



# BONSUCRO

PROGRESS REPORT



2013/2014



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## MESSAGE FROM THE CHAIR



Six years have passed since Bonsucro's inception in 2008 - six years during which Bonsucro has led efforts to promote sustainable sugarcane, and I am proud to be serving my second year as Bonsucro's Chair.

The past year, upon which this Progress Report reflects, has been both a year of progress and a year of change. Progress has come in the form of a steady growth in Bonsucro's key metrics. Last year I reported that 2.9% of the world's land under sugarcane was certified. Today I am happy to report to you that this has risen to 3.7%, with 39 certified mills having processed over 55 million tonnes of sustainable sugarcane, producing 3.8 million tonnes of certified sugar along with over 2.5 million cubic metres of certified ethanol.

Encouragement comes from seeing Bonsucro's membership almost double in size in just 12 months, the figure in October 2014 standing at 207, with numerous candidate members on the cusp of becoming the latest additions. Showing a list here of all the exciting new Bonsucro members would take up too much space – instead I would like to highlight just a few new members that illustrate Bonsucro's extraordinary diversity of support: HSBC, Lantic, Mars, BASF, The Nature Conservancy, Thai Roong Ruang, as well as small scale farmers from India.

Bonsucro's work is, by its very nature, global, and since the New Orleans edition of Bonsucro Week in November 2013, the Secretariat have traversed the globe in order to engage with stakeholders, through summits, high level

meetings, training events, conferences and many more activities. The efficacy of this work is shown by the impressive membership figures.

Perhaps the most visible sign of progress can be seen in the newly-revised Production Standard, for which recognition must go to the Sustainability department, under the guidance of Nicolas Viart, and the Standard Revision Committee, for all of their hard work and effort to update a cornerstone of the organisation. Bonsucro's membership must also be recognised for their contributions to the process, including input to consultations, involvement with pilot audits and the final vote, which resulted in unanimous approval. It is clear from the revision process that Bonsucro's emphasis on the principle of continuous improvement is not simply a meaningless phrase, but a core tenet by which the organisation itself lives.

Achieving progress doesn't mean that Bonsucro has not undergone significant changes. This year we said farewell to Nick Goodall, Bonsucro's former Chief Executive. I would like to recognise Nick's leadership over the years and the contribution that he has made to the development and success of Bonsucro. He led Bonsucro through a key stage in its development, and many of the achievements recorded above are due to his leadership.

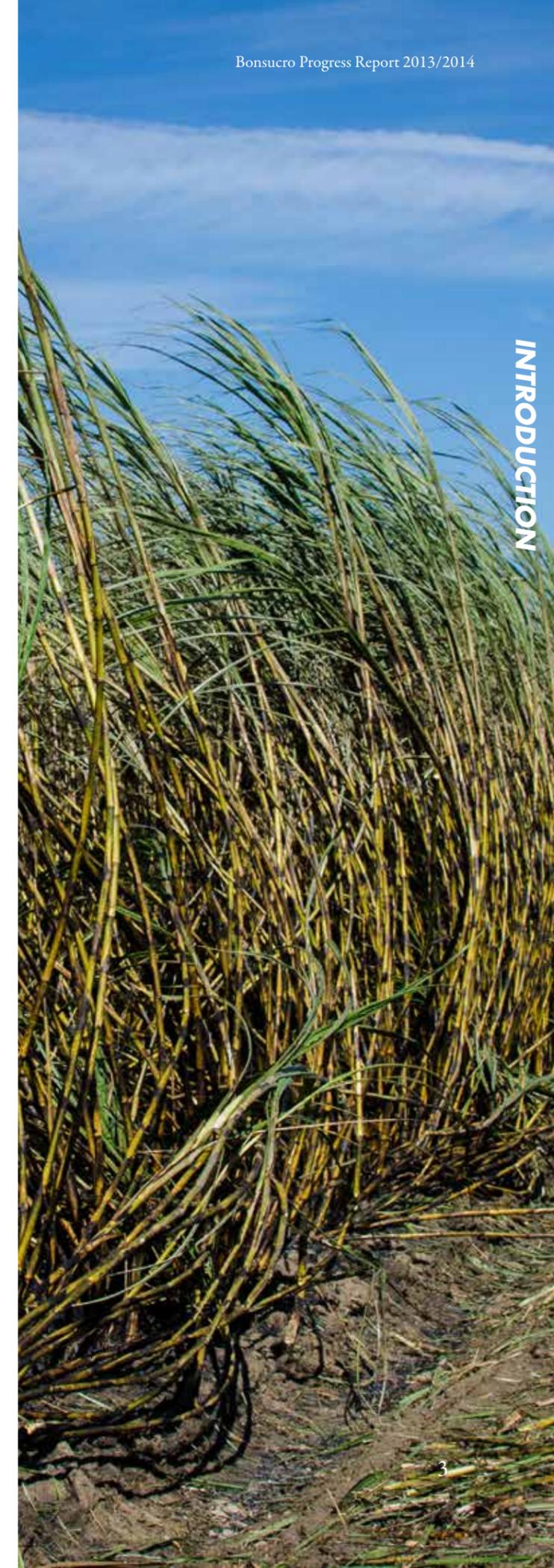
Bonsucro has been fortunate to have had the guidance of Natasha Schwarzbach in the interim period, who, working in addition to her role as Head of Engagement, has kept the organisation on an upward trajectory during a crucial time.

And now I am pleased to welcome Simon Usher as Bonsucro's new Chief Executive. Simon comes to us with a wealth of experience as a strategist and change agent, having worked for organisations in all three sectors (public, private and non-profit), and I look forward with excited anticipation to his leadership taking Bonsucro into the next stage of its evolution.

So Bonsucro continues to make strong progress in its mission to promote sustainable sugarcane. This is due to the hard work and effort from the Bonsucro team. However, it is also due to the engagement, support, and enthusiasm of Bonsucro's diverse membership. It is thanks to this that Bonsucro will continue to prosper in achieving its vision of a sustainable sugarcane industry – and you can help strengthen this further by getting even more involved and by bringing more stakeholders to the table.

