



BONSUCRO®

AT A GLANCE

V.1.0

Kevin Ogorzalek



Chairman's Message

Bonsucro is the most credible and robust sugarcane certification scheme in the world. The past two decades have seen a proliferation of sustainability labels. Bonsucro is a leader in this expanding field of certification, and at the same time we are more than just one of the 426 sustainability labels, and even more than one of the 12 recognised schemes under the EU Renewable Energy Directive. Bonsucro is a membership driven organisation guided towards a common goal of sustainable sugarcane that will change the industry's culture.

Bonsucro and the global sugarcane industry continue to improve at a rapid pace. This year, with your help, the organisation will refine its Standard and engage farmers and millers to promote innovation and encourage the adoption of better management practices. Our membership will grow. We will enable the sale of certified sugar and ethanol as well as Bonsucro Credits. End users will make the market by motivating and demanding certification. Bonsucro will work to gain mutual recognition of audits, easing the financial and time burden on millers and farmers. These activities will

help demonstrate the economic value of Bonsucro while answering the moral call incumbent upon us all to assure the protection of human rights and the environment.

Bonsucro has come a long way in the past 7 years; moving rapidly from an idea of market collaboration to create collective action to a metric based standard. After one year of certification, over 2% of global production is certified. Members are working together to make real changes in the field. Yet there is still much work to be done.

Bonsucro is part of a global industry that has a dark history as an industry that was built upon slavery in many places. Let us be frank in recognising that there are still wrongs in need of righting in some corners of this industry. Just this past year, child labour was discovered in the cane industry of Mexico's Vera Cruz state. A public-private sector engagement was initiated which led to a government pledge to eliminate child labour. Members, with support from Bonsucro, played a leading role in creating this resolution. Bonsucro applauds the vision of the Mexican sugarcane industry and farmer leadership.

Bonsucro is for leaders, not laggards. We have members advocating for leading land use policies, investing in innovative new plastics from cane, and creating new farming methods to save global treasures like the Great Barrier Reef. These are but some of the examples of the leadership embodied in the spirit of Bonsucro and its members. Sugarcane, a crop of opportunity, employs millions of people, provides food, energy and bio-based products to move into a new era. We have made great progress together in a few short years. There is much more to be done.

Bonsucro succeeds because of its members and that success will only multiply as we grow and make sugarcane production sustainable, setting the standard for the world to follow.



A brief history of Bonsucro (so far)

Less than a year and a half after the Bonsucro Production Standard became available, 2.15% of all land under sugarcane was already Bonsucro-certified. Sixty-seven companies and organisations are members of Bonsucro. Six full-time staff have already led training, seminars and briefings in more than 30 cane-producing countries.

An ambitious business plan sees Bonsucro committed to 20% penetration by 2017 and a continuing programme of outreach, training and certification.

In June 2005, the first “better sugar: better business” meeting of like-minded stakeholders agreed on a collaborative approach to identifying what sustainable cane would look like...

Within 2 years, the nascent Bonsucro, then known as the Better Sugarcane Initiative, had its first members and its steering group appointed a secretariat. Technical working groups began to identify the building blocks of what would become the standard for sustainable sugarcane - criteria and indicators.

By 2008, the founding members, at their first Annual General Meeting in Sao Paulo, Brazil invited the wider sugar industry and public to comment on ‘version one’ of the production standard. The outreach goes to 10 countries on four continents.

The vision becomes a company, registered in the UK. Determined to work at the highest level, it becomes an Associate Member of ISEAL and begins the development of the certification model and audit guidance.

Continuing its commitment to taking Bonsucro to where cane is grown, the 2009 meeting held in Tamil Nadu, India is twice the size and approves the release of ‘version two’ of the production standard for further

consultation and is followed by field trials in India, Brazil, Australia, South Africa and the Dominican Republic.

The meeting held in Puerto Rico in 2010 sets the scene for the roll-out of the final published version of the Standard to mills.

The organisation is re-branded as Bonsucro and soon after, the first certification bodies - the companies that audit the mills against the Standard - are trained. The first certification takes place in Brazil.

In 2011, a variant of the Standard tailored to the EU biofuel market is approved by the European Commission. A Chain of Custody Standard is underway and a programme of producer training begins across the southern hemisphere.

