



Continuous Improvement Report

2021

Sustainability is a journey.

Continuous improvement is at the centre of the Bonsucro Strategic Plan 2021–2026. For the first time, our members have reported on their commitments, progress and plans on sustainable sugarcane production, processing and sourcing for the year 2020, in compliance to the new Bonsucro Code of Conduct.

The annual 'Continuous Improvement Report' (CIR) is not only an accountability tool; it also offers visibility on where members are on their journey and allows us to support them wherever they are and across different contexts.

We would like to thank our members for taking the time to complete the report. With each year that passes, we will build a better picture of what improvement looks like across the sector.

We commissioned the consultancy Efeca to analyse members' responses and draw out key learnings and best practices.



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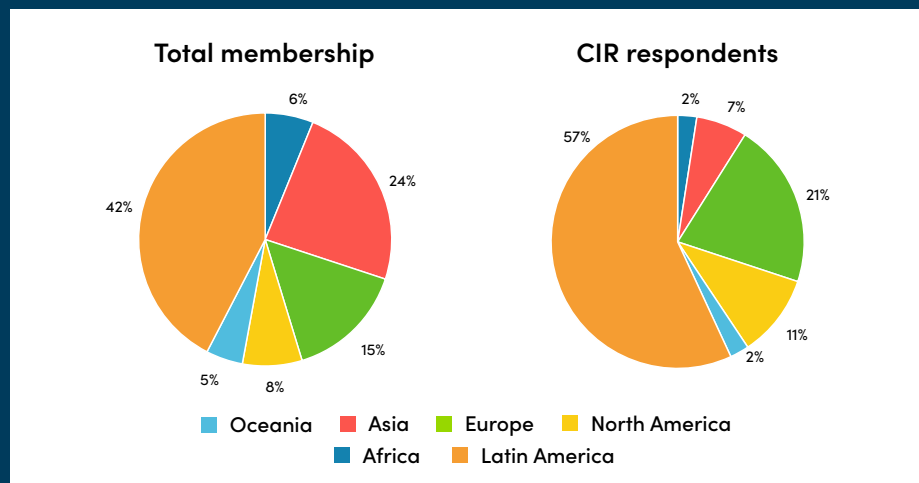
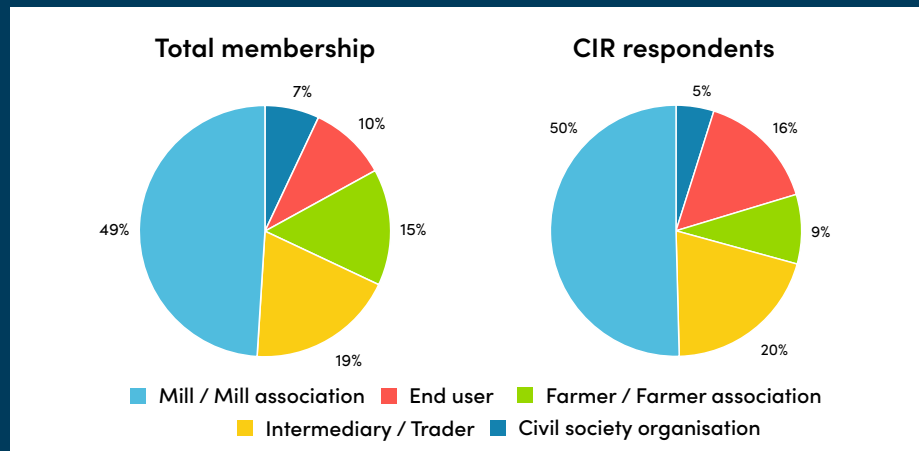
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Who submitted a report?

In this first round of the CIR, 45% of Bonsucro members have submitted their report. The response rates reflect the wider Bonsucro membership in terms of membership categories and geographies.

The number of civil society organisations who took the questionnaire didn't offer a representative sample, which is why this membership category isn't included in the report.



Analysis methodology

The analysis was carried out using a binary scoring system, with three common questions that applied to all members followed by questions specific to membership class.

