



Advise
Invest
Advocate

Online meeting instructions

Please note the following webinar instructions:

- You can change your **name**, but it's better for everyone to know who you are!
- You are automatically **muted** – use the chat function and presenter may invite to speak or relay your question
- Your **camera is automatically turned off** to save bandwidth and minimize our collective carbon footprint for attending this event
- You are welcome to **invite other participants**
- Feel free to use social media including **@Ksapaorg** so that everyone may track the discussion
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ksapa

WEBINAR

Digital Training + Impact Investing Tools for Responsible Commodity Sourcing

23 March 2021

About Ksapa

- Ksapa's 3 Core Services
- Ksapa's Team and Network
- Ksapa's Inbuilt Commitment to Advocacy



Farid Baddache

CEO

Introducing Ksapa

Ksapa (Sioux language) = Discernment, Wisdom, Soundness, Reasonableness

As an impact business, our **purpose** is to help economic players shift to **economically, socially and environmentally sound operating and investment models.**

Ksapa draws on its team's **dual sustainability and finance expertise** across the corporate, investors, institutional, academic and non-profit sectors, to combine **ESG, Sustainability Consulting and Innovative Impact Investment services.**

To deliver highly specialized, localized and impactful results, Ksapa works with a **network of partnering international organizations** and **a community of 150+ experts worldwide.**



We Advise

- ESG / SDG Materiality
- Sustainability & Business Strategy
- ESG Risks assessment & Due Diligence



We Invest

- Impact Investing
- Sustainability-themed Investment Programs
- Active Ownership



We Advocate

- Media/Social Media
- Blog
- Reports & Briefs
- Webinars





A Global Network for Maximum Impact



As a team, Ksapa operates through a **network of partnering international organizations and affiliated experts.**

By working together, we provide our clients with **locally-relevant solutions** to efficiently meet their needs.

As an Impact Business, Ksapa's Commitment to Sustainability Advocacy is Built in its Statutes

**REPORTS
& BRIEFING PAPERS**

**ILLUSTRATIVE LIST
OF BLOG ARTICLES**

**REGULAR
WEBINARS**



A photograph of a green plant, likely a soybean, with several large, rounded, seed-like structures (pods) and several large, dark green leaves. The plant is set against a light green background. A dark green rectangular box is overlaid on the right side of the image, containing white text.

Addressing Responsible Commodity Sourcing



Corporate Procurement Professionals Face a Range of Pressures at a Strategic Level and Day-to-Day Basis

Pressures & Contrary Injunctions

- Reduce Operational Budgets & Inventory Costs
- Improve Asset Performance
- Lead Continuous Improvement & Digital Transformations
- Sustainable & Ethical Procurement

Germany to fine companies whose suppliers abuse rights

by Reuters
Friday, 12 February 2021 11:40 GMT

US blocks import of goods suspected to have been produced with forced labour

Joint position paper on the EU's policy and regulatory approach to cocoa



Story
Boohoo: Investors drop fast fashion brand over allegations of labour rights abuses in supply chains

Investors with US\$5 trillion call on governments to institute mandatory human rights due diligence measures for companies

Why and how investors should act on human rights

22 October 2020



Responsible Sourcing is Gaining Momentum

Regardless of the complexities of responsible agricultural commodity sourcing, **stakeholders** have converged to make it a requirement:



Regulatory Pressures



Consumer Behavior



Business Considerations

- **High-profile transnational lawsuits** and adjoining national jurisprudence
- **EU Mandatory Due Diligence** slated for 2021, covering both direct operations and extended supply chains and related **national compliance requirements** – French/Germany Vigilance laws, the UK Modern Slavery Act and the Transparency in Supply Chains Act in the State of California.
- **US Withhold-Release Orders/Tariff Act** with major economic implications (cocoa in Ivory Coast, cotton from Xinjiang, latex gloves from Malaysia...)
- Even before Covid-19, 42% of Millennials surveyed favored products or services with a **positive impact on society/the environment**. 37% ended a business relationship because of **behaviors construed as unethical**.
- 23% of global consumers demand brands **lead by example**, with 75% of US consumers want companies to pursue positive impact initiatives they launched because of Covid-19.
- Companies are increasingly asked to accelerate their positive impact against the **UN 2030 SDG**, reduce their **supply chains risks** and move towards more **responsible sourcing practices**.
- Investors as similarly subject to regulatory and civil society pressures, notably to respect **Human Rights**, fight **deforestation**, address **water stress** and **biodiversity loss**

