



benefit corporation sustainability report

2015-2016

Message from the Benefit Officer:

Hello there,

Happy to have friends like you who are interested in Amavida Coffee & Tea's social and environmental performance. Thank you for taking the time to review activities and outcomes from 2015 at Amavida Coffee & Tea. I believe over the course of 2015 Amavida Coffee & Tea strove to achieve the high standards set in the B Corp framework, and hope after exploring this report you'll agree the company has proven its definition of success isn't dependent on financial success alone. Here, we believe that the work we do should not only help build healthy economies, but also add to a more equal and just society, all while enriching the environment.

Of course, success is a moving target, and at each high bar there is yet another to be reached. By documenting the ways which we work to achieve the mission set by Amavida Coffee & Tea, and measuring the outcomes of these activities, we can begin to see what works and where there is room to achieve better results. Through coffee and tea enthusiasts, such as yourself, who take interest in the work of all who serve the coffee industry – from producers, to importers, roasters, and purveyors – we can do our part to make coffee, and the world, better. Through sustainability reports like this and committed enthusiasts like you, Amavida Coffee & Tea is accountable to prioritize the benefits its business creates for suppliers, employees, their communities, and the environment.

From the deepest part of my heart, I send you appreciation for the high expectations you have of us with Amavida Coffee & Tea, and for continually contributing to our ability to create positive impacts. When you choose Amavida Coffee & Tea you support a business that is not just a place in the community, but rather a place of community. From the coffee farms abroad to my home here in the Panhandle of Florida, I've seen first-hand how the coffee we choose to drink can build-up or devastate an entire population. Thank you for choosing Amavida Coffee & Tea to serve you and for recognizing "its not just coffee... its culture."

Warmly,

Jennifer Griffin

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1. Vision

To be recognized as a leader in our industry by our customers, employees, community, and suppliers.

2. Mission

Amavida Coffee & Tea will strive to be the best sustainable coffee and tea producers in its communities by:

- Running a profitable and financially healthy company.
- Helping coffee producers better their lives through continued support and exceptional trading practices.
- Improving the image and profits of wholesale customers through improved product offerings.
- Consistently producing and supplying quality products.
- Retaining its customers, employees, and suppliers by earning their trust and loyalty.
- Learning and adopting means to protect the environment.
- Improving its local communities in a proactive manner.

3. Beliefs & Values

Amavida Coffee & Tea will always:

- Conduct business with the highest regard to ethics.
- Provide our customers with an unconditional satisfaction guarantee on our products or their money will be returned.
- Strive to support our community by using local suppliers, hiring employees from the community, and contributing to community events when possible.
- Strive to provide our employees with the best work environment possible for personal growth and security.
- Strive to improve the environment and be an advocate in our communities.

4. Certified B Corp to Benefit Corporation

Since May 2014, Amavida Coffee & Tea has earned B Corp Certification, adopted Benefit Corporation Legislation, produced its first annual Benefit Corporation Sustainability Report, and has championed the movement to redefine success within its local communities, through its regional customer-base, within the coffee industry, and wherever else opportunities have been presented.

This has been significant for Amavida Coffee & Tea and its future. The mission of Amavida Coffee & Tea has been solidified in the governing articles of the organization and a formal commitment to work with intent to create benefits for stakeholders – being, coffee producers, communities of suppliers and Amavida Coffee & Tea’s own local communities, employees, and the environment – has been written into it’s bylaws. Declaring the creation of positive outcomes for stakeholders as equally important to generating shareholder profit into a company’s purpose statement, is pivotal for creating a company

where social justice, enriched environments, and economic success are seen as interdependent when it comes to achieving desired, positive outcomes.

As a benefit corporation this document serves as an article to recognize Amavida Coffee & Tea's best practices currently, communicate company goals and challenges regarding social and environmental performance, and tracking Amavida Coffee & Tea's growth & improvements over time.

5. Governance Structure

A. B Corp and the Board

In 2015 Amavida Coffee & Tea published its first Benefit Corporation Sustainability Report.

The Board is made up of three members, two founders of Amavida Coffee & Tea and the current Benefit Officer.