Appointing its first Chief Executive mid-year, at the 2011 annual meeting in Australia, the Board updates the Code of Conduct for members and Articles of Association and announce elections in a new electoral college, reflecting rapid growth to more than 50 members.

Following a year of intense activity worldwide, 2012 saw the first paid-participation Bonsucro conference in its home city, London. Now with 23 certified mills, initiatives planned in several countries throughout 2013, credit trading available and an increasing focus on farmers, the vision of “*a sugarcane sector that is continuously improving and verified as sustainable*” looks increasingly assured.



Membership of Bonsucro

At the heart of Bonsucro activities is its membership. Member companies and organisations elect the Bonsucro Board, help to develop the Standards through expert groups and ensure that Bonsucro's work reflects the realities of sugarcane today.

Membership of Bonsucro is therefore designed to be relevant to all companies and organisations with an interest in sugarcane. We've made the process of becoming part of Bonsucro, and helping to shape the future of sustainability in sugarcane, straightforward.

Candidate members complete an application form (page 10), with contact details and a brief description of their involvement in the sector. Critically, the applicant is required to agree to comply with the Code of Conduct (page 8 & 9) to be accepted into membership.

Once lodged with the Bonsucro office, the application will be posted at www.bonsucro.com and both members and any other visitors to the site will be invited to review the application and comment on it.

If, after 30 days, no negative comments have been received, staff confirm that the application to join has been successful subject to payment. Membership will be formalised and the new member will be featured at www.bonsucro.com.

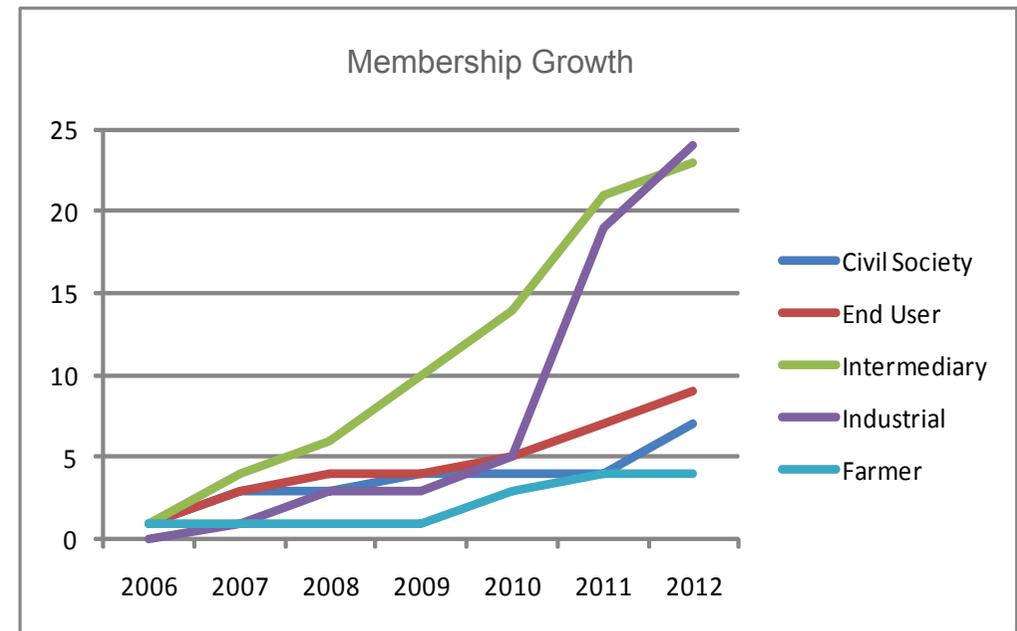
If there are any negative comments, staff contact the applicant and ask them to respond. In every instance where there are comments, the Board reviews the information provided and decides on the application.

As soon as a company becomes a Member, we encourage them to announce their membership and to actively participate in the work of Bonsucro.

To keep members informed, we send a Bulletin to all members every two weeks, provide a 'members only' section at our site, enable credit trading between members, and other exclusive services.

Early in the year, we elect new members to our Board. All members are eligible to vote and to stand. The democracy of our organisation is designed to be representative, open and accessible.

