

Environment

Community

Governance



THREAD COFFEE

Impact Report 2023

A LETTER FROM THREAD COFFEE



THREAD COFFEE 2022

A year passes in both minutes and memories, sometimes long and sometimes fleeting, but always, it scratches another matchstick into the tally of time. We mark our heights across the walls of social media like growing children, but there is so much more to our stories than can be captured in a post. We are happy to take the time to recall some of our biggest moments and accomplishments at Thread Coffee in 2022. We also want to take a moment to thank all our customers and community members who have supported us by drinking our coffee and sharing our mission. Through collaborations, events, and coffee we have weaved a significant stitch in the fabric of Baltimore. We are always open to more connections and, of course, the opportunity to expand our products and services to your community, workplaces, and cafes.

In a world that offers coffee at every threshold, we wanted to take a moment to highlight **three things that set Thread Coffee apart:**

1 – We Uplift Coffee Workers

Thread Coffee was founded on the values of feminist intersectionality, meaning we understand that inequality is not created equal. Many types of oppression can overlap and create compounding pressure on a person. Thread Coffee has always been threading together social movements in women’s rights, gender equity, autonomy, race, and class struggles through coffee.

Thread Coffee was founded in 2012 by founder Casey McKeel, an activist and photographer in Baltimore, MD. Casey had a background in worker-cooperatives, coffee sourcing, and roasting and saw the opportunity to thread together social movements worldwide through coffee. Coffee is a spectacular unifying force! It is grown by over 25 million smallholder farmers around the world. It employs over 125 million people worldwide. It’s a ritual and a beverage enjoyed in every culture and every country. There is almost no life that goes untouched by coffee. It was the most obvious way to do the most amount of good worldwide by founding a mission-driven and cooperatively-owned coffee roaster.

Thus, Thread Coffee was born. Ten years later, our business still strives to unify and uplift oppressed and underserved people in the coffee supply stream.

2 – We Support Directly Democratic Organizations

We are committed to sourcing coffee from smallholder farmer cooperatives and not large estates or single-owned farms.

We are committed to importing coffee with industry-leading terms of trade, meaning we go beyond Fair Trade terms. We are a member-owner of Cooperative Coffees and collectively import over 5 million pounds of coffee annually and are committed to the following values:

Core Values

- Always Fair
- Truth and Transparency
- Human Connections with Big Heart
- Community through Cooperation
- Passion for the Cause

3 – We Take Care of the Earth and Each Other

Thread Coffee is not just a women-owned company for the sake of empowering a few, it is a project to empower many. That’s why we are worker-owned and cooperatively structured. No investor has decision-making power in our business. The workers hold power and any worker at Thread Coffee is eligible for ownership. This model allows us to employ and shift the power dynamic in our community and the culture around business-as-usual. We are for-profit but the workers decide where the profits go.

We are committed to Baltimore City and are a proud manufacturer and maker in the Made in Baltimore network. Our theory of change is based on social and feminist ecology and is two-fold, take care of the Earth and take care of each other.

Organic coffee farmers care for the Earth through gentle farming practices and often sequester more carbon than they output. These approaches to sustainability at the farm level reduce the overall impact on our industry. In our workplace, we strive to shift the power structure toward a model of inclusion and equity. We can see a change in our workforce, in our communities, and even in the way we communicate with each other.

With Love,
Thread Coffee Roasters

TO OUR SUPPORTERS —

*“IT’S DIGNITY AND
PEOPLE ABOVE
PROFITS.”*

Thread Coffee is a women & queer-owned coffee roasting company based in Baltimore, Maryland. Thread Coffee is an employee-owned company using a transparent model of trade to source coffee directly from farmers that we want to stand in solidarity with, paying an average of double the Fair Trade price.

In the summer of 2020, we finalized our woman-owned certification from our local chapter of WBENC and in January 2021, Thread Coffee joined the Certified B Corporation companies.