B. Certifications & Audits

Amavida Coffee & Tea continues to maintain Organic, Fair Trade (FLO), Good Manufacturing Practice (GMP), and B Corp certifications.

In 2015 Amavida Coffee & Tea showed an improved score (from 100 to 112) on a self-assessment using the B Impact Assessment. In 2016 Amavida Coffee & Tea will work to achieve an improved score on the B Impact Assessment and earn verification through renewal of B Corp Certification.

Additionally, audits were performed & passed through FLO (Oct), GMP (May) and FDA (March).

C. Financials

Amavida Coffee & Tea maintains an open door policy in terms of financial records. The company continues to share basic revenue/cost numbers if employees ask for them.

The company produced healthy financials when verified through review by a local, independent source, and exceeded revenue goals set for the 2015 fiscal year.

The company began working with First Green Bank, a member of the Global Alliance for Banking on Values and local bank committed to serving the community.

D. Framework

Few updates were made to improve Amavida Coffee & Tea's policy book.

6. Employee Engagement and Benefits

A. Leadership and Communication

Administrative and operational leaders meet weekly and café shift leaders meet bi-weekly, to ask questions, voice concerns, and discover solutions.

Roasting operation employees meet monthly on health, safety and quality.

Amavida Coffee & Tea began to produce an internal monthly newsletter, communicating ongoing activities and their outcomes more frequently and in more detail than an annual report.

B. Company Parties, Celebrations, and Contest

Amavida Coffee & Tea celebrated Valentines Day, in February, with a presentation of the company's overview and strategy for the coming years, followed by celebrations at the office/training lab.

In early May the company came together to welcome summer, enjoying an afternoon at the beach and paella made together at the home of Amavida Coffee & Tea's founders, Dan and Sally Bailey.

In July, Amavida Coffee & Tea challenged its baristas to a Latte Art Competition at the café in Rosemary Beach.

In September, a Barista Jam was held in St. Andrews.

In December, Amavida Coffee & Tea held a Customer Appreciation Party in support of the Winter Solstice Run participants. There also were two Christmas Parties held to create opportunity to celebrate with staff from all Amavida Coffee & Tea's locations. The first was at the Bailey's home, while the second was in St. Andrews at the café.

C. Compensation

All employees continue to earn at or above living wage.

Bonuses were awarded for excellent customer service to three Baristas in 2015.

D. Craft Training, Professional and Personal Development

This Training Program offers in-house certifications that creates subject matter experts in the areas of Customer Service, Brewing Technics, Espresso, and Tea. Amavida Coffee & Tea has also provided "Seed to Cup" training to surrounding cafés which offers a valuable introduction to the world of coffee in the different phases of growing, processing, transportation, roasting, and brewing.

Training programs were developed to include food safety, customer service and advanced espresso. The training program at Amavida Coffee & Tea also offers lessons in cupping, roasting, tea infusions and history, as well as, advanced brewing techniques.

The majority of Baristas have completed their Level 1 Certification and are currently learning advanced techniques in the Level 2 program through Amavida Coffee & Tea. This training adds to the technical growth of the company, raising the bar on quality coffee and customer service in the areas where Amavida Coffee & Tea is served, while developing individual abilities to perform and contribute as professionals in the coffee industry.

All training is in align with the Specialty Coffee Association of America's certification standards.

A few people from Amavida Coffee & Tea had the opportunity to attend SCAA 27th annual event in April 2015.

Company began cupping on a regular basis in June at the roaster for developing our work with the coffee itself, and on occasion at the office/training center in October to engage a variety of members from the Amavida Coffee & Tea team in an important industry practice.

Employees of all areas of the company are participating in learning luncheons focusing on the B Corp certification and framework, the mission of Amavida Coffee and Tea, and each individual's role and goals in working to be the change we seek in the world.

A 360 degree review format was used for the first time in performance reviews, emphasizing the growth potential and benefit of individuals.

Three people represented Amavida Coffee & Tea at the Cooperative Coffees AGM. Participation at this level builds individuals up in the coffee industry and on a personal level too.

An employee was sponsored to attend the B Corp Champions Retreat.

Five employees were sponsored by Amavida Coffee & Tea to attend a delegation with OTG to Chiapas, Mexico in January.