Our annual general meeting, conference and dinner takes place in November. It's where the sustainable sugarcane industry gets together face to face.



ACFAAddaxBioenergyManagementAdecoagroAgrovaleAltaMogianaArgosOilArmajaroTradingLtdAsocañaAzunosaBacardiBayerCrop ScienceBiosevBPBraskemCañerosGuabiraCrgillCaselHCEVASACevitalTheCocaColaCompanyConcernUniversalCopersucarCSCCSMEcoverED&FMan EIDParryETHBioenergiaFerreroGreenenergyGroupBungeGrupoFariasGrupoSãoMartinhoGrupoUSJGuaraniSAIFCKraftLaIslaFoundation MagAlcoholesNeltecNewSouthWalesSugarMillingCoopNSLSugarsPepsicoPetrobrasHoldingsProcañaRabobankRagusSugarLtdRaizen ReefCatchmentsRenukaRioVermelhoShellSojitzCorporationSolidaridadSucreEthiqueSuikerUnieSyngentaTateLyleSugarsToyotaTsusho CorpUNICAUnileverUnitedMolassesUsinaAçucareiraSManoelSAUsinaSantaAdéliaUsinaSãoLuizWWFZilorEnergiaeAlimentos

BONSUCRO[®] CODE OF CONDUCT

BONSUCRO is an open, voluntary, not-for-profit multi-stakeholder organisation aiming to improve the social, environmental, and economic sustainability of sugar cane production.

The Code sets out the commitments of members, which are imperative to being a member of BONSUCRO. By doing so, the Code aims to uphold the integrity, credibility and continued progress of BONSUCRO and its member organisations.

All Members undertake to act in good faith and in a transparent manner towards this objective and commit to supporting this Code of Conduct.

This Code applies to all Full and Associate Members of Bonsucro with respect to their activities in the sugarcane sector and its derivatives.

1. Promotion and Commitment

1.1 Member organisations shall acknowledge and agree to implement BONSUCRO's objectives and Standards through informed and explicit endorsement.

1.2 Members shall exercise best endeavours to achieve the above throughout their own organisation and to their customers, suppliers, sub-contractors and wider value chains as appropriate. Members who are not actively involved in the production and trade of sugar cane and its by-products shall promote and communicate their commitments in ways that support the efforts of producers to increase the volume, quality and sustainability of sugar cane produced and certified to BONSUCRO Standards.

1.3 Membership of BONSUCRO shall require active participation of at least one nominated representative of the Member organisation.

2. Transparency

2.1 Members shall not make any misleading or unsubstantiated claims, statements and reports about the production, procurement or use of Bonsucro certified sugar cane products

2.2 Save for appropriate protection of trade sensitive and/or confidential information and subject to any applicable Competition Rules, Members shall commit to open and transparent engagement with interested parties.

2.3 Members shall report annually to the Board of Directors on their efforts to support Bonsucro and improve the social, environmental, and economic sustainability of sugar cane production.

3. Implementation and Support

3.1 All Members shall commit themselves to the principle of continuous improvement of the sugar cane value chain and:

3.2 In this regard, Members shall use their best efforts to support the implementation of the BONSUCRO Standards, and the effective functioning of the certification system and support increased purchasing of BONSUCRO certified sugar cane and its derivatives.

3.3 Members who are not involved in producing and purchasing sugar cane products will actively seek to promote BONSUCRO certified sugar cane products and will give support to those members engaged in implementing the BONSUCRO Standards or buying BONSUCRO certified products.

3.4 Members will share with other members experience in the design and implementation of active ties to support sustainable sugar cane production (subject to any restrictions in relation to commercially confidential information and always in accordance with the Bonsucro Competition Compliance Policy - Annex 1).

3.5 Members shall at all times adhere strictly to the Bonsucro Competition Compliance Policy (as changed from time to time, the current version of which is at Annex I). Bonsucro will notify Members in writing, of any proposed change to the Competition Compliance Policy and Members must, as a condition of their continuing membership of Bonsucro, provide their written consent to any such change. In the event that a Member has reasonable grounds to suspect or becomes aware that another Member is engaged in anti-competitive behaviour within Bonsucro or with another Member, they shall immediately notify this to the Bonsucro Board of Directors. Members should report any anti-competitive behaviour or suspicions of anti-competitive behaviour by another Member outside the operation of Bonsucro to an appropriate competition authority.