James Primrose

*Chair of Bonsucro's Board of Directors*



INTRODUCTION



## FOREWORD



In the time since Bonsucro certification began in 2011, it has become increasingly clear that there is market demand for proof of the ‘business case’ for Bonsucro, coming from both Bonsucro members, and the wider sugarcane industry alike.

Bonsucro has heard the opinions of its stakeholders and taken their demands seriously. We have acted on this demand by focusing on the research and development required to demonstrate the evidence needed to support Bonsucro’s work. We have begun working with a number of independent research organisations, as well as Bonsucro’s members, to examine and verify the plethora of evidence gathered during three years of certification.

Being in a position to demonstrate concrete evidence of the positive outcomes that Bonsucro certification has achieved is exciting. The evidence takes time to build and verify, and while it is still early days, we are very excited to share with you some of the preliminary findings in this Progress Report.

The drive for building the business case is far from the only area in which Bonsucro has been making great strides.

I have been proud to serve as Interim General Manager of Bonsucro during a period of great energy, excitement and achievements that exemplify the drive and will of everyone involved with the organisation to get behind the vision of a sustainable sugarcane industry. There is no better example of this than the revision of the Production Standard.

Following a rigorous two year-long programme of consultations, meetings, numerous drafts and finally, a vote of approval by the Bonsucro membership, the revised Production Standard has been released. The revised Standard ensures its continued relevance to all those in the sugarcane industry who use it, and I take this opportunity to formally thank my colleagues in the Bonsucro team, as well as members and external experts who have come together with the united aim of creating a Production Standard that is even more rigorous, exacting and relevant than the previous version.

Throughout this report, we aim to give you a flavour of the great amount of work that the secretariat has been carrying out around the world. Our outreach programme has been busier than ever, and with the number of members doubling in less than one year — from 100 in October 2013 to just over 200 in October 2014 — we are seeing the rewards for many hours spent in planes, trains and automobiles reaching the people and places that are the most important for sugarcane production. The rate of applications, the regions from which they hail, and their market importance, is highly encouraging, and show that Bonsucro has become an accepted and established force in the industry.

As we move forward into the next phase of Bonsucro’s growth, it is evident that our work must encompass both macro- and micro-levels of the industry. Whilst Bonsucro must continue to address the needs of its members, whose backgrounds are naturally different, we must also

see the bigger picture, using our unique position to work on cross-sector collaboration in order to drive more certifications and uptake of certified products. Our recent End User and Intermediary Summits are just two examples of this macro approach in action, and we have many more plans in the pipeline.

Without the dedication shown to Bonsucro’s vision from its numerous supporters around the world, any progress would be impossible. Our members, the Secretariat, Board of Directors and wider stakeholders have got us where we find ourselves today, and we can use this energy to propel Bonsucro to even greater heights.

Natasha Schwarzbach

*Head of Engagement*



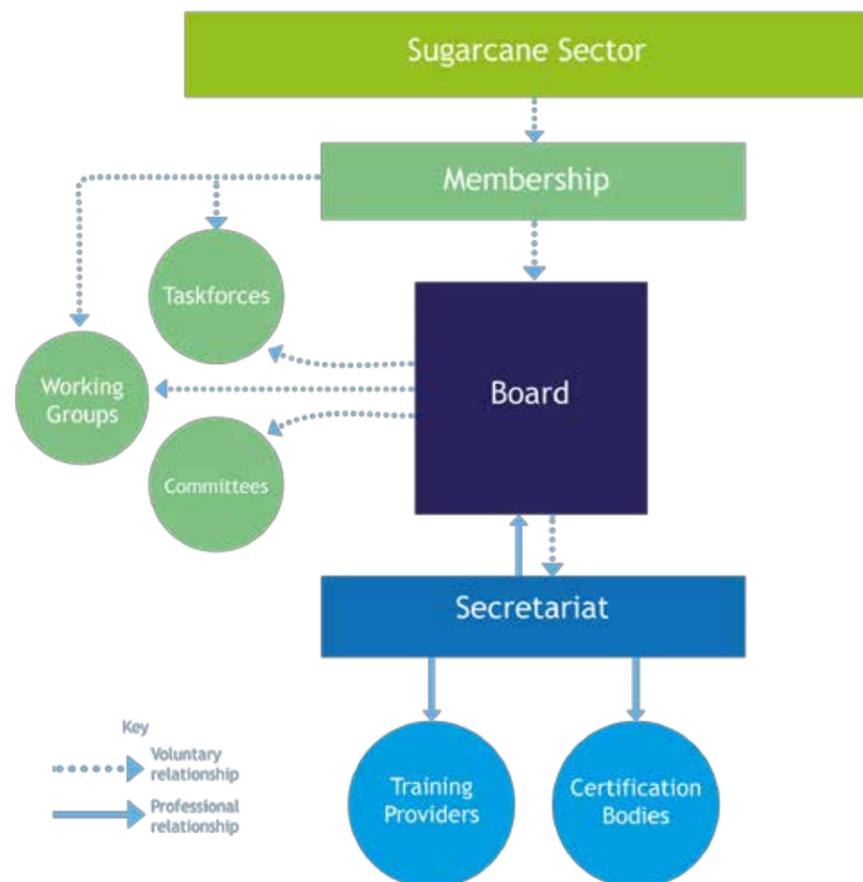
INTRODUCTION

# ABOUT BONSUCRO

*Bonsucro is a global non-profit, multi-stakeholder organisation fostering the sustainability of the sugarcane sector through its leading metric-based certification scheme and its support for continuous improvement for members.*

The members run Bonsucro by electing a Board of Directors, which is the organisation's decision-making body, responsible for its finances, governance, and administration. The Board is advised by three permanent Committees composed of Directors and supported by the Secretariat. The Board and the membership also set up ad hoc Task Forces and Working Groups, composed of representatives of members, to tackle specific issues and to advise on strategies to be adopted by Bonsucro.

Finally, the Board is responsible for the selection and appraisal of Bonsucro's CEO, who runs the operations of Bonsucro and leads the Secretariat. The role of the Secretariat is to carry out the activities and operations required to achieve the strategies designed by the members and the Board, as well as to interact with Certification Bodies, maintain the Certification System, and provide training on Bonsucro's Standards.



ABOUT BONSUCRO

'Bonsucro Certified Mills produce more, are more efficient, and add more value'  
 See Bonsucro Business Case section for more.

