

# CONTINUOUS IMPROVEMENT REPORT 2022



## Continuous Improvement Report 2022

Cover Image: Brazil 2021 © Bonsucro

Bonsucro is the leading global sustainability platform and standard for sugarcane, one of the world's most important crops. Our purpose is to collectively accelerate the sustainable production and uses of sugarcane.

We convene over 280 members from more than 50 countries to address critical challenges in the sugarcane sector and drive both performance and impact through our system of sustainability standards. We work across all sugarcane products and derivatives – sugar, ethanol, molasses, and bagasse in traditional and newer market sectors, from sugar and alcohol to biofuels and bioplastics. Bonsucro is a company registered in England and Wales, company number 06798568.

Information correct at time of publishing – December 2022

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# SUSTAINABILITY IS A JOURNEY

At Bonsucro, we aim to accelerate the sustainable production and uses of sugarcane through the collective efforts of our members. As a condition of joining Bonsucro, all our members make a commitment to continuous improvement. This, our second Continuous Improvement Report, shows the progress they have made over the past year – and seeks to challenge and inspire them to go further.

As well as promoting accountability, the report shows how Bonsucro members are driving change and contributing to the vision for a sustainable sugarcane sector set out in our strategic plan. It also offers a rich source of information and learning about the best practices our members are putting in place, the sustainability challenges they face, and what we can do to support them.

We collected information using a survey tool on the Bonsucro Connect platform. We received 150 responses, representing 54% of our total membership as of March 2022. That's an increase from the previous year, when 46% of members responded. We received a good range of responses, with 5 membership categories and 39 out of a possible 55 countries represented.

Overall, the report provides evidence of solid progress, as well as highlighting areas for improvement. As we saw last year, producers are leading when it comes to supporting projects that deliver tangible environmental and socioeconomic improvements. Buyers and traders need to support and reward these efforts in line with their strong commitments and policies around sustainable sourcing. Our NGO members have an important role to play here too through convening partnerships and dialogue.

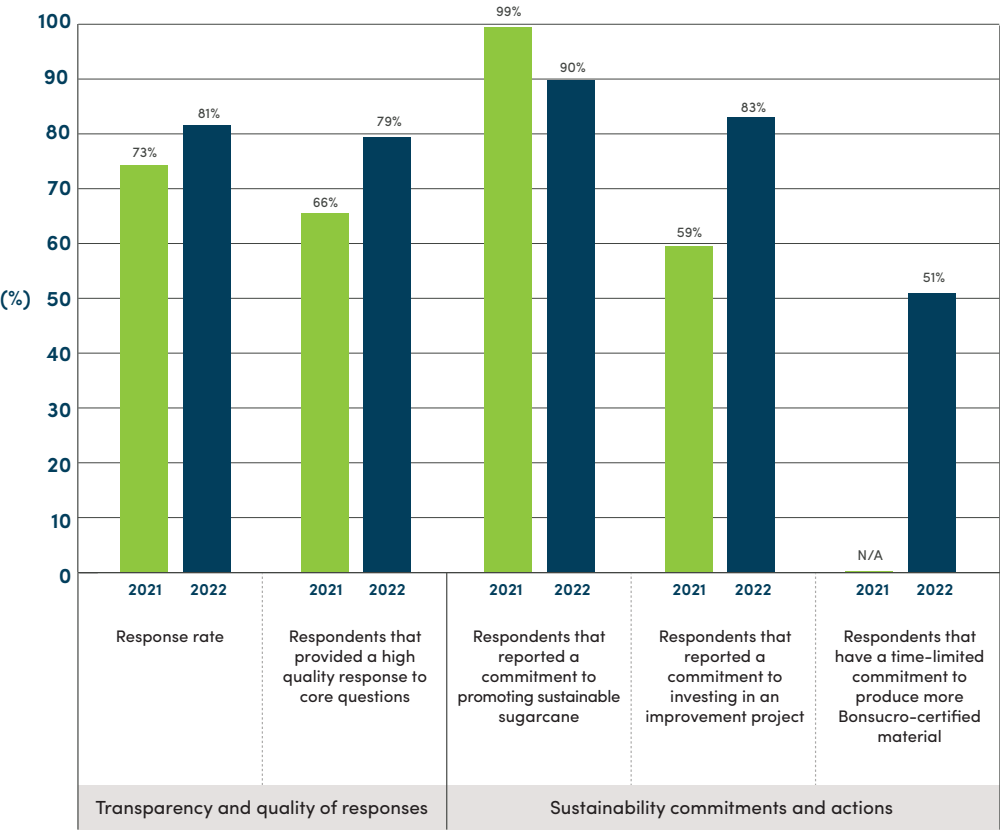
We're grateful to everyone who took the time to respond. We hope this report provides useful insight into what improvement looks like across the sector.