E. Job Creation

Amavida Coffee & Tea's workforce has shown about 21% growth from 2014 - 2015. 19.5% attrition rate recorded from April 2015 to April 2016.

Majority of new positions in 2015 were filled by internal promotions at Amavida Coffee & Tea. Over 15% of staff experienced a promotion within 2015.

At the end of 2015 there were 26 full-time, 9 part-time and 5 seasonal staff members; a collective of forty people.

Average tenure on the Amavida Coffee & Tea team is 2-3 years.

There were 6 people who left Amavida Coffee & Tea on their own initiative to pursue personal goals (e.g. education) or live closer to their families.

F. Health Care

Health care support offered to full-time employees at Amavida Coffee & Tea. The company helps with 50% up to \$100 of monthly expenses.

G. Paid Vacation Policy

All full-time employees at Amavida Coffee & Tea are able to earn, and use, up to 40 hours of paid vacation time annually, between January 1st and December 31st.

H. Wellness Initiatives

Safety button/alarms have been added at each café and are within reach of the register, making an even more secure work environment for employees at Amavida Coffee & Tea.

Financial planning and counseling services are offered to individuals who need assistance in personal issues.

7. Community Involvement

A. Charitable Giving & Community Support

Amavida Coffee & Tea is committed to give up to 20% of our profits (EBITA) to such charitable organizations, or to donate the equivalent of 2% of revenues or more to charitable partners each year (including in kind product donations).

Local Support

In 2015 over \$17,000 monetary or in-kind donations were made to support over 20 community organizations and local nonprofits.

Formed St. Andrews Independent Business Alliance in September 2015, with fellow merchants in the St. Andrew's Community.

Actively participated in Seaside and Rosemary Beach community merchant groups.

Sponsor Loblolly Cycling Team giving quarterly support and helping raise funds for the Team through Loblolly Coffee sales. The Team's custom coffee bag was released in Amavida Coffee & Tea's cafés in July 2015. In turn, Loblolly has helped Amavida Coffee & Tea initiate a bike delivery program and delivered coffee, ridding over 137 miles up and down 30a from October to the end of 2015. Team members volunteered time as bike support, accompanying runners for the second year during the Winter Solstice Run also.

On The Ground Global

From the initiatives of Amavida Coffee & Tea, its employees, and customers, over \$44,000 was raised to support the projects of On the Ground Global from December 2014 – December 2015.

Project Chiapas

An annual delegation to Chiapas took place in January.

\$346.60 was raised from the Wooden Coin Campaign from March to December 2015 (that's 1,733 cups that were saved from the landfill & \$0.20 a cup) and \$1,444.47 was contributed from customer cash donations. A total of \$1,791.07 was raised through buckets in Amavida Coffee & Tea's cafés to support clean water projects.

Project Congo

From events like the Winter Solstice Run and the Run Across Congo, along with art shows, fundraising celebrations, and Project Congo coffee bag & merchandise sales over \$37,554 was raised to support gender justice in the Democratic Republic of Congo.

B. Volunteer Service Time

At least 647 hours were served by twenty-seven volunteers from the workforce at Amavida Coffee & Tea. These hours were spent supporting local organizations as well as the project work of On the Ground Global.

C. Arts, Education, Entrepreneurship & other Events

Presentations were given to two local Rotary groups and at an entrepreneurship event hosted by the Business Innovation Center, focusing the B Corp certification & framework.

Art shows featuring local artists were held and exhibited regularly in Amavida Coffee & Tea's cafés.

Amavida Coffee & Tea's cafés served as music venues on several occasions in 2015, like the 30a Songwriters festival.

Amavida Coffee & Tea joined several community events in St. Andrews, Seaside, and Rosemary Beach, like Earth Day Bay County, Taste of St. Andrews, Not Yo' Mamas Stories at Floridopolis, Seaside's Christmas Parade, and Rosemary Uncorked... to name a few.

Sustainable Supply

33% of Amavida Coffee & Tea's expenses (excluding labor) were spent with local suppliers in 2015.

At least 80% of Amavida Coffee & Tea's sales were made within local communities.