**BONSUCRO THEORY OF CHANGE**

# BONSUCRO THEORY OF CHANGE

*Bonsucro recognises that economic, environmental, and social sustainability are moving targets, and its Theory of Change reflects the current set of activities undertaken by Bonsucro to promote its vision.*

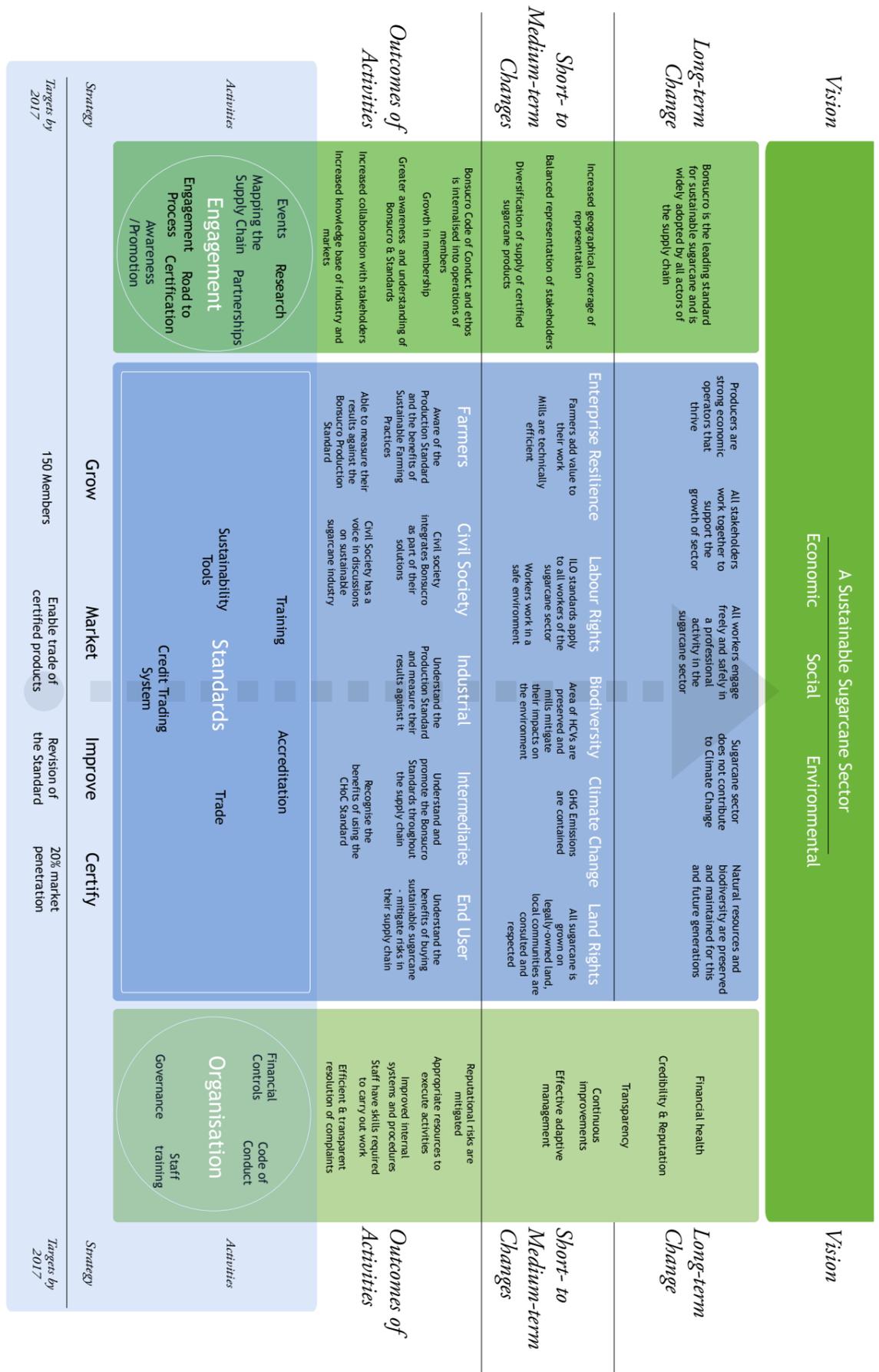
The Theory of Change diagram illustrates Bonsucro’s mission to foster the sustainability of the sugarcane sector through a metric-based certification scheme and by supporting continuous improvement for members.

Bonsucro’s vision is a sugarcane sector that is continuously improving and verified as sustainable. To achieve its vision, Bonsucro carries a set of activities (based on its Strategic Plan). The outcomes of activities are monitored by internal Key Performance Indicators. Bonsucro’s activities contribute to adoption of the Bonsucro Standards, which are the main tool to achieving its short to medium term objectives. The short to medium term changes are the main drivers for evolving towards Bonsucro’s long term objectives and contributing to transforming the sugarcane sector.