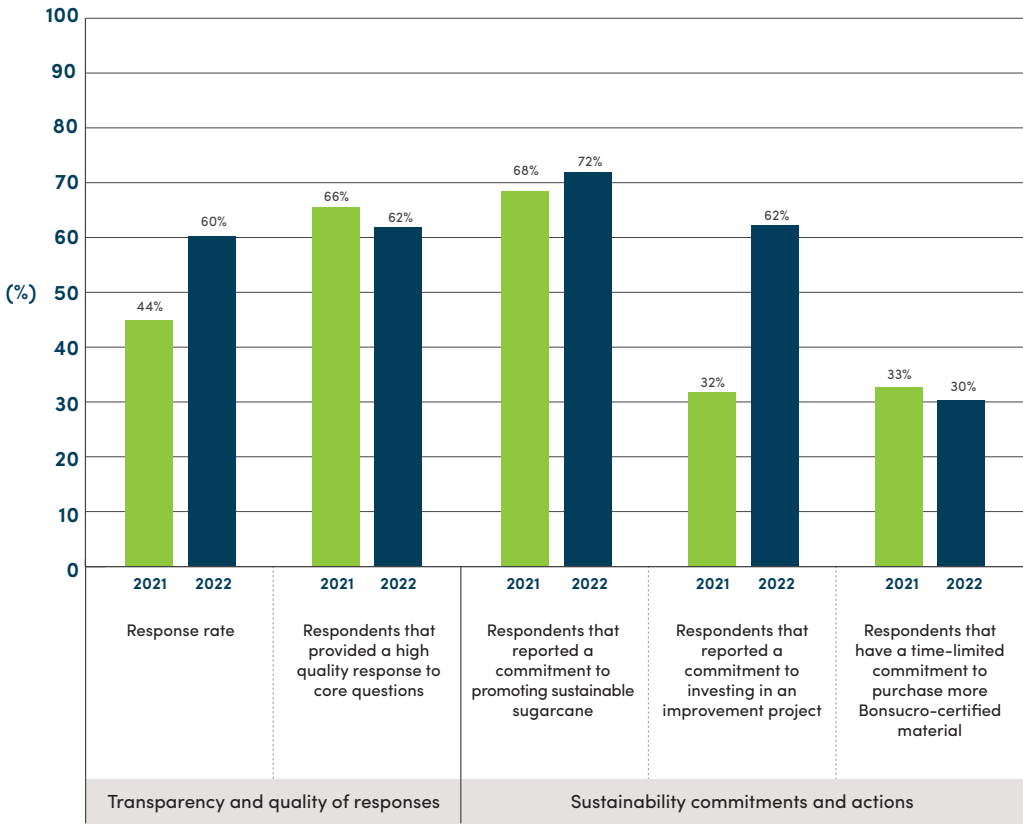
Continuous improvement at a glance



Farmers and mills



Traders and end-users

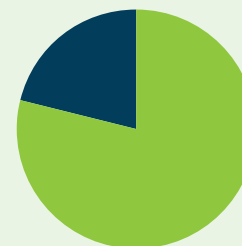




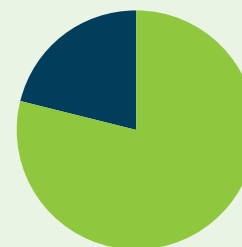
# MEETING OUR STRATEGIC AIMS

Bonsucro has a diverse global membership, encompassing smallholders to large industrial sugar milling operations, traders and manufacturers, NGOs and industry associations. While certification is an important part of our programme, not all members are certified. Nevertheless, our membership code of conduct commits all members to work towards Bonsucro's vision and strategic aims.

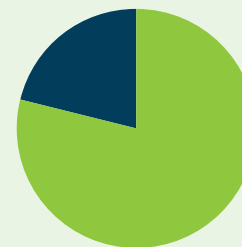
Members were asked which of Bonsucro's strategic aims their continuous improvement plans contribute to. There was a good balance across the different aims and 56% said their strategies contributed to all three.