Key Figures in Favor of Systemically Rationalizing Agricultural Commodity Sourcing

Adverse Impact

- The IPCC already reported food and drink production has driven **75% of deforestation** to date.
- A Chatham House report lists **agriculture as the top threat for some 86% of the ~28k plant/animal species** at risk of extinction.
- Though many go hungry, **1.3 billion tons of food is either wasted or lost** all along the global value chain.

Growing Demand

- In 2017, **worldwide material consumption reached 92.1 billion tons**, up from 87 in 2015. Without remediation measures, this is projected to grow to 190 billion tons by 2060.
- The **global material footprint per capita increased to 12 tons** of natural resources extracted p/p in 2015 (from 8.1 tons in 1990).
- Global mean crop yields of rice, maize and wheat are projected to **decrease by 3 to 10% per degree of global warming**, impacting livestock through feed, pest and disease prevalence, yield and quality decrease ultimately impacting global infrastructure.



Smallholder Vulnerability Heightened Amid Covid-19

General Metrics

- **Agriculture/Poverty Nexus** = ~63% of the world's poorest work the land, ~2.5B in poor countries make a living via the agri-food sector.
- **Central Role** = With farmers providing up to 80% of Asia and Sub-Saharan Africa's food, governments rely on them to sustain global supply chains and generate national revenue.
- **Earnings** = A large share of the 500Mn farming households lives among the world's poorest, with less than **\$2/day**, pointing to **worker pauperization**.
- **Access to Finance** = While financing for climate action > ½ trillion US dollars for the first time in 2017 and 2018, only \$10B reached smallholders annually.
- **Health impacts** and underpinning socio-economic implications
- Pressure on **households** and disruption of **community-based services** and **solidarity systems** (field work, maintenance, cooperative).
- Difficulty **accessing fertilizers, seeds or harvesting equipment**, if any;
- Migrant workers and smallholders run a greater risk of irreversible **poverty** as they consider selling their land for cash.
- Covid-19 left workers without a source of income, forcing many to **return to their home villages**. Surviving crops were **harvested late, with a lower and poorer quality yield and at a higher price in labor**.

Covid Impact





Introducing the Scale Up Training, Traceability and Impact initiative



HATIM ISSOUFALY
SUSTAINABLE AGRONOMY
PROGRAMS DIRECTOR

Our Vision For Sutti

**FOR
FARMERS**

The Impact

Boost impact across the value chain for the benefit of the many, for the long run

The What

Structurally improve the revenue and livelihoods of smallholders in fragmented agricultural supply chains

The How

Disseminate best practices and diversify farmer activities to build sound, fair, diversified and resilient cultures



A Conductor Of Sustainable Change

FARMERS

By dispensing technical and vocational **training** to farmers, we **generate impact** across smallholders communities and we **monitor their progress**



INDUSTRY

By improving **sourcing resilience and mapping**, we help businesses secure strategic commodities and manage supply chain risks

INVESTORS

By developing **sound economics**, we engage investors in positive investment schemes with **measurable impact**



The SUTTI "Secret Sauce"

Large-Scale Impact Programs

Develop a replicable and adaptable training model

Combine in person and digital training solutions



Innovative Finance



Create value for farmers, industry and investors

Align interests across partners and stakeholders

Long-Term Synergies

Build hybrid business models combining revenue sources

Partner for sustainable change across the value chain



The SUTTI Value Proposition: a Smallholder's Journey



Supporting farmers at the collective and individual levels



Follow Ari, a smallholder and head of a family-run 2 Ha farm

Raising Awareness
And Enrollment



After meeting a qualified instructor, Ari decides to **enroll** in the SUTTI program

