

#### Introduction

Welcome to our B Corp Report for 2021/22. This was our second year as a certified B Corp, and our second Annual Report. In this report, we update progress on some of the work we started (and reported on) last year and highlight some of our plans for 2023 and beyond.

Dark Woods Coffee is a speciality coffee roaster located on the edge of Marsden village in the beautiful West Yorkshire Pennines. We roast our coffee by hand on three Probat drum roasters in our Victorian mill beside the Huddersfield Narrow Canal and River Colne.



### Impact Reporting

Throughout the process of compiling this report, we have faced a dilemma. We are required to produce an Impact Report but, as we look through our data for the year, what we have is details of output—things we have done, volunteering time, and money we have donated, rather than impact—the difference this has made in the World.

Reporting activity (outputs) is important and necessary. However, without knowing the impact of this activity, we cannot understand whether it made a difference in the communities we support or in addressing environmental challenges. We are working on getting better at measuring the impact of our work, and we will have more on this in next year's report.

# The focus of this report is broadly focussed on People and Planet

Where we are able, we will highlight what impact we have made.

#### People

Examines how we support our team and local community, as well as the wider global coffee community from producers to supply chain partners to our customers in coffee shops.





#### **Planet**

Illustrates our journey to reduce our impact on the planet, specifically by reducing the carbon emissions from our production process, but also how we can minimise what ends up in landfill.





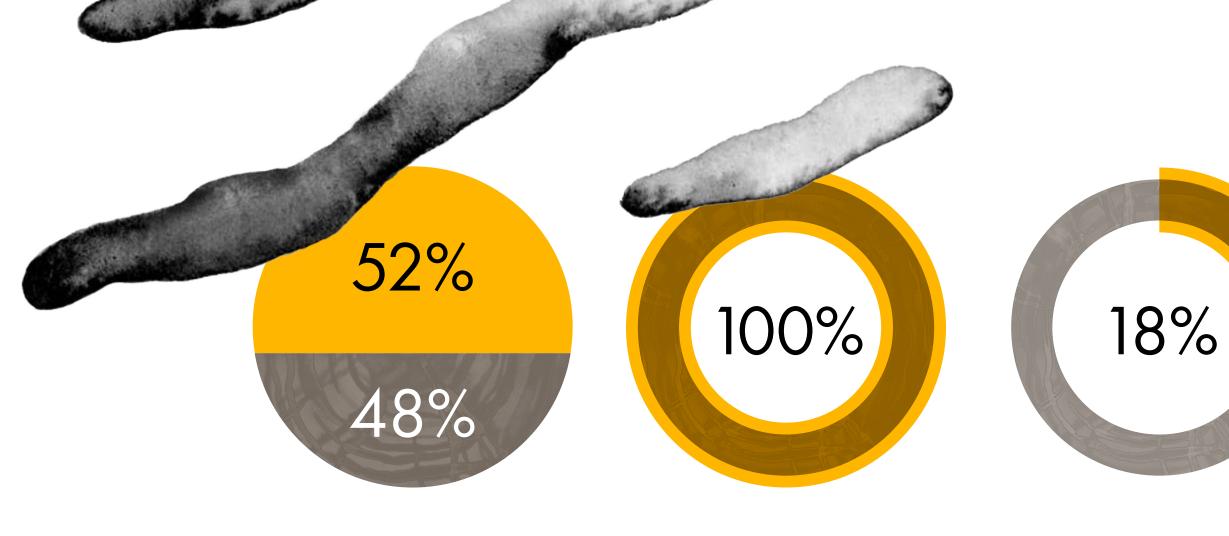
#### Our Team

Our team has grown a little, to 20 people over the last year, an increase of 18%. During such a challenging year for our industry, we have been able to add to our team, whilst also not losing anyone. None of our permanent team left the business over the last year.



We have maintained our Living Wage Employer certification this year. This is an important baseline, and no one who works for us earns less than the Real Living Wage. We continue to lift more of our team salary levels above this baseline, recognising the important contributions that they all make to our business.