4. Breaches of the Code

4.1 Members are encouraged to resolve any disputes relating to the application of this Code of Conduct directly with each other. Should this prove infeasible, a written complaint should be submitted to the Secretariat in order to commence the Complaints Resolution Process.

4.2 Members hereby agree that the decision of the Board of Directors following their assessment of any allegation through the Complaints Resolution Process shall be binding on all Members. In the event that a Member is determined by the Board of Directors to have been in breach of this Code they may be excluded from the organisation for a period of time to be set by the Board or may be required to comply with some other decision of the Board, according to the severity of the breach.

As a Bonsucro member, I agree to adhere to the above Code of Conduct, including its annex on competition law.

Application for Membership of Bonsucro

This form should be completed in English by a person authorised to do so on behalf of the applicant organisation.

Contact person: _____ Email: _____

Company Name: _____

Company Address: _____

Country: _____ Website: _____

Brief description of the company's activities

Membership class applied for (current fees are available on request accounts@bonsucro.com)

- Farmer** Group Co-operative, Association, Farm Company or other comparable entity.
Total Hectares Covered
- Industrial** Sugarcane mills with or without annex refineries that are subject to certification. Miller associations also fall into this category.
Total Mill Crush Capacity
- Intermediary** A company that adds value or transports sugarcane derivatives, as well as companies that are enablers to the sugarcane industry such as agrochemical companies and equipment companies. Specific intermediaries are traders and independent refineries. Also, Intermediary associations. Turnover (USD)
- End-User** A company that utilises sugarcane derivatives as a product to sell to consumers or customers.
Turnover (USD)
- Civil Society** A non-profit organisation/entity that has a distinct agenda but does not advocate or represent a group of companies, people, or others with a commercial interest in the sugarcane industry.

By signing, the applicant agrees to adhere to follow the Code of Conduct, including its annex on competition law at bonsucro.com

Signature: _____ Name: _____ Date: _____

Process of Certification

For a mill to become Bonsucro certified, it must first become a member of Bonsucro. This is important as one of the requirements is that the mill agrees to adhere to the the Bonsucro Code of Conduct. Bonsucro provides training to explain what is required to achieve certification. Training events take place around the world throughout the year. The calendar is published at our website.

Included in membership is access to the Bonsucro Calculator, a software tool that enables self-assessment and aids mill managers to understand what corrective actions need to be implemented to ensure a successful audit against the production standard.

Bonsucro recommends a pre-assessment audit. Bonsucro does not conduct audits, but licences the responsibility to third-party Certification Bodies (CB's).

When a mill is ready to proceed with certification, it contracts one of the CB's and the audit takes place.

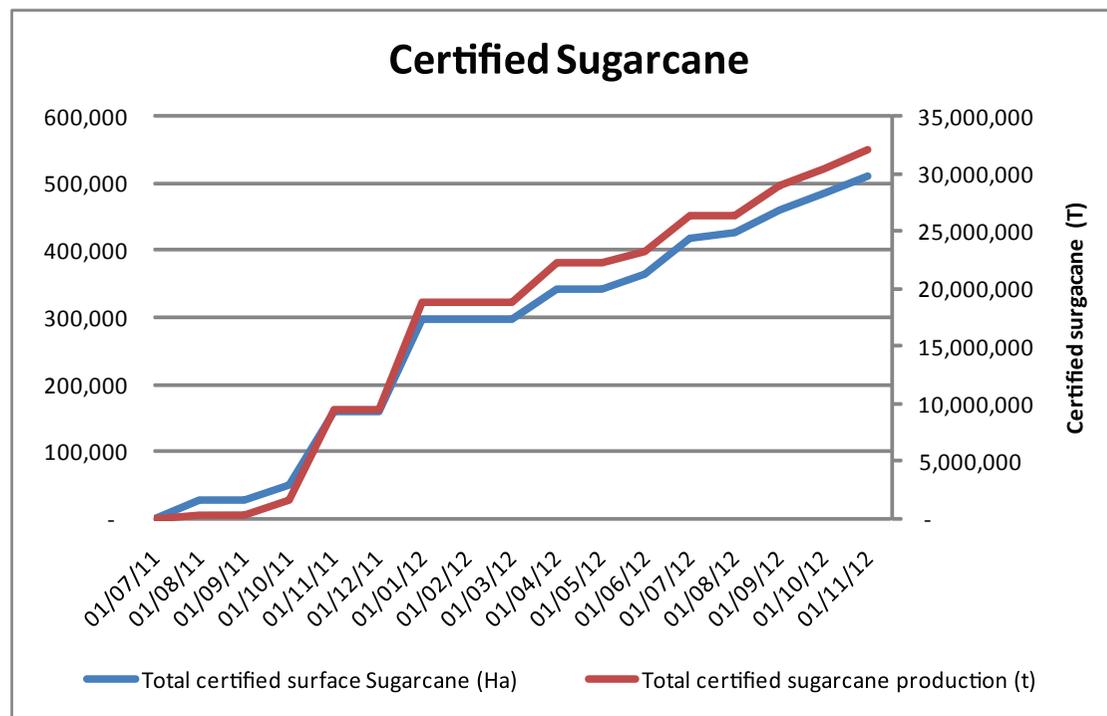
The mill must decide which farmlands will supply the cane, which in turn determines how much of its output it plans to certify.