Mainstreaming
Best Agricultural Practices



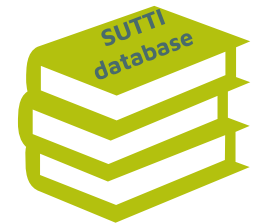
Ari attends a SUTTI **training** with a cohort of local farmers

Generating
Farm-Level Impact



Ari starts to see his livelihood improve: his **income increases and diversifies**, his **safety** and his **access to market improve**

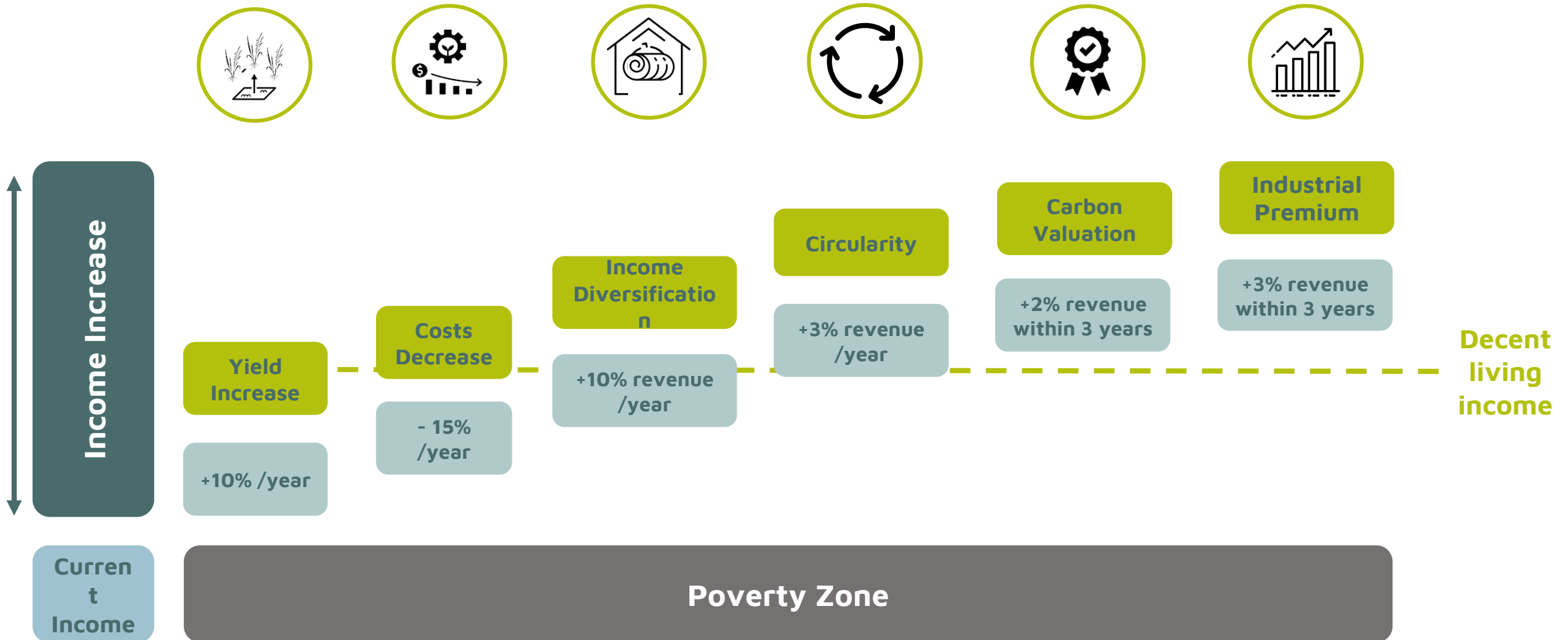
Strengthening
Topical Knowledge



Ari benefits from a **permanent access** to complementary technical and vocational training and services

