

PRESS RELEASE



FOR IMMEDIATE RELEASE

Kudeungoe Sugata, Indonesia's Top Supplier of Fermented Cocoa Beans, Wins Grant Funding for Sustainable Cocoa Supply Chains

- Kudeungoe Sugata, an Indonesia's leading supplier of high-quality coffee and fermented cocoa beans, has been
 awarded grant funding after emerging as one of the winners of the <u>TRANSFORM BESTARI Challenge</u>, an initiative
 led by Unilever, the UK Government's Foreign, Commonwealth and Development Office (FCDO) and Ernst & Young
 (EY).
- Established in Aceh since 2018, Kudeungoe Sugata, a subsidiary company of KOLTIVA (Sustainable Agriculture Supply Chain Tech Start-up) is committed to increasing the involvement of women and youth in its programs, ensuring that marginalized groups have access to resources, training, and opportunities to thrive within the agricultural sector.
- The grant funding from the TRANSFORM BESTARI Challenge will support key programs aimed at helping
 producers transition to low carbon and regenerative practices, whilst supporting improved income and climate
 resilience, and focusing on gender equality and youth empowerment

Jakarta, December 20, 2024 – Sugata, a subsidiary of <u>KOLTIVA</u> and a prominent player in the agricultural sector, has emerged as one of the winners of the TRANSFORM: BESTARI Challenge 2024, securing crucial grant funding to advance its more sustainable cocoa supply chain. The award ceremony took place during the SDGs Festival at Taman Ismail Marzuki, Jakarta, in October 2024, where the spotlight was on innovative solutions addressing social and environmental challenges across various sectors.

The TRANSFORM: BESTARI <u>Challenge</u>, an initiative spearheaded by <u>TRANSFORM</u>, an impact accelerator led by Unilever, the UK's Foreign, Commonwealth and Development Office (FCDO), and Ernst & Young (EY), provides grants of up to £300,000 to impact enterprises jointly selected by the panel. It supports innovative projects that drive sustainable development in alignment with the Sustainable Development Goals (SDGs), fostering creative solutions to pressing societal issues while promoting collaboration among businesses, local communities, and government entities.

One of the winners, Kudeungoe Sugata, is an Aceh-based company established in 2018. The company delivers bean-to-bar cocoa and single-origin coffee sourced from Indonesian smallholder producers. Using state-of-the-art post-harvest processing techniques, they produce high-quality products for artisanal chocolatiers and multinational chocolate companies in Indonesia and global markets. They aim to make business a powerful force for good, ensuring it is sustainably supplied and ethically traded.

Following its registration as PT Kudeungoe Sugata Indonesia in June 2022, the company has fortified its position within the agricultural landscape. Under the leadership of **Gde Sukardi, Head of Single Origin Sourcing at Sugata**, Sugata has transformed into a trusted supplier that emphasizes traceability, sustainability, and ethical trade. Gde said, "The recognition from TRANSFORM highlights our team's dedication to transforming the cocoa industry through more sustainable practices and community empowerment. We believe that by strengthening local communities, we can build a more resilient and responsible supply chain. Our focus on













both social and environmental impact ensures that sustainable agriculture is not just a goal but the driving force behind long-lasting change for the people and the planet."

On awarding Sugata with this year's funding, Jessica Pauline, Country Lead Finance & Business Development Unilever Indonesia, states, "Sugata demonstrates strong commitments to advancing positive social and environmental change in the agricultural sector. Impact enterprises like Sugata have some of the most innovative solutions to the global challenges we face. Beyond grant funding, we are also leveraging the power of cross-sector collaboration, drawing on our networks and know-how to help the enterprise scale its impact. We look forward to seeing their progress in the months to come."

Mirza, Sustainable Sourcing Lead Sumatera at Sugata, emphasized, "By investing in our smallholder producers, particularly women and youth, we are not only fostering economic growth but also shaping a future where sustainable practices are the foundation of the industry. Our commitment to transforming agriculture into a low-carbon, inclusive model is at the heart of everything we do. This innovation within the cocoa industry is groundbreaking, and we are embracing the challenge because it will create lasting benefits for the communities we serve."

Operating across Indonesia with sourcing clusters concentrated in Sumatera and Sulawesi and with around 2,400 producers involved in the supply chain, Sugata aims to empower local communities by providing essential resources, training, and market access. The project will directly benefit approximately 500 farming households, with an additional 1,000 family members indirectly benefiting from increased economic activity. Notably, the initiative boasts a 50% female participation rate, reflecting its commitment to advancing gender equality and social inclusion, particularly in developing countries. This is especially significant given that women make up an average of 43% of the agricultural labor force, according to the Food and Agriculture Organization of the United Nations (UN Women, 2023). By building on this foundation, the initiative aims to further boost women's participation in agriculture, empowering them as key contributors to sustainable development.