Certification extends to the 'factory gates'. Typically, this is the mill and the output of either sugar or ethanol. However, where a refinery is attached, the refined product will be certified.

Assuming that the mill passes, a certificate will be awarded and Bonsucro will announce the successful certification and products (or credits) can then be traded.

Bonsucro levies a 'certification fee' of USD 0.07.5 per tonne, per year on the mill. Eighty per cent of this is invoiced at the time of certification and a correction for the remainder, adjusted for actual output, follows at year end.

Bonsucro also offers a separate 'chain of custody' certification, which provides assurance of the integrity of Bonsucro certified product through to its final delivery point.



Raízen's journey to Bonsucro Certification

An interview with Davi Alencar de Araújo, Sustainable Development Manager of Raízen. Raízen is one of the world's largest producer of sugar and ethanol. Raízen is a joint venture between Shell and Cosan. In June 2011 Raízen's, Maracá Mill achieved the first Bonsucro certification.

Who made the decision to work towards Bonsucro certification?

The shareholders wanted to demonstrate and prove that sustainability is at the very core of our business.

Why Bonsucro?

Bonsucro was chosen because it is the only global metric standard for sugarcane that proves it is possible to produce more whilst respecting people and the environment. Bonsucro certification has enabled us to re-evaluate our governance and implement changes from minor issues related to our operations to big challenges related to biodiversity and greenhouse gas emissions.

Is Bonsucro well-known within Raízen?

An internal communications campaign was organised across all levels of the organisation to change behaviour and now Bonsucro is embedded in the organisation. If certification targets are reached all employees benefit from a bonus.

What are your targets?

Raízen has an aggressive strategy that will see 100% of its production Bonsucro certified.

What are some of the key challenges you face?

Bonsucro certification has resulted in several benefits and also provided solutions to some of the challenges we face. The first challenge is legal compliance. Brazil is one of the most regulated countries on earth.

Every single mill must comply with more than 300 specific laws from 15 different government agencies.

Bonsucro has helped to improve our compliance with local regulations and has reduced our liability.

Another challenge is investment. It's important to have sufficient resources and to use them at the right time and in the right way to enable certification.

Finally, it is important to change the culture across the organisation, from the top and middle level managers, to supervisors and workers. They must change their views and the way in which they interface with the environment. They have to understand that the ways in which they work influence the capacity of the organisation to achieve its sustainability goals. Also, the way in which we affect the environment will dictate the sustainability of our business itself since we depend on nature to produce sugarcane.

Mills are committing to certification, now the buyers need to commit to purchasing the sustainable products.

Has Bonsucro helped to improve your relationship with key stakeholders?

The Brazilian labour ministry is asking other mills to follow the example of Raízen and work towards Bonsucro certification.

“there
is no way
back”

Our relationship with local communities has improved. Bonsucro demands a progressive process of public consultation with open and free forums for local communities and this has encouraged us to engage and open up our channels of communication with the community.

