

## LivUp

### **Business Context**

LivUp, founded in 2016, addresses the time constraints faced by the latest generation through a distinctive food-tech approach. Their focus is on redefining modern eating by offering practical, healthy, and flavourful solutions that connect consumers directly with the farmers that supply their food.

The foundation of LivUp's success rests on strong partnerships with suppliers and clients, creating a resilient value chain across Brazil. Operating from their headquarters in São Paulo's Barueri, they supply food to 11 states, emphasizing nationwide accessibility.

LivUp's ambition is to integrate the entire value chain, uniting diverse elements under a shared brand mission. Sustainability is key, reflected in their sourcing strategies that include over 2,000 tons of food annually from "dedicated planting" efforts (direct partnerships with farmers), supporting responsible practices and local collaborations.

LivUp combines technology, diverse meal options, and meaningful relationships within the supply chain. Their user-friendly app, efficient delivery, and healthy frozen dishes resonate with this approach. Going forward, Liv Up aims to reshape the food landscape by moving away from processed norms, aspiring to create a system that benefits both consumers and producers, symbolising a shift towards a conscientious and convenient food culture.

### **Assessment**

#### **WHY? What was the objective of the assessment?**

The overarching aim for LivUp's assessment is to assess the magnitude of the impacts across multiple capitals enabled by their "dedicated planting" model – the short supply chain that connects consumers directly with smallholder organic farmers. In addition, they aim to compare the production processes and impacts of organic vs nonorganic supply chains.

LivUp anticipated that the assessment would provide several benefits, such as the mapping of possible supply chain risks, risk and process management improvement, development of next steps, and a competitive advantage through improved communication of their more streamline value chain. They also aim to strengthen their strategy, improve stakeholders communication, and map out risks and opportunities to generate shared value.

### WHAT? What was the scope of the assessment?

The assessment focuses on the product level, incorporating the full value chain, from cradle-to-gate. It assesses business impacts and impacts on society of LivUp’s “dedicated planting” model through qualitative and quantitative valuation.

The baseline for the assessment is the current mostly non-organic practices and the unoptimized supply chain, which lacks transparency and involves many intermediaries between farmer and consumer.

The spatial boundary of the assessment includes all the organic small-holder farms they work with, as well as the Headquarters in Sao Paulo. The expectation is for the assessment to cover around 4 years, with monitoring and evaluation taking place every six months from the baseline assessment in 2020.

### HOW? What was measured and valued?

To design an effective valuation, LivUp began by mapping out potential impacts across multiple capitals, concentrating on two key impact drivers: (1) direct planting and (2) organic agriculture. The outcomes of this stage are outlined below.

<b>1. Direct partnerships with farmers promote a healthy and sustainable relationship between the company and the producer.</b>	
<b>Capital</b>	<b>Change in Capital</b>
Natural	Planting planning – increasing yields
	Better soil
	Crop rotation, contributing to soil recovery
Human	Worker appreciation
	Higher productivity
Produced	Chain Traceability
	Efficiency in production performance
	High quality raw materials
	Fair and pre-agreed prices
	Guaranteed Income
<b>2. Organic agriculture does not contaminate the soil with chemical products.</b>	
<b>Capital</b>	<b>Change in Capital</b>
Natural	Quality of the soil
	Reduction of water pollution by contamination
	Healthy and disease-free plants
Human	Reduction of skin diseases of farmers who work directly in the field
	Decrease in unemployment by replacing work with machinery

Produced	Health and high-quality products
	Products with higher prices

Based on these multi-capitals impact pathways, LivUp hired a specialised research company to carry out the valuation phase. Their motivation was to better understand the scalability of their organic dedicated planting approach by assessing various quantitative and qualitative components against the 2020 baseline assessment of non-organic, longer supply chains.

The following **quantitative assessment** was planned to be undertaken:

- Assessment of smallholders yields and internal data analysis
- Organic supply guarantee (KGs and %).
- Financial gains (R\$) by planting planning with Liv Up (eg. R\$ paid per crop in the purchase of ingredients from dedicated planting and other sources).
- The farm productivity rate and production diversification rate.
- The farmer's quality of life improvement.
- Demographic information (gender, family members, contractors and number of workers overall).

In addition, the following **qualitative assessment** was also planned to be undertaken:

- Social return of this activity based on surveys and internal data analysis
- Impacts of some of the benefits of dedicated planting (rural credit, purchasing guarantee, socio-financial stability; flexibilization of the vegetables standard).
- Efficiency differences between short chains (Liv Up) and long chains (other distributors).
- Benefits of organic planting (ingredient quality, well-being).
- Socio-financial stability.
- Acquisition of new machinery and farms.
- Indirect community impacts generated by the dedicated plantation.

### WHAT NEXT? What were the results of the assessment?

At the time of reporting, only some of the planned assessments had been completed. Amongst other findings, the results showed that over 50 tons per month were securely sourced from dedicated planting, generating an average of 10,000 R\$ (approx. 1,800 €) monthly income per family.

Liv Up reports that a better understanding and valuation of the impact generated across their food system has been obtained through the assessment. Several practical decisions have been taken that will be implemented to improve their operations further:

- Liv Up's Sourcing Strategy will be consolidated by prioritizing organic food and direct partnerships.
- Liv Up's Sustainability and ESG Strategy will be consolidated.



- Quantitative and qualitative valuation showed that social capital was generated through direct partnerships. This leads to better communication with investors and consumers about impact and strengthens their rebranding around impact: “Liv Up: Food for those who matter”.
- Based on the assessment, more resources to the sustainability department have been allocated to deepen the analysis, including creating a job for ESG management and hiring consultants to collect data.