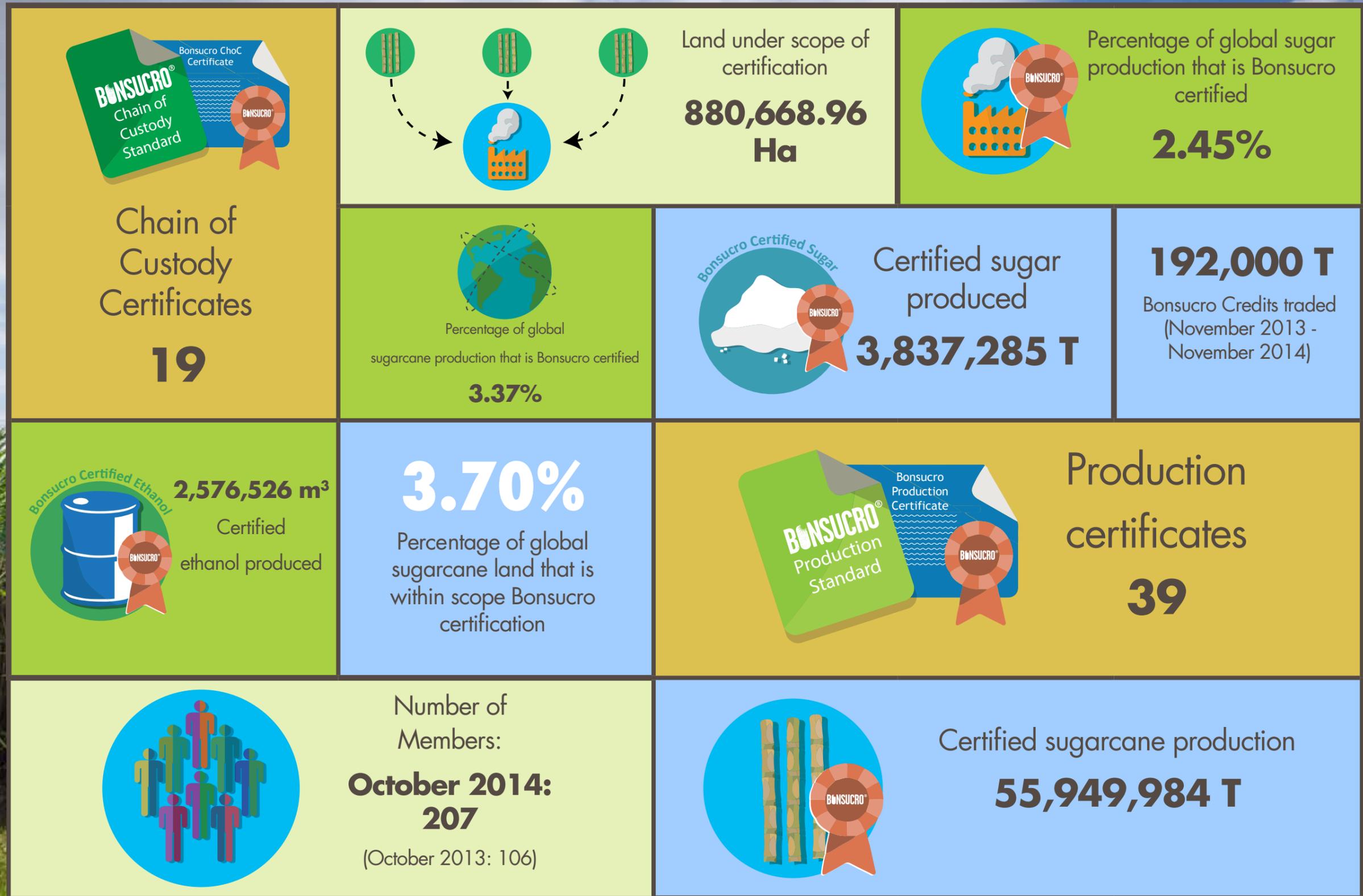
Bonsucro’s Theory of Change is composed of three mutually reinforcing areas of operation (Engagement, Standards and Organisation) which are fundamental to trigger the transformation to a sustainable sugarcane industry, to promote adoption of Bonsucro’s Standards, to enable a thriving market for certified sugarcane products, and to consolidate Bonsucro as the principal and legitimate forum for sustainability of the sugarcane sector. Bonsucro’s Theory of Change aims at bringing changes to different stakeholders: the producers (millers and farmers), the sugarcane sector including buyers of sugar, ethanol other derived products, intermediaries, traders, etc.

For each of the areas of operation, the Board of Directors has defined a set of targets to be reached by 2017. They have been gathered in a document named the Strategic Plan which is divided in four chapters: Grow, Market, Improve, and Certify, and guide the Secretariat to design its activities to meet these targets.

The Theory of Change was adopted by Bonsucro after extensive consultation with members and formal notification by the Board of Directors in March 2014.



# KEY PERFORMANCE INDICATORS



All figures are cumulative until October 2014, unless otherwise stated.

Bonsucro Certified Mills go beyond legal compliance in minimum wage. See Bonsucro Business Case section for more.

# ENGAGEMENT

*Bonsucro's engagement activities have always featured at the core of its work, and 2014 has been no exception. Bonsucro has 10 key markets, and since November 2013, engagement activities have been held in the majority of these markets.*

## EXPANDING THE SCOPE

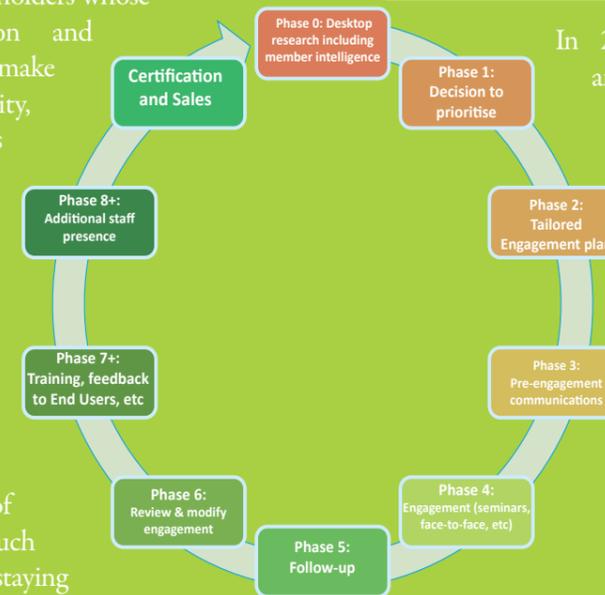
Since November 2013, Bonsucro's engagement activities have taken the Secretariat to over 20 countries around the globe, often on multiple occasions. These activities take a variety of forms, but all are about creating an environment in which multi-stakeholders can understand, then engage with the organisation, and then communicate about sustainable sugarcane and the broader sustainable context in which it fits. Given the variety of stakeholders whose involvement, cooperation and dedication are required to make the Bonsucro vision a reality, engagement activities can range from a field meeting with farmers, to high level meetings with government ministers.

The diversity of Bonsucro's membership is its strength, and addressing the needs of a membership with such varying experiences while staying focused on the organisation's vision is naturally challenging, and requires considerable resources, time and patience. It has become evident that different markets vary considerably in their compositions, histories and backgrounds, meaning that progress in member recruitment and certifications can appear uneven across Bonsucro's target markets. Some regions have traditionally been more receptive to the concept of sustainability standards, whereas some have presented more of a challenge. The outcomes of

activities are rarely instantaneous; however, Bonsucro is beginning to see the fruits of work that commenced several years ago.