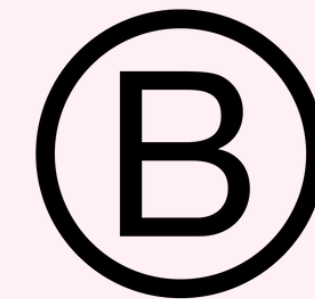
We are committed to a carbon-neutral coffee sourcing model. Since 2017, we have been collectively measuring our carbon footprint to ensure that we support a financial “offset” toward our ultimate goal of 100% Carbon Neutral model.

We want our company to be a sanctuary of respecting our environment and community! What sets Thread Coffee apart? **It’s dignity and people above profits. Our commitment to smallholder coffee farmers and our sourcing principles are rooted in dignity and solidarity:**

1. Paying higher prices than the fair trade minimum
2. Establishing long-term, direct relationships with farmers
3. Supporting practices that protect the environment and the culture
4. Making a commitment to participatory democracy and collective structure, both here in the workplace and with the farmers



Certified



Corporation



THE PROBLEM

*WE ARE WORKING TO
MAKE MOVEMENTS IN
A POSITIVE DIRECTION*

Coffee production is altering rainforest ecosystems, which negatively affects plant and animal species living within. Monocrop coffee production is causing deforestation, soil erosion, and water pollution around the world. To overcome this issue, the coffee industry must meet the growing need for long-term **sustainable** coffee sourcing. By doing this, we can encourage more environmentally and socially responsible coffee production, as well as give **smallholder farmers** the tools they need to enhance their socio-economic well-being and produce more climate-resilient coffee in the future. Smallholders generate up to 70–80% of the world's coffee supply, making them a crucial component of a sustainable coffee business. Unfortunately, a lot of them currently don't make enough money to support themselves and their families, making them **financially vulnerable**.

A 2014 study found that by 2050, roughly **50%** of the area with conditions appropriate for cultivating the two main species of coffee, arabica, and robusta, could disappear. These two species account for 99% of the commercial supply. Furthermore, according to the World Wildlife Foundation, coffee has been grown on **2.5 million acres** of cleared land in Central America. About **2.3 million hectares** of the 11.8 million hectares used for coffee production in 2001 were not previously a rainforest.



*WE SEE A REAL OPPORTUNITY
FOR CHANGE THAT GOES
BEYOND THE PURCHASE AND
SELLING OF COFFEE*

*Thread Coffee
advocates for
working daily to
raise the bar on the
quality of life by
creating sustainable
systems at home
and at origin in the
coffee industry.*

Our *Theory of Change* is to actively reduce our impact on the environment and contribute to building a community.

We envision our company as the standard for ethically-sourced, specialty-roasted coffee in the Mid-Atlantic region with a vision of expansion to national markets by the end of 2023.

MEET OUR TEAM



NANI FERREIRA-MATHEWS

Sales and Marketing



HOLLY KENT PAYNE

Green Buyer/Head Roaster



NATE KLOCK

Espresso Tech



MICHAEL ZEPEDA

Production Manager



2022 Company Highlights

Expanded Coffee Tech Service

Nate attended a three-day La Marzocco training in Brooklyn, NY in September of 2022. Here he expanded his knowledge of espresso machines, grinders and coffee machine maintenance. After completing the course, he developed a more comprehensive Preventative Maintenance program for Thread Coffee clients and started taking on home espresso machine repair clients.

Became a Member-Owner of Cooperative Coffees

In March 2022, Thread Coffee completed the one-year provisional membership with Cooperative Coffees. The Board of the importer coop unanimously approved full membership to Thread Coffee in 2022. The coop purchases and imports 5 million pounds of coffee annually from 15 countries with industry-leading terms of trade. The coop pays fair prices to smallholder farmers (above Fair Trade minimums), and offers a dedicated Impact Fund for pre-crop finance and projects in sustainability, including soil regeneration, tree planting, and compost management.