The scoring system focused on the quality and transparency of responses. Additional points were awarded for members' contributions to the Sustainable Development Goals (SDGs) and to the Bonsucro Strategic Aims (SAs).

All members scored out of 15 for Q1-3 and an equivalent scoring system was established for specific questions, with a maximum score of 32 for farmers and mills, 27 for intermediary, traders and end users, and 16 for civil society.

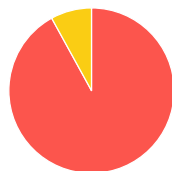
Sustainability pillars		
Environmental	Social	Economic
Strategic aims		
Improve the environmental impact of sugarcane	Strengthen Decent Work and respect for human rights in sugarcane farming and milling	Create value across the supply chain
SDG contributions		
6. Ensure availability and sustainable management of water and sanitation for all	5. Achieve gender equality and empower women & girls	8. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all
11. Protect and restore sustainable use of terrestrial ecosystems	8. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	12. Ensure sustainable consumption & production patterns
13. Take urgent action to combat climate change and its impacts		



**Farmers, farmer associations,
mills and mill associations**

Transparency and quality of responses

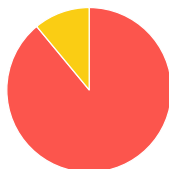
Q1. What are your company's targets or plans to achieve your commitments to Continuous Improvement in sugarcane sourcing, production or processing?



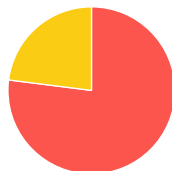
92%
reported targets or plans to achieve commitments to Continuous Improvement

Q2. What have been your key learnings and challenges in the past 12 months in relation to your sugarcane-related targets and commitments?

89%
reported key learnings and challenges relating to sugarcane-related targets and commitments



Q3. How have you communicated about your commitment to sustainable sugarcane and Bonsucro in the past year (2020)?



77%
explained how they communicated about their commitment

66%
provided a high quality response to all three questions.

In the spotlight

9/15
total score

3/3
Strategic Aims

3/7
SDGs*

Alcoholes Finos Dominicanos, S.A., Dominican Republic – Distillery

Alcoholes Finos Dominicanos reported transparently on its plans for continuous improvement and ensure the protection of the environment, as well as healthy and safe work for all.

The sugarcane producer and rum distillery also outlined its production targets which included:

- acquiring new land to increase sugar cane production
- working with external suppliers to guarantee the quality of the raw material
- maintaining the stability and sustainability of production in the land already planted with sugarcane.
- improving the quality of life of its workers

This reporting was deemed to contribute to the three strategic aims, and SDGs 8 and 12.

Like many farmers, the company reported various challenges relating to COVID-19, including greater distance from producers, and a need for producers to be more 'online' than usual, which was challenging and time-consuming.

Considering the limited technological capacity of many of its farmers, Alcoholes Finos Dominicanos S.A. developed a plan to improve communication with producers, so that they have greater access to information in this new modality presented by the pandemic.

*2 points were granted for meeting SDG8 in a 'social' and in an 'economic' capacity

Sustainability commitments and action

- 99%** reported having a commitment to promoting sustainable sugarcane
- 64%** described a policy or procedure relevant to sustainability of their sugarcane supply
- 59%** reported committing to invest in an improvement project
- 55%** reported best practices introduced in 2020
- 48%** reported other commitments for 2020/2021

Certified producers leading the way



77% of respondents reported holding a Bonsucro certificate.

Compared to non-certified producers, Bonsucro certified producers:

