

# SLOW

*Regenerative Cocoa & Coffee*

## Third-Party Supplier Pricing Policy

*How Slow determines the price it pays for third-party coffee and cocoa, calibrated to deliver living income at the farm-gate*

Document Code	SUP-POL-03
Document Title	Third-Party Supplier Pricing Policy
Document Type	Topic Policy (Tier 3)
Tier	Tier 3 — Topic Policies
Version	1.0
Status	Approved
Effective Date	2026
Next Review Date	Annual (or upon material change to Anker or Fairtrade benchmarks)
Owner	Chief Impact Officer (CIO)
Approver	Chief Executive Officer and Board of Directors
Geographic Scope	All third-party purchases of green coffee, coffee parchment, and cocoa bean across all Slow sourcing origins
Standards Alignment	Anker Living Income Reference Methodology, Fairtrade Minimum Price and Premium framework, EU Organic, Accountability Framework initiative (AFi), Equal Origins Gender Equity Index, B Corp, EcoVadis

### 1. Policy Statement

This Policy sets out how Slow Forest Pte Ltd (“Slow”) determines the price it pays to third-party suppliers of coffee and cocoa, including smallholder farmers, cooperatives, traders, and other intermediaries that source from smallholders. It applies to all green coffee, coffee parchment, and cocoa from external suppliers across all origins.

The Policy is designed to ensure that the prices Slow pays are consistent with its commitment to closing the living income gap for smallholder farming households, regardless of market conditions, and to reward verified organic and agroforestry production through transparent price differentials. It is the master pricing document for third-party purchases and is read together with SUP-POL-01 Responsible Sourcing Policy, SUP-POL-02 Supplier Code of Conduct, and HR-POL-02 Living Wage and Fair Compensation Policy.

## 2. Scope

This Policy applies to:

- All direct purchases by Slow of green coffee, coffee parchment, and cocoa bean from external suppliers.
- All intermediaries (cooperatives, traders, exporters, aggregators) sourcing from smallholders on Slow's behalf.
- All Slow personnel with sourcing, procurement, or commercial decision rights.

Slow's own direct-operation production is not within scope of this Policy; the equivalent worker-side commitment for Slow employees is in HR-POL-02.

## 3. Core Principle

Slow pays the higher of (a) a floor price calibrated to deliver a living income to the farming household when markets fall, or (b) the prevailing market price when markets are functioning. On top of whichever of these prevails, Slow pays additional differentials for certified organic production and for verified agroforestry practice. No general sustainability premium is paid on conventional, non-agroforestry product.

Slow's pricing approach is designed to deliver value at the farm-gate level, to the farming household. Where intermediaries are involved, Slow requires transparency and demonstrated pass-through to ensure that value reaches the household rather than being absorbed at the cooperative or trader level.

## 4. The Price Formula

For any given purchase, the Slow Reference Price (SRP) is:

$$\text{SRP} = \text{MAX}(\text{Floor, Market}) + \text{Organic Differential} + \text{Agroforestry Differential}$$

Where Floor, Market, Organic Differential, and Agroforestry Differential are as defined in Sections 5 through 7. All prices are expressed in USD per metric ton of green bean equivalent (USD/MT GBE) as the canonical unit. Conversion between green bean and parchment form is addressed in Section 8.

Component	Definition
Floor	MAX(Slow Living Income Floor, Fairtrade Minimum Price)
Market	Tier 1 local farm-gate (preferred) → Tier 2 local export or auction → Tier 3 international exchange
Organic Differential	Paid only if valid organic certification (EU Organic). Set with reference to Fairtrade organic differential
Agroforestry Differential	Paid only if verified against Slow's Smallholder Agroforestry criteria. Set per origin and product

## 5. The Floor Price

The Floor is the higher of two benchmarks:

- **Slow Living Income Floor (SLIF):** the farm-gate price per MT GBE required for a typical smallholder household in the relevant origin to earn a living income, at a realistically attainable yield under organic agroforestry and a viable farm size. Derived from the Anker Living Income benchmark for the origin, back-calculated through the Fairtrade LIRP-style methodology. Calculated using the Slow SLIF Calculator and maintained in Annex A.
- **Fairtrade Minimum Price (FMP):** the current Fairtrade Minimum Price for the relevant product, quality, and origin, as published in the Fairtrade Minimum Price and Premium Table.

**Floor = MAX(SLIF, FMP)**

Note on the Fairtrade comparison. The Fairtrade Minimum Price does not include the Fairtrade Premium (USD 0.20/lb for coffee), because the Fairtrade Premium is paid to the producer organisation as a collective investment fund and does not constitute direct household income. Slow’s Floor is calibrated to deliver living income at the farm-gate. Where Slow’s SLIF exceeds the FMP, the SLIF prevails; where the FMP exceeds the SLIF (as is currently the case for coffee in both Lao and Ethiopia under default yield assumptions), the FMP prevails as the Floor. The Slow SLIF Calculator documents the assumptions and sensitivities underlying each SLIF value.