**79%** CONTRIBUTE  
TO IMPROVING  
ENVIRONMENTAL  
IMPACT



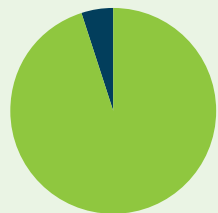
**72%** CONTRIBUTE  
TO CREATING VALUE  
ACROSS THE SUPPLY  
CHAIN



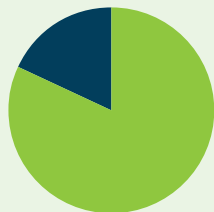
**71%** CONTRIBUTE  
TO STRENGTHENING  
HUMAN RIGHTS AND  
DECENT WORK



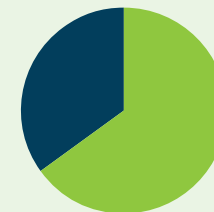
# WHAT OUR MEMBERS ARE DOING



**95% HAVE  
POLICIES THAT  
PROMOTE  
SUSTAINABLE  
SUGARCANE**



**82% HAVE MADE  
A COMMITMENT TO  
PROMOTE SUSTAINABLE  
SUGARCANE IN THEIR  
SUPPLY CHAINS**



**65% HAVE  
COMMITTED TO  
INVESTING IN  
IMPROVEMENT  
PROJECTS**

While some companies have a single policy encompassing many aspects of sustainability, others shared a wide range of approaches addressing different aspects of sustainable production and supply chain management. Most mentioned the Bonsucro Production Standard – for some, this was their only named policy or procedure on sugarcane sustainability. When talking about future plans, many members said they intend to achieve or expand Bonsucro certification and use Bonsucro guidance. Carbon was also an important focus, with members mentioning carbon reduction, “insetting” and credits.

Members cited key performance indicators (KPIs), internal management documents and other approaches as evidence that they were meeting their targets – many mentioned Bonsucro certification as integral to their continuous improvement, providing a framework to improve performance. Producers mentioned investing in improving agricultural practices – from installing more efficient and precise equipment, to testing techniques such as water management, pest management and no-till cultivation. End-users and intermediaries highlighted due diligence and risk assessment in the supply chain, particularly around human rights issues.

**How members plan to deliver their  
continuous improvement commitments**





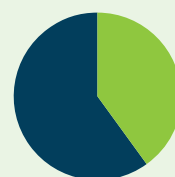
## PRODUCERS



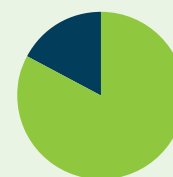
**96%** HAVE PLANS AND TARGETS FOR CONTINUOUS IMPROVEMENT



**54%** OF CERTIFIED MILLS HAVE PLANS TO EXTEND THEIR CERTIFICATION AREA IN THE NEXT 12 MONTHS

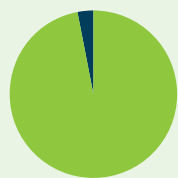


**40%** OF MILLS THAT AREN'T YET CERTIFIED HAVE A PLAN TO ACHIEVE CERTIFICATION

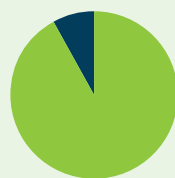


**83%** OF MILLS AND FARMS ARE INVESTING IN IMPROVEMENT PROJECTS, UP FROM 59% LAST YEAR

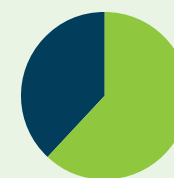
## END-USERS AND TRADERS



**97%** HAVE PLANS AND TARGETS FOR CONTINUOUS IMPROVEMENT



**92%** DESCRIBED A POLICY OR PROCEDURE RELEVANT TO SUGARCANE SUSTAINABILITY IN THEIR SUPPLY CHAINS, UP FROM 65% LAST YEAR



**62%** HAVE COMMITTED TO INVEST IN IMPROVEMENT PROJECTS, UP FROM 32% LAST YEAR

## Room for improvement

Increasing commitment to sustainability across the sugarcane sector is welcome, but what really counts is putting pledges into practice. By providing assurance that sugarcane has been grown to high social and environmental standards, Bonsucro certification is a key tool for companies to operationalise their commitments – but members aren't making full use of it.

On average, the traders, buyers and end-users who responded source 32% of their main sugarcane-derived product from Bonsucro-certified sources.