Attended Specialty Coffee Association Coffee Expo in Boston

In April, Nani and Holly attended their first SCA Coffee Expo and met with farmer partners from Colombia, Peru, Honduras, and Rwanda. This was the first visit to Coffee Expo by Thread Coffee and the first in-person expo since 2019. Some topics discussed include composting and waste management efforts of the farmer group, and carbon sequestration data collection.

Nani Elected to Board of Directors of Cooperative Coffees

In October, during the Annual General Meeting of Cooperative Coffees, Nani was elected to the Board of Directors for a three-year term. She sits on the finance committee of the cooperative and is under the tutelage of the Treasurer in preparation for taking on that role in 2023.

GOALS	PROGRESS
Environment	
Net Zero in our Value Chain by 2025	2023 Carbon, Climate and Coffee Project Releases Data to Support a "Carbon Premium"
Source 100% Regenerative Organic Coffee	Completed!
Carbon Premium for farms sequestering carbon	2023 Data Collection Inform Compensation Model for 2024-25
Social	
Source 100% of coffee from Fair Trade Certified Farms	Completed!
Source 100% of coffee from smallholder farmers in democratic cooperatives	Completed!

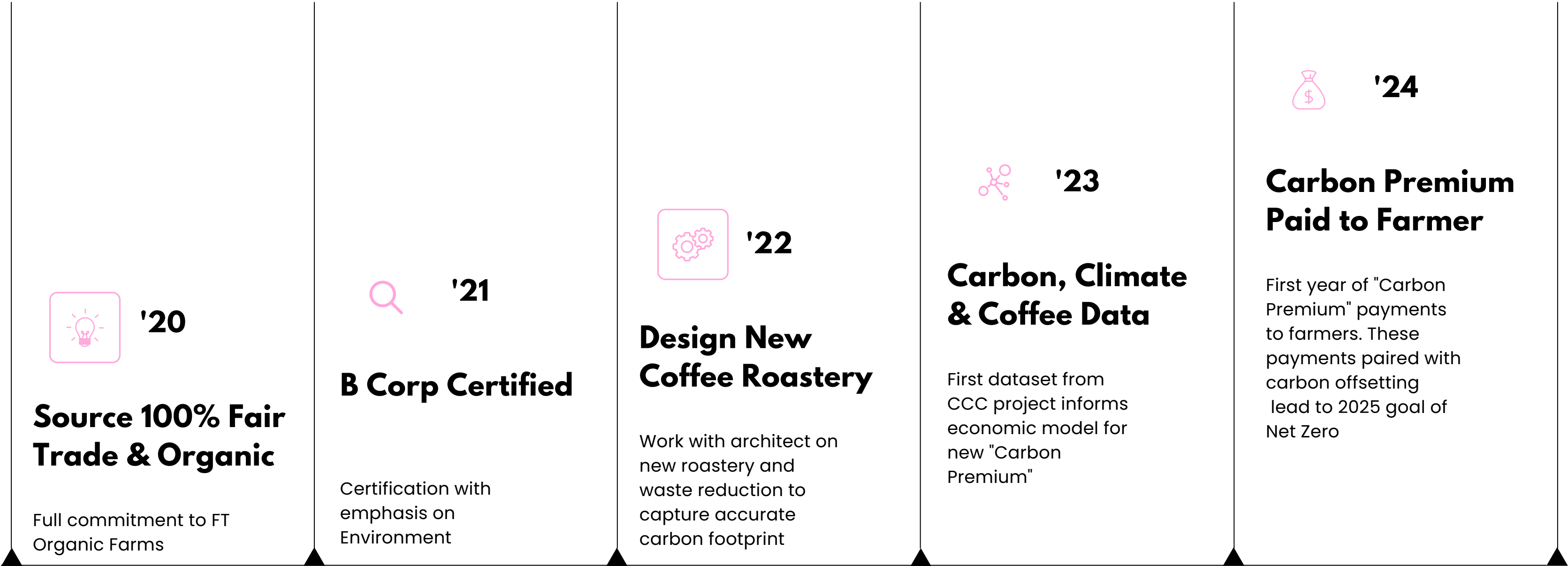
GOALS	PROGRESS
Governance	
Official Thread Coffee LGBTQiA+ Policy	Completed!
Redraft Worker–Owner Onboarding Process	Completed!
Launch Focus Groups & Community Meetings for Stakeholder Engagement	Virtual Launch 2023. In–Person 2024
Unlimited Discretionary PTO Policy	Completed!