Team demographic 48% of our team identify as female and 52% as male

Team retention

None of our permanent team left the business over the past 12 months

Growth
Increase in team
members over last
12 months

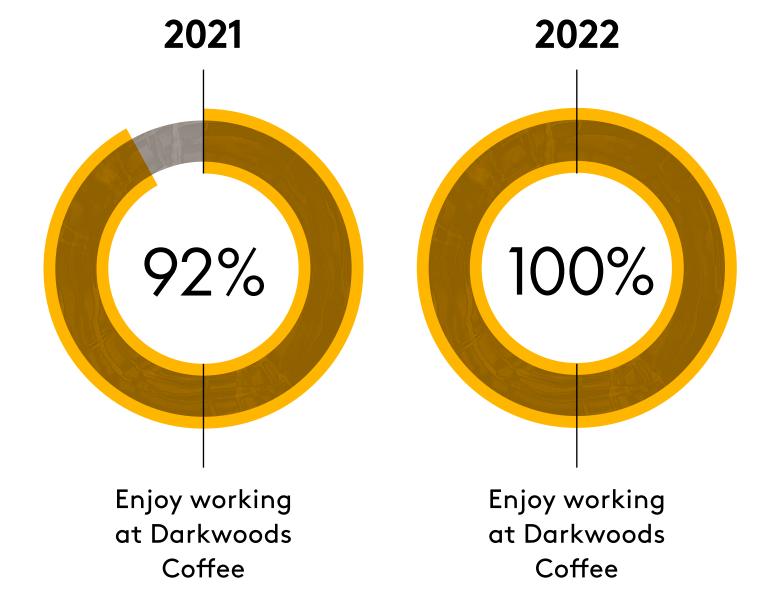


#### Team Engagement

Our annual team survey provides valuable information and feedback on our performance as an employer and how our team members feel about working with us. The survey is anonymised and managed by an independent third-party provider.

We want our team members to feel confident they can be open and honest in their feedback. This year, we included additional questions to help us better understand how we can support the wellbeing of our team.

"As we grow it's important that the teams continue to understand and value each other. We would benefit from a bit more proactive team building"







"Everybody is really open and nice, it's so good to be part of a team like this"



#### Sarah

Joined in 2021

I came to Dark Woods from working in a co-operative bakery and cafe, just down the canal from where Dark Woods set up base, a short while after the bakery co-op did. They let us sample their gorgeous and brilliantly roasted coffee and talked about their values, in terms of paying fair prices for green coffee and the lovely relationships they had forged with the individual coffee producers, to the support they were giving to female co-operative coffee producers in Peru. It was a no brainer, we started serving their coffee. And it's that care and vision that drew me to work for them. That and the beautiful setting of the mill. It's a very special place.





Joined in 2021

I raced my bike at a professional level for 4 years, my love for specialty coffee began on two wheels.

Living in the Bay Area of California, I was spoilt when it came to good coffee, but it wasn't until I moved back to the UK in 2018 that I discovered Dark Woods and immediately loved their ethos and style. I especially loved their ethics and drive for perfect, yet unique coffees. After serving it for a few years as a barista it was a natural transition for me to give coffee roasting a go.



#### Scott

Joined in 2020

I have worked in the coffee industry for over 15 years and worked closely with one of the owners of Dark Woods earlier in my career.

When the opportunity arose to join the business,
I didn't hesitate. The culture and values of the business,
alongside the outstanding coffees and great people,
all contribute to an amazing place to work. I can
balance work with my young family, develop myself in
areas of interest and feel a valued member of the team.
Small details make the difference in coffee and Dark
Woods demonstrates this in all areas of the business.