New Reserve Series coffees come in 8oz coffee bags which are more environmentally preferred. Also, Amavida Coffee & Tea is transitioning to a craft 5lb bag for bulk coffees which will be a bit friendlier for the environment too.

D. Collaborate

Amavida Coffee & Tea is an Active member of Cooperative Coffees and attended AGM, as well as, the Executive Team Meeting. Dan was elected as Vice Chair in 2015.

First Annual Stakeholder Meetings were held. Amavida Coffee & Tea's Benefit Officer met with five people who are members of the community, customers, and environmental stewards, to gain feedback and generate ideas for supporting common sustainability goals.

8. Environmental Impacts

A. Delivery Bike

This goal set in 2014 became reality in October 2015 with the help of Loblolly Cycling Team. In the time the program has been active there have been over 137 miles ridden to deliver coffee to customer's along 30a.

B. Energy

Efficiency

LED lights were installed at Rosemary Beach and St. Andrews cafes, as well as at the Roaster.

Began exploring renewable energy options and setting targets for 2016.

Installed AC temp controls and purchased an evaporator (swamp) cooler at the Roaster.

Usage

7% improvement in efficiency/ reduction in usage in comparison to 2014s for Seaside and Rosemary cafes, along with Roaster units 103 and 105. In 2015 St. Andrews café joined Amavida Coffee & Tea and will be considered in Amavida Coffee & Tea's usage, as is Roaster unit 102 began adding to Amavida Coffee & Tea's outputs now that the space is in regular use.

Reduce, Reuse, Recycle

Chemical Reduction Methods

When cleaning around the office, and in 25-49% of packaging materials, Amavida Coffee & Tea used compostable, organic, or other low-emission products to reduce material environmental waste.

Reuse & Recycle

The coffee grounds for gardeners' program, started in 2014, has continued in Seaside and Rosemary cafes and was joined by St. Andrews in spring 2015, reducing waste from Amavida Coffee & Tea's retail locations and increasing our ability to help café guest to enrich the

environment. Also, St Andrews café is contributing to recycled cardboard improving over environmental footprint at Amavida Coffee & Tea.

Through recycle of cardboard & newspapers Amavida Coffee & Tea and its guests were able to reduce at least 7 tons of waste to the environment in 2015.

9. Challenges of 2015

Amavida Coffee & Tea seeks to purchase milk from a local, organic source. Over the years, challenges such as availability, price, shipping, and storage have affected the ability to do so.

The company continues to seek a system for recycling plastic milk jugs and glass bottles. Currently it is a challenge to find a recycle plant within a reasonable distance that can accommodate the material.

It is an ongoing challenge, in the coffee industry, to find a retail coffee bag that is friendly for the environment while maintaining quality and freshness of the coffee. This is similar for a variety of package sizes, like, 12oz, 16oz, 2lb, and 5lb bags. Fortunately, Amavida Coffee & Tea was able to take a step in the right direction with 5lb craft bags for bulk coffee sales, however the bags still feature a foil lining for which we will like to find a better alternative.

10. Goals for 2016

Work with employees to create opportunities for individuals to engage in industry through events, like SCAA and Cooperative Coffees gatherings, as well as, trips to origin through On the Ground Global.

Seek to sell over 125,000lbs of coffee.

Will aim to give \$60,000 - \$90,000 monetary or in-kind donations in 2016. It will be incredible if \$60,000 can be raised through Amavida Coffee & Team in 2016 to donate in support of On the Ground Global's Project Chiapas.

Through the volunteer service time of team members at Amavida Coffee & Tea, the company has set a target to serve 500+ hours in our community or on projects benefiting coffee producing communities this year.

Amavida Coffee & Tea will reduce its environmental footprint by off-setting electrical energy use with 100% clean, renewable resources.

The company will have an efficiency audit performed to discover other possible areas of improvement for the environment.

A better solution will be found for 12oz and 2lb coffee bags, and its use will be implemented to improve environmental outcomes from the sale and enjoyment of Amavida Coffee & Tea.

Maintain & improve scores for B Corp, GMP, Organic, and Fair Trade certifications.

11. Contact Us

Contact us with your feedback on Amavida Coffee & Tea's social and environmental performance.

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