CERTIFICATIONS & AWARDS



ENVIRONMENT

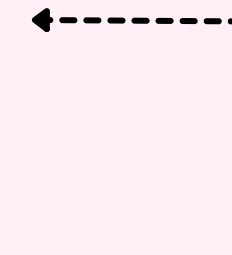
OUR SUSTAINABILITY JOURNEY



ROADMAP TO NET-ZERO CARBON

Achieve Net Zero By 2025

We have achieved Net-Zero Carbon by investing in carbon insets within our supply chain



2017

Launch Carbon, Climate, Coffee Initiative

We track our carbon footprint and invest \$0.3/lb on all green coffee purchases in farmer-led projects that support carbon sequestration

2020

Launch the Cool Farm Tool Project

In this pilot project, we work with coffee farmers to measure their environmental impact using the Cool Farm Tool, an online greenhouse gas emissions and soil carbon sequestration calculator

2022

Environmental Service Premiums

On-farm carbon sequestration data is collected from 250 Cool Farm Tool pilot project participants and up to US\$200k in carbon insets will be paid to carbon-smart farmers

2022 – 2024

Scale

We will have introduced the Cool Farm Tool to our entire supply chain, and will be collecting data from at least 50% of our producer partners

COMMUNITY SUPPORTED COFFEE PROGRAM (CSC)

Since 2012, we have been building a solid local patronage based on mutual benefits through our Community Supported Coffee program, inspired by the community supported agriculture, or CSA, subscription model. For an upfront cost of \$120, local customers receive a 12-ounce tin that can be refilled 10 times with any of the single-origins or blends that Thread has available — representing a savings of about \$5 to \$7 compared to single-bag purchases. The program never expires, so members can refill at their own pace. It also encourages zero waste in the roaster-to-consumer supply chain.

By eliminating waste, we are also reducing costs, which is a very important thing for us because specialty coffee can often be very unapproachable for people of a lower income. The subscription also continues to give us capital that we can rely on, helping us grow and generate a secure income for the roastery so that we can continue to scale responsibly and increase wages to workers.





TRACE YOUR BEANS FROM FARMER TO ROASTER. FAIR TRADE PROOF

Q Search



We believe consumers have a right to trace their coffee's path from crop to cup. FairTradeProof.org is a tool to share information and transactional documents about the coffee we buy.

Explore Origins

COMMUNITY



WE ARE THE IMPORTER. DIRECT TRADE.

Cooperative Coffees is a sustainable coffee cooperative that seeks to establish long-term connections with small-scale farmer organizations and promote fair and equitable trading methods by importing premium, organic green coffee from their producers and roasters. Their goal is to make coffee farming sustainable and advantageous for farmer families and their communities.

They recognize the fundamental requirements of our trading partners and provide assistance to small-scale farmers in increasing their production capacity and meeting their basic needs. Cooperative Coffee assesses how their relationships affect their partners' and their communities' entire quality of life.

"Working with Cooperative Coffees is a game-changer for our small cooperative. Becoming a Member-Owner gave us access to 20+ years of a successful and award-winning business model and a network that spans the globe."
Nani



FARMERS

OUR FARMERS

In April 2022, Nani and Holly attended their first SCA Coffee Expo and met with farmer partners from Colombia, Peru, Honduras, and Rwanda.

This was the first visit to Coffee Expo by Thread Coffee and the first in-person expo since 2019.

Some highlights from the farmer meetings.