# eam

Darkwoods B-Corp Report 2021/22



## Local Community

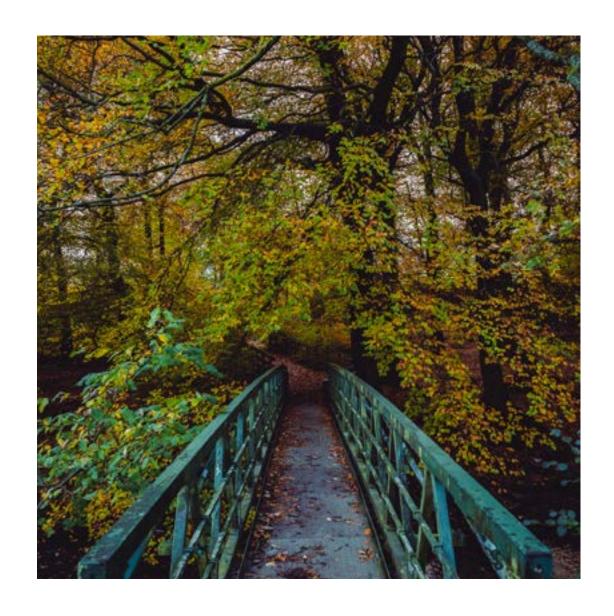
We love our home in the Colne Valley, in West Yorkshire, with its beautiful scenery, amazing industrial and cultural heritage, and vibrant community. Most of our team live in, or within a few miles of the Valley. It is a very special place.

During the year, we continued to support a wide range of local charities and groups, with cash donations, product and use of our facilities. These included:









## The Huddersfield Welcome Centre

The Welcome Centre is our local food bank, and one of the largest food banks in the UK, giving away enough food each year for around 350,000 meals.

We find it sad that food banks are necessary in our society but, while they are still needed, we will continue to support the vital work the Welcome Centre, like other food banks, provides to the community.

Read more

#### ...in the Colne Valley

Formerly known as the Colne Valley business Network, this local non-profit voluntary group works to bring together local businesses with schools, charities and local communities.

Rebranding as In the Colne Valley, reflects the group's vision of celebrating and supporting everything that makes our local valley such a fabulous place – protecting the moors, river, woodland and canal, building resilient local communities and forging a strong local business community.

Read more

## Community Grants Programme

We want our Giving to be more focussed, strategic and accessible. For 2023, we will launch a new community grants programme for our local area, enabling any non-profit community organisation to apply for a small grant. This approach will be fairer, more transparent and help us to measure our local impact.



As a speciality coffee roaster, we have an increasingly inter dependent relationship with coffee producing communities around the World. Unlike the, mostly transactional, trade of traditional and commercial coffee roasters, most of our coffee relationships extend beyond exporters and importers to producer estates and communities.

# These relationships are built on mutual trust and benefit.

At their core, our relationships are embedded in our green coffee buying principles and extend to our financial and practical support for the communities who sell their coffee to us (our buying principles are set out on the next page).

Beyond our coffee purchasing, we aim to support coffee-producer communities however we can. This can be entering their coffees into speciality food industry awards or increasing exposure of coffee origins to premium-brand customers; to resourcing initiatives in communities on the ground.

# Global Community



## Our Buying Principles

Wherever possible, we will only source green coffee, raw materials, products and services through a values-driven approach, which takes into account economic fairness, product quality, respect, mutually supportive contracts and long-term relationships.

We require supply partners to have an ethically sound approach within their own business, from caring for their workforce, to respecting local laws and regulations and the local environment and communities in which they operate.



#### Our Values

**Transparency** — We share our ideas, decision-making process and expectations about what we are seeking in our coffee sourcing, to ensure common understanding between us and our supply chain partners.

**Respect** — We treat our partners as equals in business. We appreciate that we have an interdependent relationship with the coffee producers, millers, exporters and shipping agents that make up our supply-chain.

Commitment — Our aim is always to build lasting relationships with our main coffee-producer suppliers, providing them with the security and certainty that we will buy from them year on year, typically increasing volume annually. Wherever possible, we foster and develop mutually beneficial, long term relationships with supply partners to ensure economic sustainability, a respect and understanding of quality and consistent supply and a fair and just reward.

