (kilogram)	OI5101	n/a	226,796	409,730	969,372	1,595,000
Financial	Certified organic fruit purchased directly from smallholder farmers (kilogram)	PI7852	404,546	480,819	1,142,542	1,505,490	1,330,653
	Value of certified organic fruit purchased (USD)	PI7852	290,000	353,163	744,592	989,540	832,040
	Value of organic and non-organic fruit purchased (USD)	PI7852	n/a	428,456	802,235	1,665,742	933,529
	Certified organic products purchased from fair trade certified cooperatives (kilogram)	PI8418	17,273	15,010	287,718	253,739	103,546
	Smallholder farmers with bank accounts (individual)	PI2822	55 = 35% of producer base	102 = 48% of producer base	280 = 95% of producer base	410 = 81% of producer base	592 = 92% of producer base
	Average payments made to smallholder pitahaya farmers per hectare* (USD/hectare)	PI7852	n/a	988	1,372	1,610	1,726

FARMER PROFILE



MEET GLORIA!

Gloria Norori (left) is an organic dragon fruit farmer living in the Temua community of Carazo, Nicaragua. She lives with her husband, Javier, and has three children, Maria and Neidy are both married and the youngest, Nestor, attends school and lives with the family in Temua.

Gloria has been part of the Burke Agro (BASA) organic farmer program since 2013 and is an enthusiastic and energetic mother.

Through the lessons learned at BASA's organic workshops and by implementing best practices on her own farm, Gloria is a shining example of the profound impact sustainable organic farming has had on the livelihood of farmers.

"Before Burke Agro arrived, our farms were not as productive and we had no easy way to sell our fruit. Now, we participate in an organic fertilizer program and the company sends its truck to our community to receive production each week. The company's workshops have taught me how to manage my farm and plan for the future."

The family's income relies heavily on the productivity of their 1.5 hectares of dragon fruit production, as well as additional non-harvest season jobs such as carpentry.

Gloria is hopeful for the future and expresses a desire to continue to invest in her family's farm. With the support and guidance of Burke Agro's organic field program, Gloria and farmers like her will continue to grow their farms and provide better lives for their families.



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