Miriam Perez of Comsa Cooperative in Honduras discussed the composting and waste management efforts of the farmer group, as well as the carbon sequestration data collection as a part of the Cool Farm Tool and Carbon, Coffee, and Climate project.

Aurora Izquierdo, the founder of the Anei Cooperative in Colombia, shared her journey growing up as an indigenous woman in Colombia during a period of cultural erasure. She formed the Anei Cooperative to preserve her indigenous heritage, culture, and systems. The collective now has over 700 smallholder coffee farmers stretching along the Sierra Nevada de Santa Marta mountains. Aurora is an advocate for cultural preservation and women's rights in her community and the world.

Christine Condo of Sustainable Growers in Rwanda met with Thread Coffee and Cooperative Coffees to share the massive efforts that they have made to organize and increase quality with women farmers in Rwanda. Sustainable Growers provides agriculture training, coffee processing, and market-based skills to women farmers and thief families in Rwanda. Over 40,000 women farmers have been enrolled in training programs that increase the value of their crops by 40% or more. Thread Coffee purchases coffee from the Nyampinga, Mayogi and Gashonga cooperatives in Rwanda.



Miriam "Betty" Perez of Comsa Cooperative



01

Establishing long-term, direct relationships with farmers

In 2022, we purchased from 22 farmer cooperatives. Over 92% of the coffee we purchased came from Direct Trade relationships of 5 or more consecutive years. Fully 22% of those relationships are 10 years or longer.

02

Paying higher prices than the fair trade minimum

Coffee price is determined by the market.
EG: Market \$ + \$0.20/lb Fair Trade Certified.
In 2022, the C-Market crashed by 30% - when the market lowers the Fair Trade price lowers.
We price our coffee based on our past relationships and not on the market.

03

We are committed to participatory democracy and collective structure

We are a cooperative. We import coffee through a cooperative model from smallholder farmers in cooperatives. Cooperatives use a directly-democratic model, run by the workers.

FARMERS

OUR CLIENTS

☞ It is with absolute certainty the Thread Coffee brand is one of the best in the Maryland region.

Paired with their great selections of coffees they offer a great concierge of services which includes the creating and blending of the coffees, on time deliveries, staff to staff trainings and just recently added to their portfolio is the tech services they offer to their customer base.

The Ivy Hotel one of the best and leading Relais Chateaux boutique properties worldwide. We are delighted to be in partnership with Thread coffee. It is a match made in heaven.

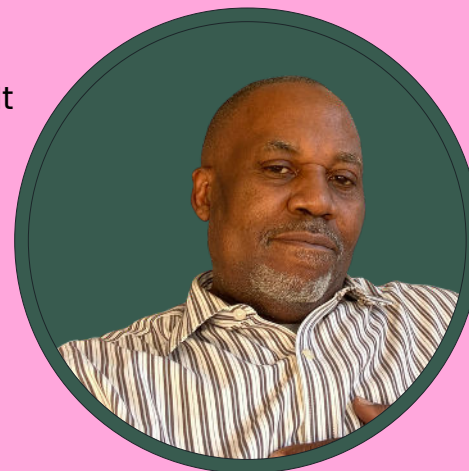
We service a very high end guests base. We provide upstanding 5 star service. We can only do this with companies such as Thread who are also 5 star driven.

The tech brand provide us the assurance that our equipment is always up to par. As well as on track with service maintenance. It all about being proactive and not reactive.

Thanks to each of you at Thread. You make my job easy. ”



Anthony E. Horsey
Food and Beverage Operations Manager
The Ivy Hotel – Baltimore



"The Thread Coffee tech program has kept our La Marzocco and Fetco in top shape! At Bird In Hand, we pride ourselves in our delicious coffee and get a ton of traffic every day, so maintaining our equipment is a must. Nate has always been attentive and responsive to our needs! A great espresso tech!"
James Callahan – Manager



EMPLOYEES

WHO DO WE HIRE?