Continuous Improvement — We challenge ourselves to sell the best coffees; we provide producers with investment, where appropriate, and with constructive feedback on our experience with their coffee and collaborate with them to seek continuous improvement.

#### We reflect these values in our green coffee purchasing principles:

- → We enter into partnerships with the intent to create long-term relationships
- → We agree prices with producers that reflect the quality of the coffee and the skill and labour invested in its production
- → We share quality feedback with producers to promote continuous improvement
- → We commit to purchasing future coffees so that partners can secure financing and, where we are able to, we will pre-finance coffee purchases
- → We pay premiums for quality
- → We support local initiatives in producer communities, where we have the resources and where our input can add value to local efforts
- → We maintain regular communication with producer partners to foster relationships and mutual trust, through visits and, more common now, emails, video meetings and phone conversations





#### Farmers' Voice Radio

- Part of the Lorna Young Foundation

We are active supporters of Farmers' Voice Radio, and we have first-hand experience of the importance and impact of their work, having partnered with them on a community radio project in Panama in 2020/21.

Over the last year, we have continued to provide financial support to FVR, as well as hosting an industry-focussed awareness-raising event with northern coffee roasters.

Read more



We actively support the work of World Coffee Research (WCR); an international charity mapping coffee plant DNA and working on the next generation of coffee plants to enable farmers to meet the challenges of climate change.



# Our Coffee Partnerships 2022

Green coffee accounts for over 70% of our total purchasing; it is the heart of our business.

In 2022, we sourced more than 175 metric tons of coffee, the majority through our long-term relationships with a group of around eighteen amazing producer cooperatives and family-run farms.

These are mutually beneficial partnerships; 98% of our coffee buying is agreed through forward-contracts, providing the certainty and trust that enables our partners to invest in their farms and communities, and secures us the quality and supply security for our customers.





175

Metric tons of coffee sourced (contracted) by Darkwoods in 2022

#### Central America & the Caribbean

Total KG sourced 2022 — 29,525kg

No. of Producer Relationships — 4

Length of Relationships — 3-5 years

Read more

#### **South America**

Total KG sourced 2022 — 101,563kg

No. of Producer Relationships — 8

Length of Relationships — 6-9 years

Read more

#### Africa & the Middle East

Total KG sourced 2022 — 14,420kg

No. of Producer Relationships — 3

Length of Relationships — 2-5 years

Read more

#### As

Total KG sourced 2022 — 29,190kg

No. of Producer Relationships — 3

Length of Relationships — 3-5 years

#### Education

During the year, the country finally began to re-open, following the various COVID lockdowns and restrictions. This landscape was challenging for the hospitality sector, especially in hiring and retaining skilled staff and, as such, we found training demands higher than ever.

Our existing customers required more-regular training to replace staff they lost during covid, but we also found a new crop of hospitality start-ups emerging, who needed training for their fledgling teams.

Total number of people trained in barista skills

Total number of sites visited



### Circular Economy

#### **Coffee Cans**

This year, we launched a new pilot initiative, using returnable/reusable/recyclable fibre drums as coffee "cans" for local coffee shops we supply.

Each fibre-can holds 6kg of coffee – equivalent to our traditional case size (6x1kg bags).