6 key levers for the SUTTI program to significantly increase smallholder income

Estimation based on the example of a 2ha rice plot









Introducing the SUTTI Digital App



Christian Chateauvieux

IT SOLUTIONS + SUSTAINABILITY MANAGER

The SUTTI Digital Solution

Smallholder Training Participant Suite			Global Dashboard
 <p>Training</p>	 <p>Impact Measurement</p>	 <p>Commodity Sourcing Mapping and Traceability</p>	 <p>Program Management and Sourcing Mapping</p>
<p>Deliver technical and vocational training relevant to participants' work to amplify in-person training sessions</p>	<p>Collect data to measure the impact on productivity, working and living conditions, and on environment (carbon, pollution, ...)</p>	<p>Map commodity sourcing at transaction level</p>	<p>Manage and track all aspects of the program (training progress, socio-environmental impact...) while offering a better understanding of the upstream supply chain</p>
Operational Management Suite			

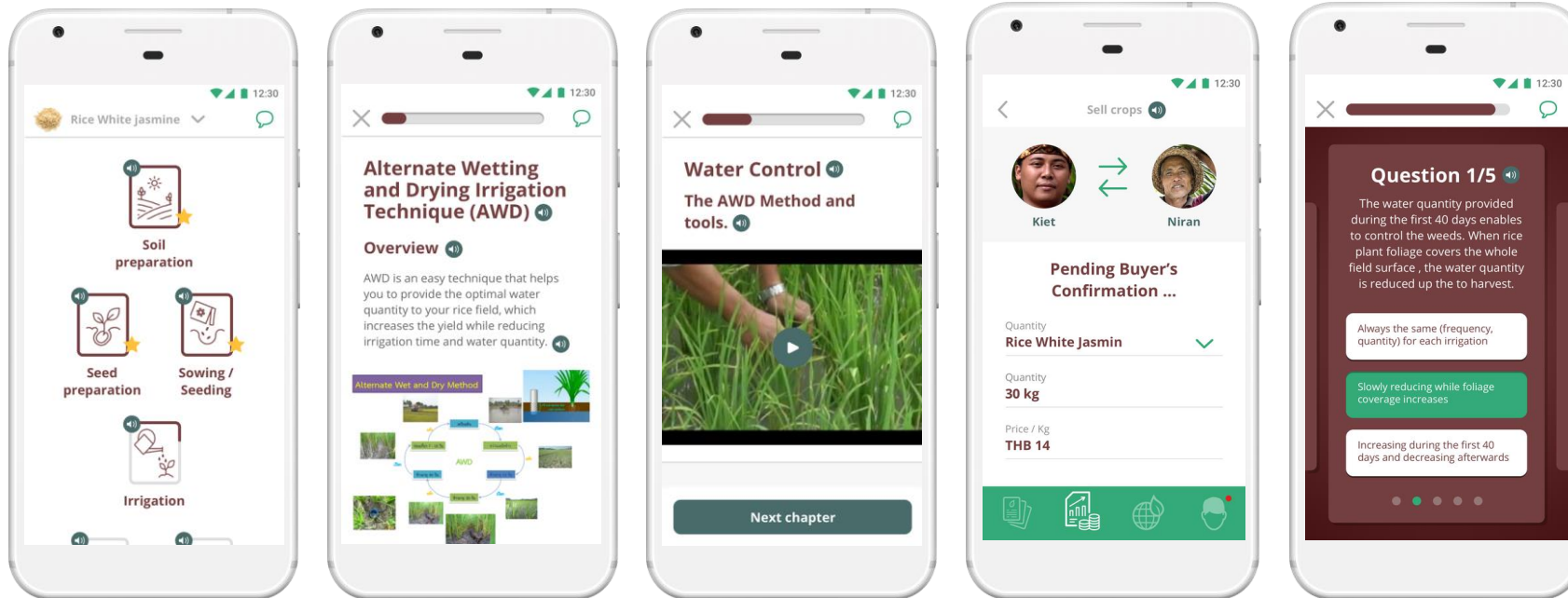
The architecture of the SUTTI digital solution is designed to be fully adaptable to multiple **commodities** (eg rubber, vanilla, bamboo, sugar cane, rice...), **countries** (Indonesia, Thailand, India, Ghana,...) and **languages**

The SUTTI Application as a Tool to Consolidate and Disseminate Capacity-Building



Meet Praew (แพรว),
a smallholder rice
producer

The mobile application can help Praew to keep learning on her plantation.
Praew can likewise share contents with her family, workers and peers.