Thread Coffee Roasters is an employee-owned business, meaning that every employee of Thread Coffee Roasters is eligible to buy a share of the business and that all workers are able to participate in **decision-making**. Thread strives to provide living-wage jobs to **women and queer workers** in Baltimore City with an end goal of co-ownership and **equal stake** in the business.

"BEING A PART OF TRANS-AFFIRMING COOPERATIVE HAS BEEN SUCH AN EMPOWERING EXPERIENCE."

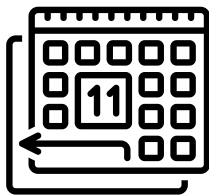
WE EMBRACE EQUITY GOALS (SEE OUR GENDER & LGBTQ+ POLICY ON PG. 26)



Nate Klock

EMPLOYEE BENEFITS

Sick Leave and PTO. Starting wages \$18.50/hr. Employer matching retirement plan.



Paid Time Off
Holiday Pay
Sick Pay



Retirement Plan
Simple Roth IRA
Employer Match



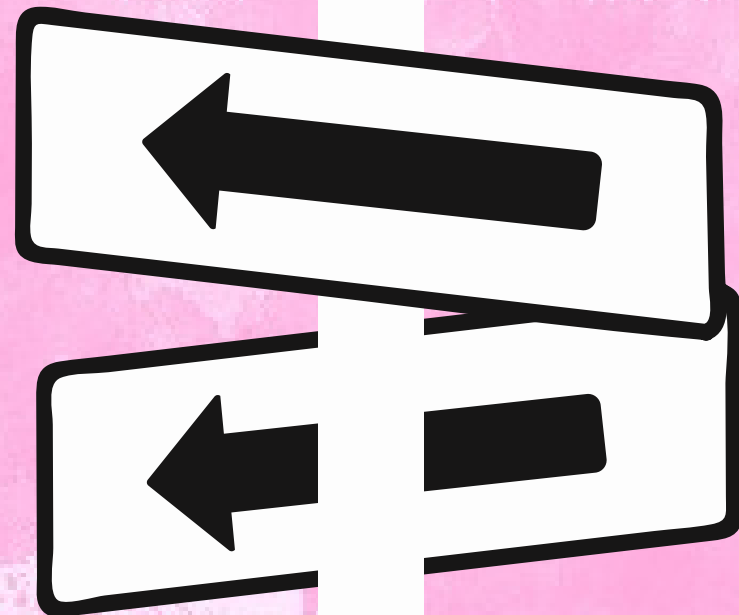
Equal Ownership
Employee-owned
Stock and dividends



Starting wages \$18.50/hr

Baltimore

MD



We strive to provide living-wage jobs to women and queer workers in Baltimore City with an end goal of co-ownership and equal stake in the business. We are proud to call Baltimore City our home. We are committed to manufacturing in Baltimore and are a proud member of the Made in Baltimore network.



COMMUNITY

OUR PARTNERS



Baltimore Abortion Fund

We support annual fundraisers for BAF through coffee donations. We value this long-time partnership with an organization that supports women and pregnant persons who need access to abortion, including transportation and financial support.

**Association For
Women In Science**

We support AWIS in bi-annual fundraising drives through coffee donations to their silent auction. Access for women in the sciences is crucial to the development of future coffee professionals as much as to other sciences.



Baltimore Jewelry Center

BJC provides an amazing resource to the artistic community in Baltimore through classes, residencies, and workshops. We donate to their annual gala Ornamenta to support the arts in Baltimore City.



**Maryland LGBT
Chamber of Commerce**

We work with Maryland LGBT Chamber of Commerce as a regular attendee and by offering space for their monthly networking events.



Station North Tool Library

Thread Coffee's Blend "60 Grit" has supported the SNTL and its mission to provide tool rentals and sliding-scale workshops to residents of Baltimore City. SNTL prioritizes women and queer identified persons in their programs.