To see more countries starting to move towards certification and deeper involvement in Bonsucro is greatly encouraging and places the organisation in an excellent position for the coming year.

## BONSUCRO'S ENGAGEMENT PROCESS



In 2013, Bonsucro developed and implemented a 9-Phase Engagement Process across 23 countries in 10 top priority markets. When engaging with a country or region, Bonsucro follows this cyclical process, whose phases are designed to support mills and optimise the links in the supply chain.

## CONFERENCES & WORKSHOPS

Not only has Bonsucro engaged with multi-stakeholders in 20 countries, it has participated in, spoken at, and lead workshops at 16 conferences around the world, interacting with a variety of audiences – including public, private, not-for-profit organisations as well as academic and scientific bodies. Such public platforms allow Bonsucro to convey the organisation's core values in a face-to-face environment.



## ENGAGEMENT HIGHLIGHTS

### Central America (Guatemala, Honduras, El Salvador, and Nicaragua):

A series of outreach activities to Central American countries designed to improve key stakeholders' understanding of the Bonsucro system, through a variety of trainings, high level meetings with government ministers and major mill groups. Bonsucro engaged with organisations from all areas of the supply chain, which lead to a pilot audit for the revised Production Standard being held in Honduras, and Level 2 training in El Salvador for industry actors from across the region.

### Peru, Bolivia and Argentina:

Following Bonsucro's visit to the region, the two largest mills groups in Bolivia are now part of the membership, alongside other longstanding Bolivian members such as Guabira. A summit held in Argentina drew an audience that included every mill in the country, and the follow up continues to support the Argentinian industry's involvement with Bonsucro.

### South Africa:

High level meetings with the country's main mill groups were complemented by trainings that brought over 50 participants from Uganda, Swaziland, Malawi and South Africa. Follow-up activities continue.

### India:

Several large Indian sugarcane mills have applied for membership, as well as numerous farmers. The appointment of Dr Gopinathan as Bonsucro Ambassador has increased the organisation's visibility on the ground in India and allowed greater representation to members in the region. Tamil Nadu was also the host of the Stakeholder Consultation on the revised Production Standard, capturing the voice of over 75 scientists, millers, NGOs, farmers and buyers on the relevance of indicators in a local context.



### End User and Intermediary Summits:

Countries and markets are not the only focus for Bonsucro's engagement activities. As shown later in this report, Bonsucro works with all actors of the supply chain, and in June 2013 Bonsucro held two summits in London for End Users and Intermediaries. Designed to encourage a collaborative approach to promoting greater uptake of certified products, the summits brought together some of the biggest actors in the industry. End Users addressed issues associated with meeting their public commitments, whereas Intermediaries engaged with the challenges around the chain of custody and market demands. Both summits were warmly received by members, and future events are planned.



### Pilot Audits

Engagement with members for continuous improvement is a priority for Bonsucro, and the Pilot Audits are a prime example of integrating this approach into Bonsucro's work. Designed to provide the Standard Revision Committee with information on the feasibility of changes to the Production Standard, Pilot Audits allowed on the ground assessments in real-life scenarios.

Findings from the Pilot Audits fed into the revision process and helped the finalisation of the revised Standard. Audits took place in Brazil, India, Australia and Honduras, all under the guidance of a licensed Certification Body and the supervision of the Secretariat.



## BONSUCRO WEEK 2013 – USA

Bonsucro Week is Bonsucro’s vibrant flagship annual event which includes, amongst others, the Annual Conference, the members’ Annual General Meeting, consultations, workshops, site visits, networking opportunities, the Annual Dinner and Awards.

Bonsucro Week enjoyed a highly successful 2013 edition in the heartland of the American sugarcane industry. Gathering stakeholders from all over the globe within the unique and historic surrounds of New Orleans, the extended format, with its mix of conference sessions, excursions, activities and receptions, offered stakeholders the opportunity to learn first-hand about the latest developments in the industry and interact with global leaders in sustainability.

2014’s Bonsucro Week will head to the Asia Pacific region, taking place in Manila and Tagaytay in the Philippines.



ENGAGEMENT

*'Bonsucro Certified Mills consume less water'*  
See Bonsucro Business Case section for more.

## TRAININGS

Since November 2013, trainings have been held in South Africa, El Salvador and Brazil. To support the implementation of the new Standard, Bonsucro is dedicated at training its licensed Certification Bodies (CBs) and members. To that extent, Bonsucro has revised its training material to be in line with the Bonsucro Production Standard Version 4, and delivered its first training in September 2014 in Brazil in which 60 people participated. Bonsucro Authorised Training Providers (BATPs) also held a number of private and public training events on the Bonsucro system to members and potential members during the year.



## MEMBER ANNUAL REPORTS

*Following the requirements of Bonsucro's Code of Conduct, which members sign as a condition of membership, members must submit an Annual Report regarding their activities to promote Bonsucro and achieve Bonsucro's vision.*

The Bonsucro Secretariat provides members with a template to respond. The template is mostly composed of closed-ended questions regarding the evaluation of Bonsucro's services and open-ended questions on topics such as promotion of Bonsucro, trade of certified products, activities of the member to promote sustainable sugarcane, amongst several others.

The responses offer rich qualitative data to Bonsucro that helps the organisation to continuously improve and to direct Bonsucro's policies.

In 2013 the first organised request for the Annual Report was made. At the time Bonsucro had 77 members and 21 members submitted their responses. For this year, 140 members were invited to respond (following payment of their annual membership subscriptions), and 102 replied (72.8% of the members that were requested to respond).

## TRENDS:

- **Better corporate image and reputation:** Responding members have associated Bonsucro with improved corporate image and reputation, which has been reflected in the steady growth of membership in the past few years.
- **Supply chain coordination:** Members have associated Bonsucro with improved communications internally and externally and affirmed that Bonsucro is used as a platform to communicate and work together with their stakeholders to achieve their sustainability commitments, in that sense Bonsucro offers a clear orientation to the collaborative work of its members.
- **Forum for sugarcane sustainability:** Members see Bonsucro as an important forum for discussing sustainability of the sugarcane sector and for promoting performance-based standards.