## 6. The Market Price

The Market reference is the best available proxy for the farm-gate price prevailing at the time of purchase, determined in the following order of priority:

Tier	Reference	Examples and Notes
Tier 1	Local farm-gate price	Government-regulated farm-gate, published government, cooperative or auction prices.
Tier 2	Local export or auction price	Ethiopia ECX auction; Vietnam FOB indications. Deduct documented post-farm costs to reach farm-gate equivalent.
Tier 3	International exchange	ICE Arabica C (USD/lb); ICE Robusta London; ICE cocoa. Apply quality differentials and post-farm cost deductions to reach farm-gate equivalent.

The Market reference tier used for any contract, and the underlying data source, must be documented in the procurement record. Where a Tier 2 or Tier 3 reference is used, the deductions applied to reach the farm-gate equivalent must be itemised and documented.

## 7. Organic and Agroforestry Differentials

The following differentials are paid on top of MAX(Floor, Market), and only where the product meets the stated standard. Both can be stacked on the same purchase. Conventional, non-agroforestry product receives no differential.

Differential	Trigger	Reference Value	Pass-Through Requirement
Organic	Valid EU Organic certification	Coffee: USD 882/MT GBE (USD 0.40/lb). Cocoa: USD 450/MT (from 1 Oct 2026).	Per-kg uplift to all members of the certified group. Not pooled into cooperative operations.
Agroforestry	Verified compliance with Slow's Smallholder Agroforestry criteria (Annex B)	Set per origin and product (indicative: 5 to 10% of Floor). See Annex B.	Per-kg uplift to the individually verified farmer only. Traceable per transaction.

## 7.1 Pass-Through to Farmers

Differentials are not producer-organisation-level investment funds. They must reach the farming household:

- **Organic Differential.** Because organic certification is typically held at the group or cooperative level, the Organic Differential is distributed across all members of the certified group as a per-kilogram uplift on their farm-gate transaction price. It must not be pooled into cooperative operations or distributed to non-certified members. Documentation must show the per-kg uplift applied to each certified farmer's transaction.
- **Agroforestry Differential.** Because Slow verifies agroforestry practice at the individual farm level, the Agroforestry Differential is paid only to the individually verified farmer for the verified volume. Intermediaries must demonstrate the per-kg uplift was paid to the specific verified farmer, traceable per transaction.
- Where local payment infrastructure makes direct per-transaction pass-through impractical (for example seasonal bonus payments), the intermediary must provide a transparent reconciliation demonstrating that the Differential value reached the relevant farmer(s).

## 8. Unit Conventions and Parchment Conversion

### 8.1 Canonical Unit

All prices under this Policy are expressed in USD per metric ton of green bean equivalent (USD/MT GBE). Standard unit conversions:  $\text{USD/lb} \times 2,204.62 = \text{USD/MT}$ .  $\text{USD/kg} \times 1,000 = \text{USD/MT}$ .

### 8.2 Parchment Conversion

Green coffee is commonly traded at the farm-gate in parchment form. The standard outturn ratio (parchment to green) is used to convert between forms. Conversions must be documented in the procurement record.

Conversion	Formula

Parchment → Green (GBE)	$\text{Green price} = (\text{Parchment price} + \text{Post-farm costs} \times \text{Outturn ratio}) \div \text{Outturn ratio}$
Green (GBE) → Parchment	$\text{Parchment price} = \text{Green price} \times \text{Outturn ratio} - \text{Post-farm costs} \times \text{Outturn ratio}$
Default outturn ratio	0.80 for washed Arabica and Robusta. Document actual measured ratio per supplier.
Canonical price unit	USD per metric ton of green bean equivalent (USD/MT GBE). All contract prices must be expressible in this unit.

## 9. Application to Supplier Types

The Floor, Market reference, and Differentials apply equally to all third-party suppliers. Additional obligations apply to intermediaries sourcing from smallholders on Slow’s behalf.

### 9.1 Pass-Through Transparency

Intermediaries must disclose the farm-gate price actually paid to smallholder suppliers for the volume sold to Slow. This disclosure is a condition of payment and is verified through:

- Documented farm-gate receipts or payment records for a representative sample of smallholder transactions.
- Annual reconciliation against the intermediary’s purchase records.
- Spot audits by Slow’s origin teams or appointed third parties (per SUP-SOP-01).

### 9.2 Minimum Pass-Through Threshold

The farm-gate price received by smallholders must be no less than the Floor (Section 5) net of documented and reasonable intermediary costs. Deductible costs are limited to: collection, transport, processing, financing, quality grading, certification, export logistics, and a reasonable margin. Intermediaries must itemise these costs on request.