Chapters to Track Progress

Videos, Pictures and Vocal Content

Crop Sales Registration

Impact Data Collection

The SUTTI Mobile Application as a Tool to Aggregate Sourcing Data



Meet Philip, a Raw Materials Category Manager

The SUTTI app helps Philip identify raw materials origination and to what extent program roll-out on the ground effectively decreases top socio-environmental and ethical risks. That way, Philip can document ESG risk mitigation measures across his company's raw material sourcing activities. He can then address any related customer, legal or customs inquiry.

Access, monitor and report on program operational data and ESG Key Performance Indicators

Stakeholders



Industrial buyers

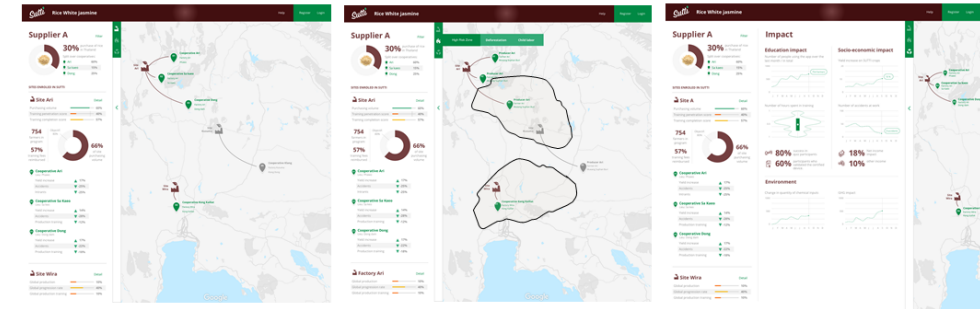


commodity suppliers

Role-based access control



Consolidated Data Visualization and Reporting



Improved Community Sourcing Vision

Program Data Aggregation



Training completion logs



Impact Measurement Data



Supply Chain Sales transactions

Program Operational Data



Financial Structuring of the SUTTI Program



Raphaël Hara

MANAGING DIRECTOR



**A SOCIAL
BUSINESS**

The SUTTI approach

We develop and manage **impact investment programs**

We **engage with industrial buyers** and coalitions

We build **long-term synergies** with global and local **partners**

The SUTTI Suite of Services

3 Complementary Services In 1 Single Solution

**Program Design
& Operational
Management**



Digital Solutions

Impact Investment Management



The SUTTI Business Model



Scaling up

At each phase, net revenues generated by the previous phase can be reinvested for program scale up



Initial Investment

- Digital solutions development
- Training contents development
- Local/Global partnerships development
- Recruitment/Training of local instructors
- Participants kits
- Working capital

Industrial Players Participation

Carbon Valuation



Grants / Blended Finance solutions (de-risking, incentives)