## IDEAS:

Where should Bonsucro focus? Several ideas were proposed, and some of those ideas will be discussed in the Member Consultation Day during Bonsucro Week 2014. The arguments that seem to be most recurrent amongst all membership classes are:

- **Market diversification:** Bonsucro and members need to expand availability of certified products beyond Brazil and Australia, with the goal to promote the purchasing of certified products;
- **Credibility:** Bonsucro needs to continue being a credible Standard, which include amongst other things: making sure the Standards are up-to-date and scientifically-based; ensuring that members follow the Bonsucro Code of Conduct; Improve transparency of the organisation.

**FEEDBACK FROM MEMBERS :**

Members were asked to rate the value they get from Bonsucro services in a five-point scale from “poor” to “excellent”. Bonsucro received 99 responses to this question, from 71 farmers and 28 from all other membership classes. The results and analysis are presented below.

**Access to Information:**

Roughly 70% of respondents rated this service as excellent. Access to specialised information and technical support is one of the services offered to Bonsucro members.

**Market Opportunities:**

78% of respondents have rated the market opportunities of Bonsucro as “fair”, indicating that more work is needed to better translate Bonsucro certification into market opportunities.

**Stewardship and Reputation:**

Roughly 74% of respondents rated Bonsucro as “excellent” in the provision of leadership and improvement of corporate image and reputation.

Over 96% of members have rated this service between “good” and “excellent”, which re-enforces the findings of open-ended questions that Bonsucro has a positive effect on corporate image;

**Platform to Communicate about Sustainability:**

Over 90% of respondents have rated this service either as “good” or “excellent” also supporting the findings from open-ended questions of the survey. Members use Bonsucro as a “common language” to engage with suppliers and clients, as well as to communicate their sustainability commitments internally and externally;

**The Bonsucro Calculator (compliance and continuous improvement tool):**

Over 72% of members have rated the Bonsucro Calculator as “excellent”.

The large majority of positive responses came from farmer and industrial members, which indicates that knowledge and use of the calculator is concentrated in those membership classes (as would be expected). The Calculator was recently revised (following the revision of the Production Standard) and Bonsucro is currently adapting the Calculator for farmers to use (especially to support out-growers);

**Bonsucro Events and Training Courses:**

87% of members rate Bonsucro events and training courses as “good” or “excellent”.

One of the main benefits of Bonsucro membership is the platform it provides through access to events (networking opportunities with other members) and trainings (including customised in-house trainings for mills and buyers). Nevertheless, a number of individual comments point to a limitation in terms of geographical coverage of trainings, and ask Bonsucro to provide more diversification of trainings offered.

**Follow-up:**

Some of the questions and ideas raised in the Members’ Annual Report will be discussed during the Member Consultation Day of Bonsucro Week 2014; the responses will also guide other consultations that will follow in 2015. The Secretariat will revise the system for submitting responses to the Annual Report.

It is expected that for the 2014/15 period all members will be invited to respond (regardless of the time of receipt of their membership fees payment, as it is now), and the Secretariat will seek both to reduce the length of the questionnaire and to favour closed-ended questions.

**SELECTED MEMBER FEEDBACK FROM REPORTS**

*What are the main benefits you have experienced since you joined Bonsucro?*

<i>"Guidance towards sustainable performance for increased efficiencies."</i>	<i>Riopaila Castilla (Colombia)</i>
<i>"Market visibility."</i>	<i>USJ Açúcar e Álcool S/A (Brazil)</i>
<i>"Bonsucro provides a platform to bring together stakeholders who want to change the sugarcane sector and it is a consensus building mechanism for defining what improvement means - good for networking, agenda setting and awareness raising."</i>	<i>Solidaridad (Netherlands)</i>
<i>"Provision of a set of metric based Standard on which to monitor our mill operations and availability of an EU RED approved Standard to demonstrate the sustainability credentials for Brazilian sugarcane ethanol."</i>	<i>BP (UK)</i>
<i>"We have social, economic and environmental benefits with better management practices."</i>	<i>Shakarganj Mills Limited (Pakistan)</i>
<i>"The ability to work with others to pursue our sustainability commitments. Knowledge of sugarcane issues. A platform to receive feedback on our strategies."</i>	<i>General Mills (USA)</i>
<i>"Access to a vibrant forum."</i>	<i>NSW Sugars (Australia)</i>

<i>"Bonsucro is helping to mitigate risk in our supply chain and is a way of demonstrating our commitment to agricultural sustainability and responsible sourcing. Bonsucro provides a global forum for collaboration to address sustainability challenges in the industry."</i>	<i>The Coca-Cola Company (USA)</i>
<i>"Expansion of our network and development of joint actions."</i>	<i>BASF (Brazil)</i>
<i>"Better image as a responsible and sustainable company."</i>	<i>Azunosa (Honduras)</i>
<i>"Significant improvements along the entire operational process, reinforcing Raizen's view 'bring recognised globally for excellent in the development, production and marketing of sustainable energy'."</i>	<i>Raizen (Brazil)</i>
<i>"We have found innovative ways of improving farming practices which have also helped farmers economically."</i>	<i>EID Parry (India)</i>
<i>"We have become more efficient in the management of the business: reduction of costs, improved productivity, and higher profitability."</i>	<i>Alguimar/Balsora Farm (Colombia)</i>
<i>"Market recognition of Bonsucro certification by important clients."</i>	<i>Copersucar S.A. (Brazil)</i>

## MARKET AND UPTAKE FROM MEMBERS

### Uptake of Bonsucro Certified Products and Credits

End Users in membership that have set public commitments for sourcing of sustainable sugarcane-derived products are faced with the question of how to make such commitments a reality within their set timeframes. Similarly, producers that have gone through the process of certification have expectations of purchases by End Users and Intermediaries. Bonsucro believes it can play a role in identifying synergies and facilitating aligned ways of achieving these targets through pre-competitive collaboration, linked to producer expectations, and has convened several engagement activities to this end.

Uptake of Bonsucro certified products has been growing and it is expected to grow even more in the coming years. Bonsucro will continue to work with its members to facilitate and increase the trade of certified products. In 2015 Bonsucro will collaborate with members to increase the market uptake through a variety of methods, including cross-category membership summits with clear action plans. Bonsucro has begun to monitor and analyse data from the trade of certified products and uptake to encourage greater purchasing from Bonsucro members.