### 9.3 Differential Pass-Through

Differential pass-through obligations are as set out in Section 7.1. Where Slow pays a Differential to an intermediary, the intermediary must submit a written plan demonstrating how the value will reach the relevant farmer(s), subject to Slow approval, before payment is released.

## 10. Contract Documentation Requirements

Every third-party purchase contract must record, at minimum:

- The applicable Floor and which benchmark (SLIF or FMP) set it.
- The Market reference tier and source data used.
- Which of Floor or Market prevailed and the resulting base price (USD/MT GBE).
- Any Organic and Agroforestry Differentials applied, the certifying body or verification basis, and the pass-through plan.

- For parchment trade: the outturn ratio, post-farm cost deductions, and resulting parchment farm-gate price.
- For intermediaries: the farm-gate price paid to smallholders, or a binding commitment to disclose it post-transaction within 30 days.
- Currency, payment terms, and FX reference where conversions apply.

## 11. Governance, Review, and Exceptions

### 11.1 Exceptions

Any purchase priced below the SRP requires written approval from the Chief Impact Officer and the relevant Commercial Lead, with documented rationale. Exceptions are reviewed quarterly by the Impact team and reported to the Board annually.

### 11.2 Disclosure

Slow commits to disclosing in its annual Impact Report (RPT-01): the proportion of third-party volume purchased at or above the SRP; the distribution of farm-gate prices paid across its smallholder supply base; and the total Differential value paid and pass-through verification outcomes.

### 11.3 Governance Cadence

Activity	Responsible	Frequency
Review SLIF values	Chief Impact Officer + Origin teams	Annual (or when Anker benchmark updates materially)
Review FMP values	Chief Impact Officer	Annual (or when Fairtrade publishes updated rates)
Review Differential values	Chief Impact Officer + Commercial	Annual
Exception approval	Chief Impact Officer + Commercial Lead (written)	Per occurrence
Exception review	Chief Impact Officer	Quarterly
Board reporting	Chief Impact Officer	Annual (in Impact Report)

## 12. Non-Compliance

Non-compliance with this Policy is classified per FWK-01 Section 6.4 as Critical, Major, or Minor. Critical findings include: knowingly paying below the SRP without approved exception; intermediary refusal to disclose pass-through evidence; falsification of pass-through documentation. Critical findings are escalated immediately to the CEO and Board. Slow's default response is corrective action and continued engagement; termination applies only where a supplier refuses to remediate or has knowingly falsified pass-through evidence.

### 13. Related Documents

- SUP-POL-01 Responsible Sourcing Policy (parent sourcing policy; references this Policy for pricing thresholds).
- SUP-POL-02 Supplier Code of Conduct (pass-through transparency obligations on intermediaries).
- SUP-SOP-01 Supplier Due Diligence and Engagement SOP (verification of pass-through at DD and audit).
- HR-POL-02 Living Wage and Fair Compensation Policy (employee-side counterpart for Slow’s own workforce).
- MGT-03 Salient Risk and HRDD Procedure (living income gap recognised as a salient risk).
- SOC-POL-01 Human Rights Policy (living income and farm worker protections).

### 14. Revision History

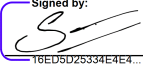

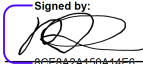
Version	Date	Author	Description of Changes
1.0	2026	Chief Impact Officer	Initial release as Tier 3 Topic Policy. Establishes Slow’s third-party pricing approach: floor-or-market with stacked organic and agroforestry differentials, pass-through verification, and contract documentation. Annexes A to E house the SLIF values, agroforestry criteria, market reference sources, intermediary disclosure template, and the Excel calculators.

### Annexes

- Annex A — Slow Living Income Floor (SLIF) values per origin, with source benchmarks and review dates. Maintained in the Slow SLIF Calculator.
- Annex B — Agroforestry Differential criteria and verification methodology (to be developed by the Impact team).
- Annex C — Market reference data sources by origin and product.
- Annex D — Intermediary disclosure and pass-through template.
- Annex E — Slow SLIF Calculator and Supplier Pricing Calculator (Excel).

### Sign-Off

Role	Name	Signature & Date
Chief Executive Officer	Sebastian Nielsen	<p>Signed by:    <small>F57F3AB3E23746F...</small></p> <p>Date: 5/31/2026</p>

Chief Impact Officer	Sabrina Mustopo	<p>Signed by:  16ED5D25334E4E4...</p> <p>Date: <u>5/31/2026</u></p>
Implementation Manager	Dinh Dai Nguyen	<p>Signed by:  71807CB5E0ED4EE...</p> <p>Date: <u>5/30/2026</u></p>
Chair, Board of Directors	Morten Rosse	<p>Signed by:  0CE8A2A150A14E0...</p> <p>Date: <u>5/31/2026</u></p>

*SUP-POL-03 Third-Party Supplier Pricing Policy | v1.0 | 2026*