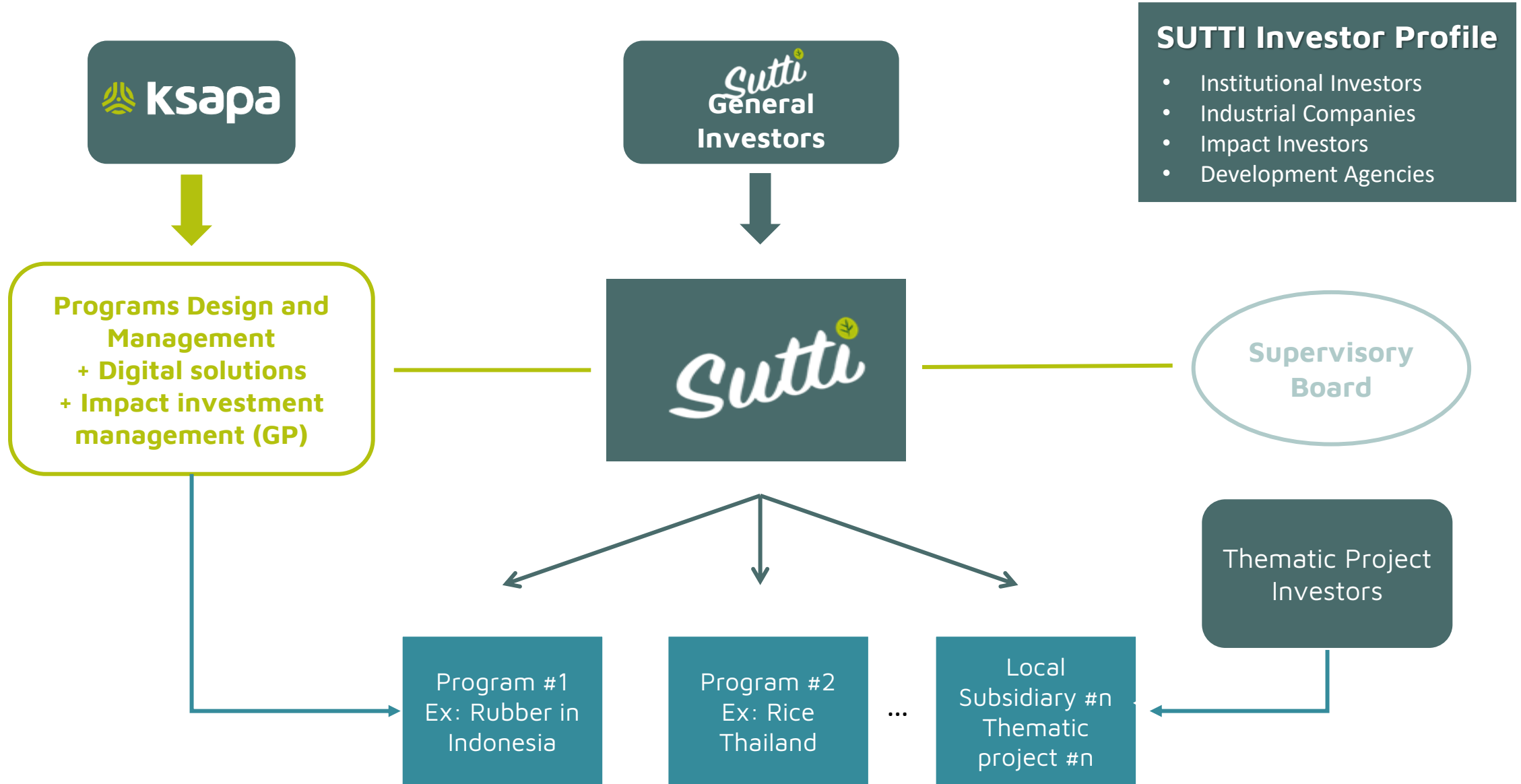
Training Fees from Participants

Outcomes*

- Sound Financial Returns
- Positive Socio-Environmental Impact

** Financials and impact measurement to be certified by a 3rd-party organization*

The SUTTI Organizational Structure





Panel Discussion

**Perspectives From our Panelists.
Facilitation: Farid Baddache, CEO, Ksapa**

A promotional banner for a webinar. On the left is a photograph of two men in a workshop setting, one pointing at a tablet. The right side has a teal background with white text. At the top, it says "REGISTER NOW FOR THE NEXT ksapa WEBINAR". Below that, in a white box, is the title "Digital Training and Impact Investing Tools for Responsible Sourcing". Underneath, it says "With insights from ksapa experts" and lists three panelists with their names and titles: Raphaël Hara (Managing Director), Hatim Issoufaly (Program Director), and Christian Chateauvieux (IT Solutions Manager).

REGISTER NOW FOR THE
NEXT  **ksapa** WEBINAR

Digital Training and
Impact Investing Tools
for Responsible Sourcing

With insights from  **ksapa** experts

 **RAPHAËL HARA**
MANAGING DIRECTOR

 **HATIM ISSOUFALY**
PROGRAM DIRECTOR

 **CHRISTIAN CHATEAUVIEUX**
IT SOLUTIONS MANAGER



**Closing Remarks
Questions/Answers**

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– Upcoming Ksapa webinar –



Apr
27

Human Rights Due Diligence:
Legally-Binding Instruments to
date

Find out more directly from our [website](https://www.ksapa.org) at [ksapa.org](https://www.ksapa.org)



ksapa

Getting in Touch

Ksapa.org – contact@ksapa.org