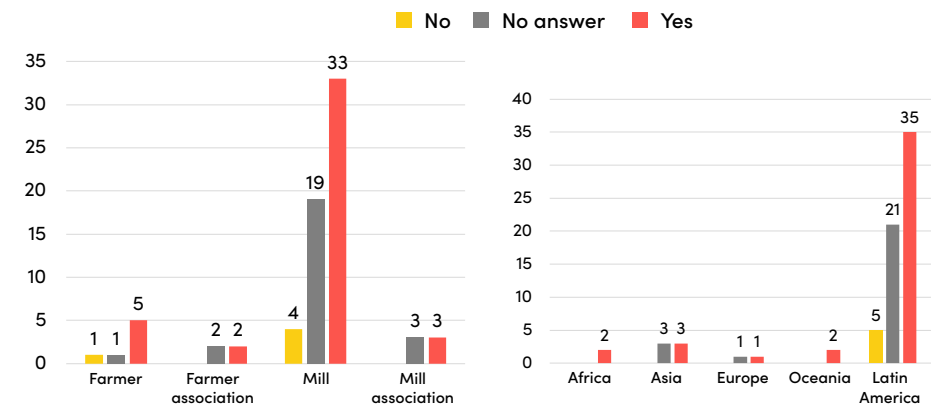
- are more likely to have time-limited targets to increase their certified area
- have larger supply areas, and own more of their supply area
- more frequently reported having a commitment to invest, and invest more in improvement projects

Improvement projects

Have you committed to investing in improvement projects to achieve tangible economic social and environmental improvement?

Response by member type

Response by region



Scoring summary

Rather than assessing members' performance, the scores are used to set a baseline for future CIR. Our new Strategy was not available to members during the reporting period, but assessment of the alignment with the Strategic Aims will inform the future direction of the CIR. We are therefore anticipating an increase in scores next year.

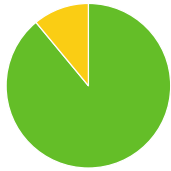
	High quality responses (/17)	Contributions to strategic aims (/15)	Total score (/32)
Mills and mill associations	8.2 Average score	2.2 Average score	10.4 Average score
Farmer and farmer associations	7 Average score	0.8 Average score	7.8 Average score
	16 Highest score	8 Highest score	24 Highest score



**End users, Intermediaries,
Traders**

Transparency and quality of responses

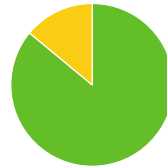
Q1. What are your company's targets or plans to achieve your commitments to Continuous Improvement in sugarcane sourcing, production or processing?



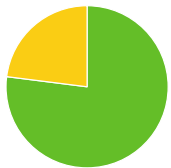
89%
reported targets or plans to achieve commitments to Continuous Improvement

Q2. What have been your key learnings and challenges in the past 12 months in relation to your sugarcane-related targets and commitments?

86%
reported key learnings and challenges relating to sugarcane-related targets and commitments



Q3. How have you communicated about your commitment to sustainable sugarcane and Bonsucro in the past year (2020)?



77%
explained how they communicated about their commitment

66%
provided a high quality response to all three questions.



Sustainability commitments and action

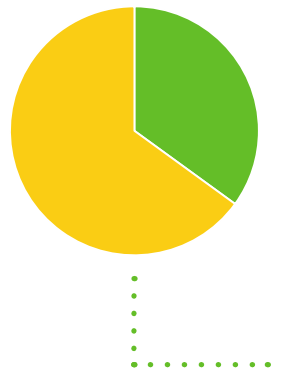
68% reported having a commitment to promoting sustainable sugarcane

65% described a policy or procedure relevant to sustainability of their sugarcane supply

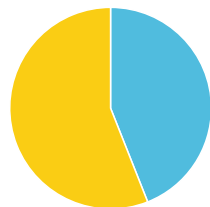
50% reported best practices introduced in 2020

32% reported committing to invest in an improvement project

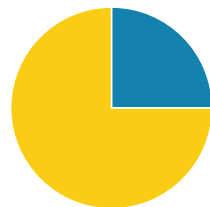
Have you made a time-limited commitment to source an increasing percentage of Bonsucro certified sugarcane-derived material using Mass Balance certification and/or Bonsucro Credits?



35% have a time-limited commitment to source an increasing percentage of Bonsucro certified sugarcane-derived material.