Ten companies (five based in Europe, four in Asia-Pacific, one in Brazil) reported that 100% of their sugarcane-derived materials is Bonsucro certified. Not all these companies have chain of custody certification, meaning they can't yet publicly communicate about their sustainable procurement success.

For over a third of member companies (18 out of 57), Bonsucro certified sources account for less than 1% of their supply. Of those intermediaries, traders and end-users who are not already at 100%, only a quarter (12 out of 47) have made a time-bound commitment to increase their purchasing of Bonsucro-certified products and/or credits.

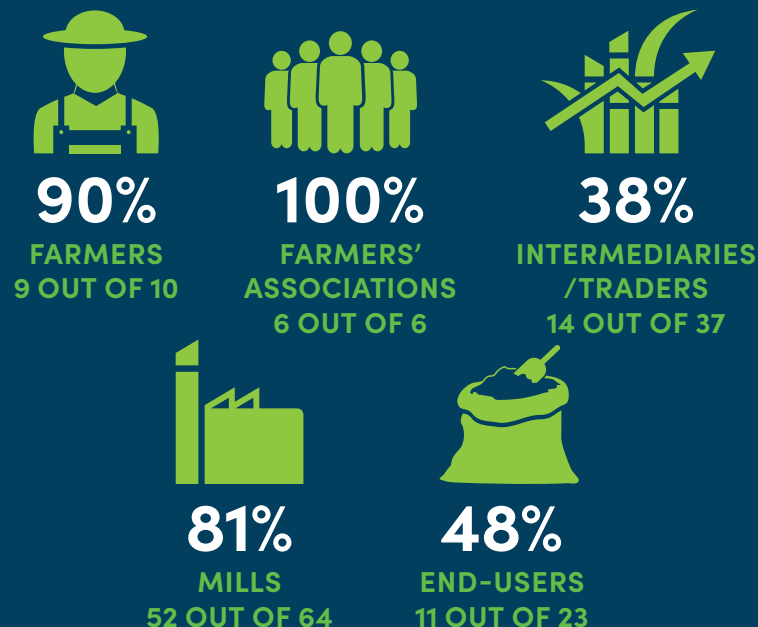


# INVESTING IN IMPROVEMENT

When it comes to supporting projects that aim to achieve tangible economic, social and environmental improvements, the production side is doing the heavy lifting. Two-thirds of members (65%) are investing in such projects – 92 in total – ranging from reducing cane burning and managing fertiliser use, to local community projects addressing literacy and domestic violence. But while 81% of mills, 90% of farmers and all farmer associations are engaged in improvement projects, just under half of end-users (48%) and 38% of traders have committed to them. European members are lagging behind, with just a third

involved in improvement projects, compared to 80% in Latin America, where more than half of the projects (52 out of 92) are taking place. This suggests there's a big opportunity for sugarcane buyers to do more to deliver real improvements on the ground. Around half the respondents (48%) said their projects contributed to all three of Bonsucro's strategic aims. The most common aim was to improve the environmental impact of sugarcane – a focus of 87% of projects, compared to 70% on human rights and decent work and 63% on creating value in the supply chain. Farmers and mills were most focused on environmental impact, whereas human rights and decent work were priorities for end-users.

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



## Areas of impact (% of projects)



# IMPROVEMENT IN FOCUS



## Manuelita S.A.

During 2021, **Manuelita** launched two initiatives supporting local communities. Compromiso Valle is providing 350 people in Valle del Cauca – Colombia’s main sugar-producing region – with the opportunity to realise their own life projects, whether through education, training or supporting them to start their own businesses. Rural Commitment is a public-private initiative that seeks to generate employment opportunities in the sugarcane-growing municipalities, with the goal of creating 185 new formal jobs.

On the environmental side, Manuelita planted 3,250 trees on its own land, establishing ecological corridors so wildlife can safely reach water sources. To support its vision of a circular economy, the company installed a composting facility with the capacity to transform 50,000 tonnes of organic waste into compost to fertilise sugarcane crops. Drip irrigation was also installed across 76 hectares to optimise water use.



## Inspire Awards

Our annual Inspire Awards recognise members who are going above and beyond. Reporting on continuous improvement is one of the categories we honour, by evaluating the transparency and robustness of all the continuous improvement reports that members submit to identify the top performers.