### Member Pledges

Bonsucro's members continue to make substantial pledges towards their sustainable sourcing and ongoing support to Bonsucro. To view a full list, including 2014 pledges from members such as PepsiCo, Ferrero and General Mills, please visit the Bonsucro website.

### Diversification of certified products

In 2014, Bonsucro began certifying more than sugar and ethanol. The Standard and certification processes are now applicable to several different sugarcane-derived products including: bagasse, molasses, vinasse, yeast, filter cake, CMS, CO<sub>2</sub>, fusel oil, etc. This will also support the greater uptake of Bonsucro certified products since sugarcane mills now have increased business opportunities and added-value from their Bonsucro certification.



## FARMER ACTIVITIES

*Bonsucro has focused its resources on extending its reach to sugarcane farmers beyond Brazil, with farmer engagement activities being held in USA, Nicaragua, India, South Africa, Australia, Colombia, and Swaziland.*



### Farmers at Bonsucro Week 2013:

In 2013 Bonsucro welcomed more than 25 sugarcane farmers from 8 different countries to Bonsucro Week in New Orleans. This included six farmers who participated in Bonsucro's bursary scheme, aimed at making it possible to engage with farmers with a particular knowledge of sustainable agriculture that would not otherwise have had the means. The Farmer Working Group meeting allowed the farmers from the Farmer Bursary to share their first-hand experiences of sugarcane farming and working with Bonsucro, while the wider discussion encompassed topics such as the Farmer Community Programme and the Bonsucro Calculator.

### Farmer Working Group meeting, Cali, Colombia

The objective of the Farmer Working Group (FWG) is to create the mechanisms to provide every producer/farmer in the world with the ability to adapt and to adopt the sustainable practices identified by Bonsucro and promoted by the FWG. Since its creation, FWG members have participated in almost thirty teleconference meetings, and in May 2014, they met in Cali, Colombia. The meeting produced several key decisions, such as the adaptation of the Bonsucro Calculator and the Benchmarking project, which have since become part of the Secretariat's activities.

### Bonsucro Benchmarking tools

Bonsucro recognises that better management practices, sustainability tools, and other voluntary sustainability initiatives may contribute to achieving its vision and should be seen strategically as potential partners to mainstream sustainable sugarcane production at a faster pace. In its work with mills and farmers across the globe Bonsucro is frequently asked about equivalence of other tools and schemes in use in comparison to the Production Standard.



# STANDARDS

## STANDARD REVISION

*Bonsucro's Sustainability department has principally dedicated its resources to finalising the revised Production Standard. It has also maintained a high level of support to members (mills, and increasingly the supply chain) to implement the Standard and support the trade of Bonsucro certified products and credits. Throughout this, the regular activities of certification body oversight have continued as planned.*

## REVISION PROCESS

In June 2012, the Bonsucro Board of Directors instructed the Secretariat to lead the project of revising the Bonsucro Production Standard. As a full member of ISEAL, Bonsucro has strictly followed the requirements set in the ISEAL code for Setting Social and Environmental Standards v5.0.

The Secretariat convened the Standard Revision Committee (SRC), formed of one representative of each membership class. The SRC has acted as a sounding and decision body to the work carried out by the Secretariat in revising the indicators and Guidance of the Bonsucro Production Standard. Over the course of the project, members supported Bonsucro by participating on the SRC, bringing expertise in social, environmental and technical subjects enabling the development of realistic indicators.

The SRC based its work on the output of a series of three public consultations (London, USA and India) and three online consultations. A total of 354 people participated in the consultations. Between January and May 2014, Bonsucro conducted, directly or with the collaboration of licensed Certification Bodies, six pilot audits in four countries (Brazil, India, Australia and Honduras) to assess the applicability of the revised indicators. In August, members voted for the revised Standard's adoption, receiving 100% approval. The Standard and its attached Guidance were redesigned and published in late September.

## MAIN CHANGES

The scope of the revision was to improve current indicators and develop new indicators should current indicators not be relevant or applicable on the ground. The revision also looked at the identification of sustainability hotspots within the sugarcane sector. Version 4 counts 16 core criteria spread over 8 criteria (versus 15 core criteria over 5 criteria in version 3).

New indicators have been developed around the following sustainability hotspots:

- ✓ **Water:** right to water, water use efficiency for irrigated sugarcane, productivity of yields (indicator developed based on observed efficient use of water by growers), the impact of effluents on receiving streams is now assessed by the measure of dissolved oxygen after release;
- ✓ **Health and safety of workers:** health and safety management plans and drinking water are now core criteria, new indicators have been introduced on maximum hours of work and payment of premium for overtime;
- ✓ **Fertilisers and agrochemicals:** a new indicator replaces the evaluation of fertiliser used; a separate indicator has been introduced to reinforce the ban of the most harmful agrochemicals by international conventions;
- ✓ **Farmer payments:** a new indicator on compliance with contracts between mills and growers;
- ✓ **Others:** promotion of recycling or safe disposal of industry waste; adaption of the indicator on vocational training.

The revised Standard is clear that any workers on the premises of a farm included in the unit of certification or in the mill undergoing certification must be in compliance with specific social indicators.

A large part of the work of the SRC has been to improve the guidance by adding clarity and more instructions to the operators. The Guidance is no longer just for auditors but a guide for implementation. It will provide support to operators and be used by auditors to conduct their assessments.

### TECHNICAL SUPPORT TO MEMBERS

Allowing Bonsucro members access to the technical expertise of the Secretariat is key to forging stronger understanding of the Bonsucro system and promoting wider sustainability in the sugarcane industry. Technical support spans the full supply chain, and over the past year has included training events, online explanatory webinars, and workshops at conferences. Support has also been given by the Sustainability department on a regular basis to members requiring assistance with the Bonsucro Calculator and the certification process.

### PUBLISHED PAPERS

Bonsucro aims for participation in scientific developments relevant to sustainability and sugarcane, and has seen several of its papers published in 2014.