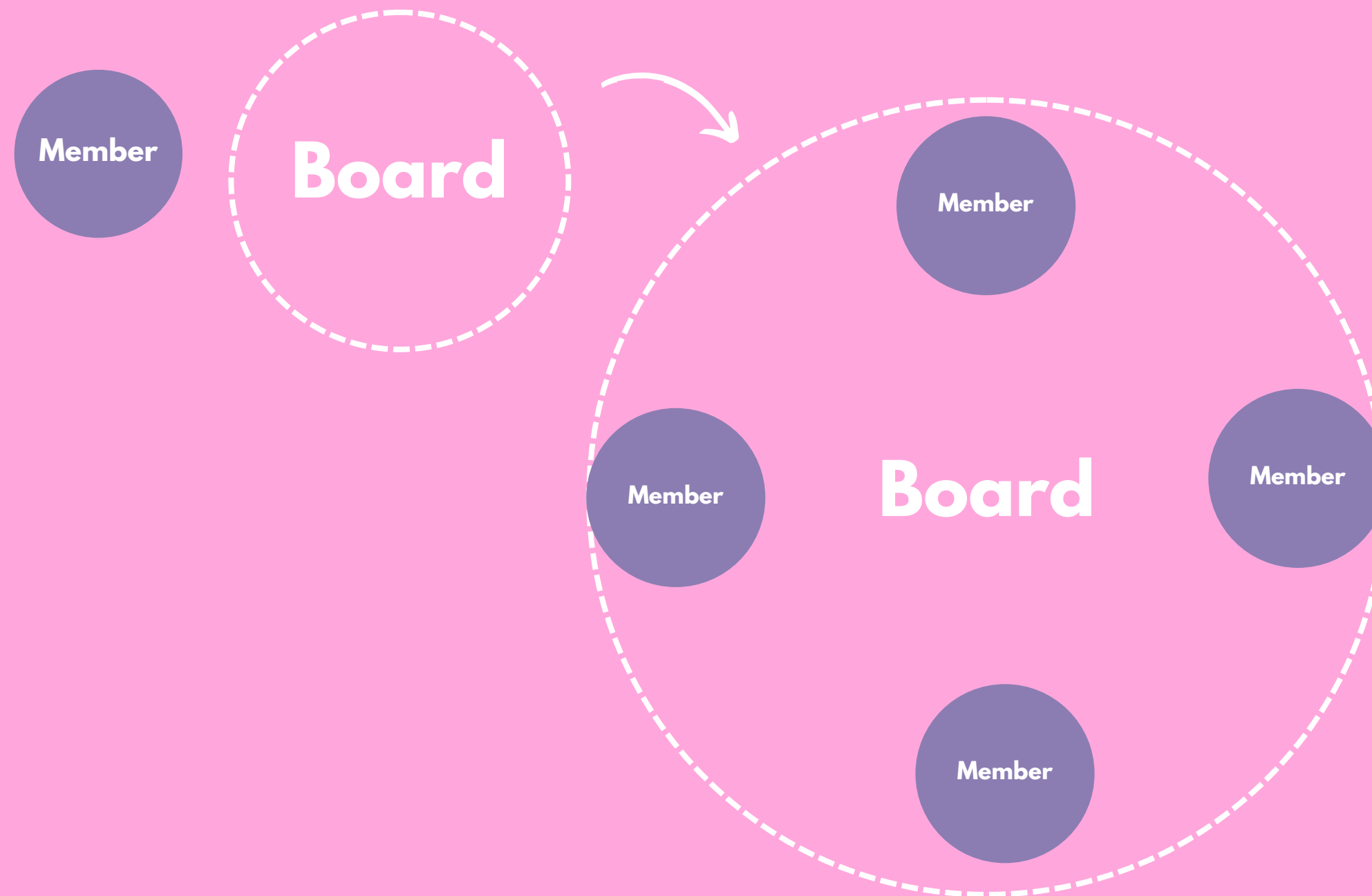
CASA Baltimore

We support the annual fundraiser to CASA through coffee donations to their silent auction. CASA provides court advocacy for youth in Baltimore.