44%
of end users do

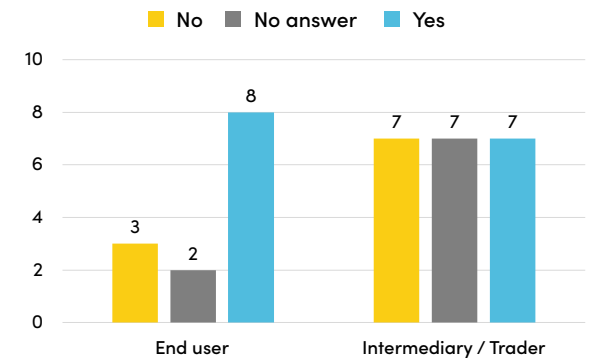


25%
of intermediaries or traders do

Improvement projects

Have you committed to investing in improvement projects to achieve tangible economic social and environmental improvement?

39%
said "yes"



End users were much more likely to report an improvement project than intermediaries and traders.

Scoring summary

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	High quality responses (/12)	Contributions to strategic aims (/15)	Total score (/27)
Mills and mill associations	4.8 Average score	3.2 Average score	7.4 Average score
Farmer and farmer associations	4.3 Average score	1.8 Average score	5.8 Average score
	11 Highest score	13 Highest score	21 Highest score

In the spotlight

PepsiCo, USA – End user

PepsiCo received the highest score of any Intermediary, Trader, or End User.

The global food and beverage corporation achieved 100% sustainable sugarcane sourcing in 2020 and is committed to continue sustainably sourcing cane sugar under its new Pep+ Positive Agriculture ambition.

PepsiCo provided details of its Coalition for Sustainable Sugarcane, involving partnerships with Grupo Azucarero Mexico, PepsiCo, Proforest, One Peterson, Bonsucro, and the University of Guadalajara, as an example of best practice in sugarcane sourcing and continued support for growing Bonsucro volumes

In 2018–2019, Grupo Azucarero Mexico (GAM), with the support of PepsiCo, certified their Tala Mill and its mill-run plantations, under the Bonsucro Standard. Since then, this partnership has actively engaged 25 Mexican smallholders

21/27
total score

11/12
high quality responses

13/15
Strategic Aims

in Tala Mill's supply area to pilot the Bonsucro Smallholders Standard.

The company is also a member of the Alliance for the Sustainability of the Agroindustry of Sugar Cane in Mexico (ASACAM), which is a platform that seeks to promote increased engagement between the private and public sectors to find ways to address challenges to sustainability of the agroindustry.

In 2020, the alliance developed a labour compliance seminar series for 2021/2022, facilitated by Verite, with an aim of level-setting on the on-going changes in the regulatory environment on human rights due diligence, demonstrating the value of responsible recruitment and improved labor practices in future-proofing business, and strengthening a peer-to-peer network for sharing resources and best practices.

The Hershey Company, USA – End user

The Hershey Company achieved a score of 19/27 and met the criteria of the Bonsucro Strategic Aims 11 times.

In 2020, 100% of its sugarcane sourcing from origins outside the United States was Bonsucro-certified, either via mass balance or credits. The company now commits to procuring all sugar, including US produced volumes, from sources certified or verified to a recognised sustainability standard at the farm level by 2025.

The chocolate manufacturer recently assembled a cross-functional sugar sustainability team to define a new

19/27
total score

11/12
high quality responses

11/15
Strategic Aims

responsible sourcing strategy for 2021–2025, having met its 2016 strategy in 2020. The three pillars of this strategy are traceability, monitoring and verification, and transformation.

Hershey reported that 5,000 farmers participating in their farm-school 'Learn to Grow' programme in Belize and Mexico have benefited from increased yields and reduced environmental impacts. In addition, 3,300 participating farmers have seen an increase in their income thanks to better cane quality.



Picture: The Hershey Company's Learn to Grow programme



We have solid foundations. But we can go even further.

This first Continuous Improvement Report demonstrates a clear commitment towards sustainable sugarcane from many Bonsucro members. We're pleased to learn about their initiatives and how they are delivering economic, social and environmental impacts on the ground.

While this first report is a good start, we are confident that more can be done by our members and we stand ready to support them. The Bonsucro Strategic Plan 2021-2026 has set a framework for sustainable sugarcane and we look forward to seeing more work in line with our Strategic Aims in the years ahead.

If you would like to know more about the Continuous Improvement reporting process, contact the team at info@bonsucro.com.