As part of the Standard Revision Process, the Head of Sustainability, Nicolas Viart collaborated with Kate Brauman of the University of Minnesota for the writing of a scientific paper, “The development of a regionally-sensitive water usage indicator to identify sustainable practices for

sugarcane growers”. This paper supports the development and implementation of the new 3.1.2 indicator on cane productivity in the revised Bonsucro Production Standard. The outcomes of the paper were presented at the SIT conference in Toronto in May 2014.

Bonsucro’s Natasha Schwarzbach worked with Dr Ben Richardson of the University of Warwick to publish a paper addressing child labour in global agricultural supply chains. The paper, “A Bitter Harvest: Child Labour in Sugarcane Agriculture”, was presented at UC Davis, California in March 2014.

The Head of Sustainability, in collaboration with the Head of Farmer Support, Daniel Lobo, has also published a paper titled “What role for Sustainability Standards in the Future of the Sugarcane Industry”. The paper was presented at the SPRI conference in Ribeirão Preto in September 2014.

### CHAIN OF CUSTODY STANDARD REVISION

In March 2014 the Board of Directors approved the revision process for the Chain of Custody (Choc) Standard. The Revision Task Force has been formed, and the proposed timeline states that the revised version of the ChoC Standard will be put to a membership vote in the second quarter of 2015.

### ISEAL CODE OF PRACTICES

Bonsucro is a full-member of the ISEAL Alliance. Bonsucro is the first sugarcane standard to be found in compliance, by an independent reviewer, with the ISEAL Impacts Code, and is compliant with ISEAL’s Standard-Setting Code.

Evaluation against the ISEAL Assurance Code will take place in 2014.





# OPERATIONS

## GOVERNANCE

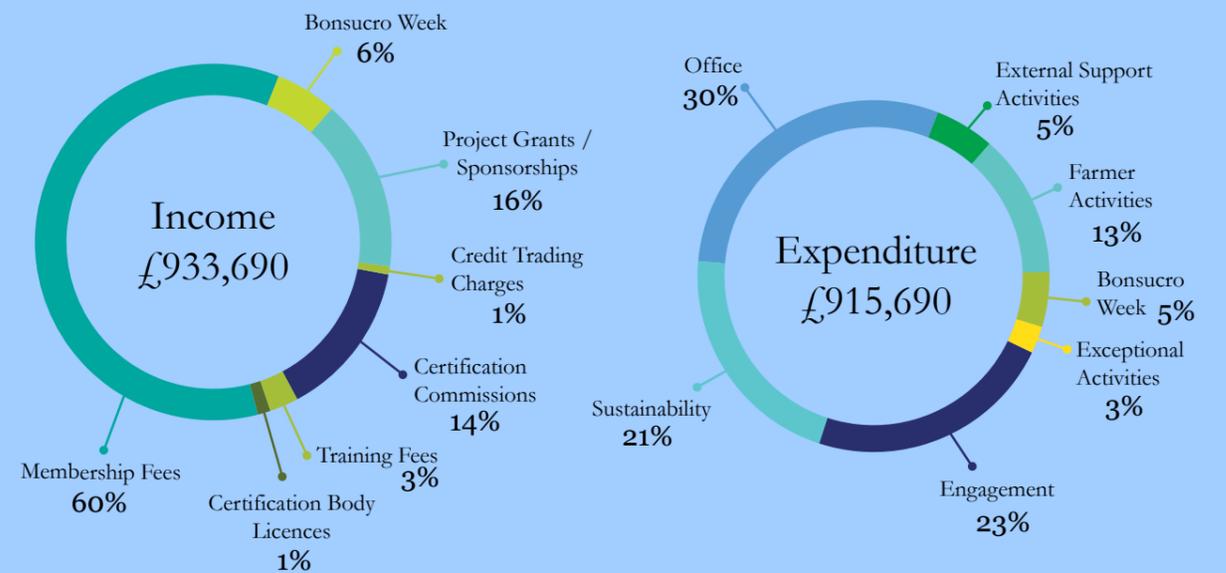
Bonsucro is and will remain committed to maintaining its credibility and to continuous improvement as an organisation.

Guided by the Credibility Principles of the ISEAL Alliance, this year Bonsucro has taken an important step towards improving its Governance system, the Board will present a new “Governance package” to members, with the introduction of an overarching document: the Membership Governance Framework Rules and Regulations, which, following the mandate that Bonsucro members have trusted the Board with, will organise and regulate the works of Bonsucro and the benefits and duties of Bonsucro members.

This will be in line with the Articles of Association and the Code of Conduct. This package will continue to support the current efficiency of operations, transparency and accountability between Bonsucro, the Board and the membership.

OPERATIONS

## 2013/14 Financial Summary



# Who's Who



## **Bonsucro Board of Directors**

Chair:	James Primrose
Vice-Chair:	Michel Santos
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End User:	David Howson Gabriel Guzman (co-opted until 2014 AGM, replacing Lucy Song) Denise Knight (co-opted until 2014 AGM)
Civil Society:	Jeff Malcolm (co-opted until 2014 AGM, replacing Rob Cairns) Sven Sielhorst
Farmer:	Robert Quirk Guido Mauricio Lopez Ochoa
Intermediary:	James Primrose Diane Stevenson
Industrial:	Davi Alencar de Araújo Peter Dibella Michel Santos Gabriela Toscano Orlandi

## **Bonsucro Secretariat**

Simon Usher:	Chief Executive Officer
Natasha Schwarzbach:	Head of Engagement
Nicolas Viart:	Head of Sustainability
Daniel Lobo:	Head of Farmer Support
Girish Jethwa:	Head of Operations
Dayse Groves:	Certification Co-ordinator
Rafael Seixas:	Research and Policy Analyst
Joe Woodruff:	Communications Specialist
Manuela Czinari:	Chain of Custody – Ethanol Specialist
Nahuel Tunon:	Latin American Specialist/Executive PA
Alan Ward:	Accounts Assistant

CONTACT

### Contact

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*Bonsucro's mission is to foster the sustainability of the sugarcane sector through a metric-based certification scheme and by supporting continuous improvement for members.*

Bonsucro is a registered trademark in the European Union, Australia, Indonesia and a trademark in other countries.

Bonsucro is the trading name of the Better Sugarcane Initiative Ltd, a company registered in England and Wales, company number 06798568.

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