GOVERNANCE

CHECKS AND BALANCES

Thread Coffee Governance



**Only worker-owners or
"members" can serve
on the Board.
Workers govern and
make "big picture"
decisions.**

GENDER EQUITY & LGBTQ+ RIGHTS

POLICY STATEMENT

Thread Coffee is dedicated to the promotion of gender equity and we are committed to supporting, respecting, and protecting LGBTQ+ rights in our relationships with our business partners, employees, and suppliers.

POLICY INTENT

This Policy is guided by the United Nations Women's Empowerment Principles, Guiding Principles on Business and Human Rights, and LGBTQ+ Standards for Business.

Thread Coffee's mission is to promote, respect, and preserve LGBTQ+ rights, as well as to empower women in our own business operations and in our business relations with others. TC demands the same from its suppliers. This policy, in conjunction with others cited below that address LGBTQ+ rights and gender equality within their respective scopes, indicates our commitment to LGBTQ+ rights and continuous efforts to promote gender equity via our operations.

Respect for Human Rights

Thread Coffee practices due diligence and mitigates negative consequences to guarantee that LGBTQ+ people's human rights are respected. We have put in place measures to monitor and communicate our compliance with human rights principles.

TC does not discriminate against LGBTQ+ suppliers, distributors, or consumers. We utilize our influence to prevent discrimination and other abuses by our business partners. In the nations where we do business, we help to put an end to violations of human rights. As part of this process, we communicate with local communities to suggest potential initiatives, such as public advocacy, collective action, social discussion, support for LGBTQ+ groups, and fighting abusive government measures.

Fair Compensation

Thread Coffee pays employees and suppliers fairly and competitively in comparison to the industry and labor market, and in line with the provisions of collective bargaining agreements. TC abides by all relevant regulations regarding minimum wage, wage payment, work hours, overtime, and benefits. We show our commitment to fair compensation by providing a fair starting wage of \$18.50/hour.

Anti-Discrimination and Harassment

Thread Coffee maintains that there is no discrimination in our hiring, employment, business partner selection, working conditions, perks, privacy protection, or harassment treatment. We provide a welcoming atmosphere in which LGBTQ+ workers and suppliers may work and trade with dignity and without shame.

TC treats all employees equitably at work by recognizing and promoting non-discrimination in order to safeguard all workers' health, safety, and well-being. All employees must receive anti-discrimination, anti-harassment, and bystander certifications, as well as equity, diversity and inclusive leadership training. We do not accept any form of discrimination based on sexual orientation, sexual and other reproductive health decisions, gender, gender identity, gender expression, and/or trans identity.

Diversity, Equity and Inclusion

Thread Coffee's core principles include diversity, equity, and inclusion. Our efforts on diversity, equity, and inclusion reflect our commitment to human rights. TC strives to represent the diversity of the community we serve and develop a workplace that respects each employee and allows them to grow and contribute to their full potential. We are committed to promoting and extending fair opportunities for minority-, women-, and LGBTQ-owned businesses through our varied business empowerment initiatives.

We are dedicated to recognizing LGBTQ+ identity and addressing the difficulties that these communities experience on a daily basis, so that our workers feel secure and respected, know they are appreciated, and are empowered to define our inclusive culture via open and active discourse. To ensure that we are making progress toward our goals, we vigorously advocate for our commitment to increasing LGBTQ+ inclusion at all levels.

WHAT'S NEXT

Professional Development Opportunities:

- *SCA Pathway Certifications in Baltimore City*
- *Thread Coffee Pro Dev Classes (free for clients)*
- *Home Brewing Workshops*

Visit Rwanda and finalize new relationship with Sustainable Growers

Net-Zero by 2025!

Environment

-

Community

-

Governance



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@ThreadCoffee
www.threadcoffee.com

2023