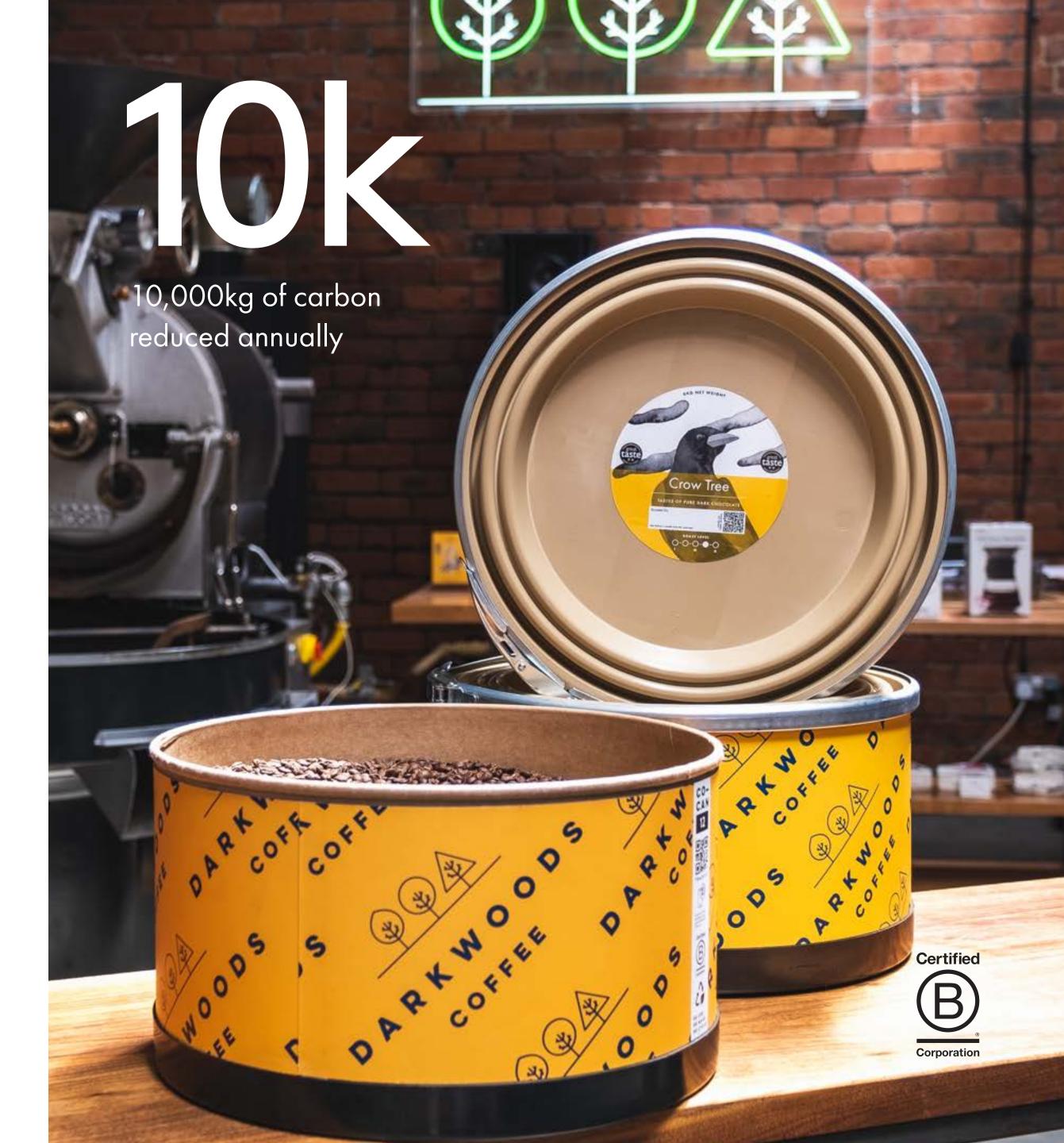
The aim of the pilot is to gradually replace the traditional, linear model of packing coffee in single-use bags, which end up in waste. Following the success of the pilot project, we are rolling out this new approach across Sheffield, Leeds and Manchester.

We estimate that this new model, when fully rolled out, will save around 500-1000 coffee bags per year, for the average wholesale customer.

Bespoke tracking software and a unique QR code on each can means we can track the number of uses, and carbon saved. The cans are delivered and collected in our electric van and our cargo e-bike.