This year’s winners were PepsiCo and Usina São Lui S/A, Brazil. **PepsiCo** provided comprehensive answers with generous detail and links to examples of public communications and commitments. All the refined sugar PepsiCo sources is Bonsucro certified. The company also shared details of a range of improvement projects it’s invested in and showed how these align with all Bonsucro’s strategic aims and impact areas. **Usina São Luiz** answered all questions in detail, demonstrating how its activities align with our strategy, and provided additional evidence via internal documents and external comms material, including a [YouTube video](#). The mill, based in São Paulo state, also reiterated its commitment to extend its Bonsucro-certified area.



# CHALLENGES

Our members identified a variety of challenges they have faced over the past year.



## Disruption

The Covid pandemic caused severe disruption, and required investment in new equipment and ways of working. Sugarcane harvests were hit by extreme weather events including flooding, drought and fires. Members in Latin America and Europe also cited political unrest and security concerns.

*“Covid made it very difficult to travel to mills and industry events to complete internal observations, and to communicate our commitment to suppliers.”*

Large mill, Asia



## Collaboration

End-users cited the challenges of engaging suppliers, due to a lack of knowledge, competing agendas and resistance to change, though they also said that closer collaboration can generate valuable understanding and productive relationships. Pre-competitive partnership working is new to many, but has proven positive.

*“We continue to struggle to engage properly with cane producers, maybe largely due to that fact that we rely on traders that don't themselves have strict sustainability goals.”*

Consumer brand, Europe



## Capacity

Several members identified knowledge gaps among their suppliers and the need for greater investment in learning and capacity building. However, many producers are advancing their knowledge and understanding of specialist agricultural techniques and issues like climate change.

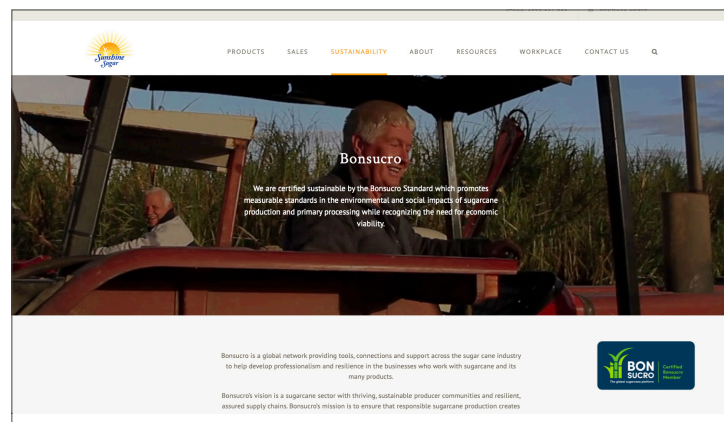
*“Deforestation has rocketed to the top of the agenda. We have spent a great deal of time looking into this and trying to understand the way forward.”*

Farmer association, Latin America

# COMMUNICATIONS

Four out of five members (81%) said they have been communicating about their commitment to sustainable sugarcane, with increasing numbers specifically highlighting Bonsucro – particularly in Latin America.

As well as communicating publicly – for example on their websites and in sustainability reports – members mentioned highlighting their commitments internally through staff training and inductions.



Manildra Harwood 'Sunshine Sugar' sustainability webpage – mill, Australia



*Bonsucro certification explained and acknowledged for mills in the Pantaleon Group Responsible Development Report, Latin America*



AB Azucarera Iberia, S.L. Sustainability Report –  
intermediary. Spain



Hershey Sustainability Report – end-user, USA



*PepsiCo web article mentions 100% sourcing of Bonsucro-certified sugarcane – end-user, USA*



## THE JOURNEY CONTINUES

At Bonsucro, we aim to provide a platform to support collective efforts to create a sustainable sugarcane sector. We're excited to see the progress that our members have made, with widespread commitment and tangible improvements to address environmental impacts, strengthen human rights and decent work, and create value across the sugarcane supply chain. By working together with our members, we're keen to further improve our understanding of the issues they face, to overcome key challenges and bottlenecks, and to create a greater positive impact – for example, we've recently developed guidance for companies in the sugarcane sector to set science-based climate targets relating to land use.

**We look forward to celebrating more successes and supporting further continuous improvement over the coming year.**



If you would like to know more about the continuous improvement reporting process, contact the team at:

**[info@bonsucro.com](mailto:info@bonsucro.com)**.