The funding will support key initiatives within a comprehensive 18-month action plan aimed at promoting the use of regenerative production systems and developing agroforestry demo plots, as well as ensuring more inclusive involvement of women and youth in fermented cocoa production. These initiatives include coaching producers on regenerative agriculture and agroforestry, including the development of agroforestry demo plots to support their transition to low carbon practices, as well as the establishment of greenhouse gas (GHG) monitoring systems, enabling producers to participate in carbon markets in the future and generate new income streams while addressing climate change.

The project will also explore the feasibility of nutrient recycling from cocoa waste and the potential for on farm use as well as an additional income source through local markets. These activities aim to promote sustainable agricultural practices while encouraging environmental stewardship and providing additional income for farmers. In addition to this, Sugata's Producer Engagement Officers will deliver training at the farm household level, using the Gender Action Learning System (GALS) to promote inclusion of women and youth in















production and marketing activities, creating a shared and equitable household vision for the future of the farm.

Sugata's innovative initiatives have already demonstrated promise in generating positive impacts on local communities. By focusing on capacity building and establishing long-term relationships with producers, the company ensures fair and transparent prices are paid directly to them. It uses KOLTIVA's digital ecosystem to ensure a traceable, inclusive, and sustainable supply chain. This commitment to ethical trade not only strengthens local economies but also promotes environmental sustainability by implementing best practices in cocoa farming.

Sugata's acknowledgment in the TRANSFORM BESTARI Challenge not only recognizes its innovative approach but also marks a significant step toward achieving a more sustainable and ethical cocoa supply chain. As the company moves forward, it remains committed to enhancing producers' livelihoods while prioritizing environmental sustainability and ethical trade practices.

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About Sugata

PT Kudeungoe Sugata, a subsidiary of Koltiva, was founded in 2018. The company is dedicated to making businesses a powerful force for good by focusing on sustainably supplied and ethically traded cocoa. It connects Indonesian smallholder producers with artisanal chocolatiers and multinational chocolate companies in Indonesia and global markets.

The company specializes in high-quality fermented cocoa beans, processed using advanced post-harvesting techniques to deliver exceptional bean-to-bar products. Its commitment to quality and innovation introduces unique flavors to the global chocolate industry. The company emphasizes full traceability on its products and sets a new standard for ethical and sustainable trade.

About KOLTIVA

Offering human-centered technology and boots-on-the-ground solutions that digitize agribusinesses and help smallholder producers transition to sustainable practices and traceable sourcing, **KOLTIVA** is recognized as the leading global sustainable agriculture and supply chain traceability startup. As a global technology provider, it constructs ethical, transparent, and sustainable supply chains, assisting enterprises in fortifying their resilience and transparency. The company helps businesses and their suppliers comply with ever-changing regulations and consumer demands worldwide with traceability solutions. Operating in more than 66 countries and fortified by a network of customer support offices in 20 countries, KOLTIVA is committed to supporting over 17,300 enterprises in establishing transparent and robust supply chains while empowering over 1,730,000 producers to increase their annual income. www.koltiva.com

About TRANSFORM

TRANSFORM is an impact accelerator that unites corporates, donors, investors and academics to support visionary enterprises. Together, we test and scale new solutions that support low-income households by tackling environmental challenges, improving health and wellbeing, and building inclusive economies. We combine grant funding, business insight, practical experience, resources and networks. Our tailored approach creates evidence that we share widely to help leaders across the world solve global challenges.

TRANSFORM is based on a desire to address urgent issues by learning from each other. Established in 2015 and led by Unilever, the UK Government's Foreign Commonwealth and Development Office and EY, we have a proven model and an ambition to increase our impact across Africa, Asia and beyond. We TRANSFORM lives by tackling global challenges through life-changing enterprise. Globally, TRANSFORM supports 125 projects across 17 countries, and has reached over 18 million lives. For more information on TRANSFORM, visit: www.transform.global















Press contacts

KOLTIVA Vega Welingutami Senior Public Relations & Event +62 878 7643 2821 vega.welingutami@KOLTIVA.com



Unilever Vanessa Bangun Global Sustainability Team Vanessa.bangun@unilever.com





Email

info@koltiva.com