During 2022, we have piloted this scheme with a small number of cafes in our local area, helping us to identify challenges and streamline the process.

We will fully expand the scheme in 2023, with an estimated saving of more than 30,000 bags each year, and a reduction in associated carbon of over 10,000kg annually, from our packing and transport activities.



### Circular Economy

#### Home Compostable bags

In 2022, we introduced our new plastic-free home compostable 1kg bag. This has been a long-held ambition for us and is a huge step forward. We sell more than 100,000 kilo bags of coffee each year, with the bags previously made from mixed laminate plastics, which mostly end up in refuse waste, even though technically recyclable.

Our new bags will break down in a matter of weeks in a typical garden composter.

Better still, the material is manufactured for us here in Yorkshire, with huge carbon-savings, compared to our previous bags, which were manufactured in, and shipped from, the far-east.

Alongside the new home-compostable wholesale bags, we have launched a project with ten coffee shops to promote on-site composting and encourage coffee shops to think about how they can reduce and better-manage their food waste.

Our goal is to transition all our retail coffee packs to plastic-free, compostable packaging.



Number of our kilo bags switched from plastic to plant-based home-compostable each year





# Carbon and our Journey to Net Zero

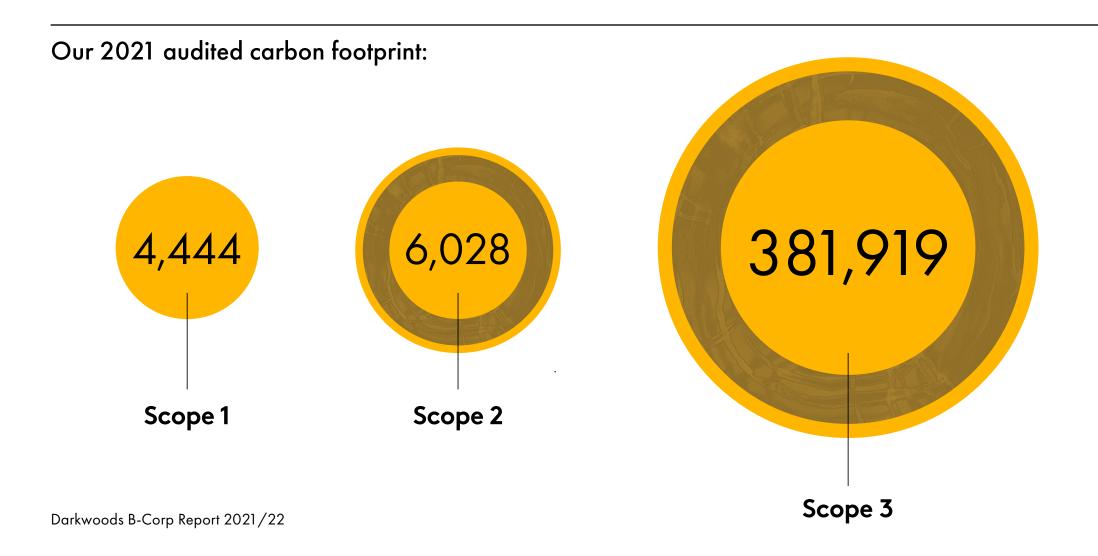
The first step on our journey was to measure our carbon footprint and to understand which parts of our business operations generate carbon.

We have completed carbon measurements for both 2020 and 2021, giving us a detailed picture of our carbon output.

We worked with One Carbon World, a UK-based non-profit offering advice and support on measuring and reducing greenhouse gas emissions.

2021 saw a, not unexpected, increase in our carbon footprint over 2020. Most of 2020 was spent in COVID lockdowns and restrictions.

We are introducing measures to manage and reduce our Scope 1 and Scope 2 emissions; however, our biggest impact is from our Scope 3 emissions, primarily from the import and transport of green coffee and packaging. We are working on a strategy and science-based targets to address this as part of our proposed Environment Management System.







# DARKWOODS COFFEE



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