Has your approach to preparing for certification changed?

Yes, we have adapted our strategy. From concentrating on certifying individual mills, one by one, which could take from 8 to 12 months per mill, we are now implementing processes such as mapping, scope definition, the mass balance system and chain of custody certification, the calculator tool, stakeholder management, amongst other processes.

All of these will be implemented in parallel before certification, and will help to facilitate our way towards the certification of our entire production. By working in parallel we will reach the objective of transforming the company sooner.

What are some of the impacts you have seen since certification?

From disposing our wastes in the right place to applying techniques to preserve water and soil quality, all of our activities now embrace sustainability.

Bonsucro has added value to our products and to our brand. Not only the products made from sustainable sugarcane have better quality but they also help us to improve our image and goodwill with consumers. Our customers have perceived that our company is constantly in the newspapers, not because of environmental degradation or disrespect for labour rights, but because of our environmental and social leadership.

Audits are regular. Mills must maintain the level of excellence that was implemented in order to remain certified. When people ask me about the impact of certification I say “there is no way back”.



In Numbers

Certification

Production Certificates	Total certified surface sugarcane (Ha)	Percentage global sugarcane surface	Total certified sugarcane production (t)	Percentage global sugarcane production	Total certified sugar produced (t)	Total certified ethanol produced (m3)	Countries
23	510,840	2.15%	32,069,228	1.93%	2,377,685	1,688,589	BR, AUS

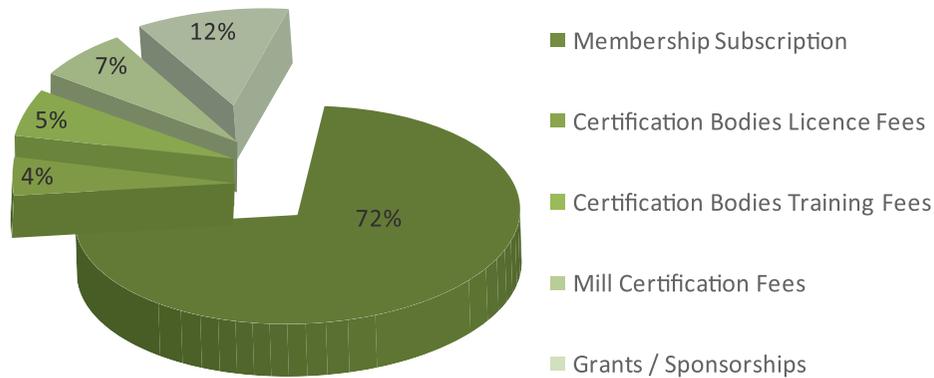
Finances

Period covered April-September 2012.

Full accounts available on request.

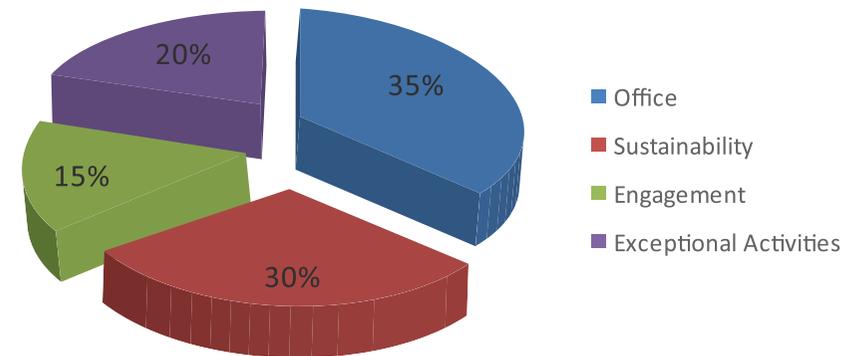
Income

Total income £329,533



Expenditure

Total expenditure £297,855



Nov 2011 – Oct 2012

1 Sustainability Award presented	59 Auditors Trained
10 Licenced Certification Bodies (CB's)	67 Members
22 Auditors trained in Chain of Custody	70 People trained to level 2 Producer training
22 Conference presentations	26,242 Unique Visitors on website (12 mth period)
23 Different countries visited by Bonsucro	208,000 Google searches for Bonsucro

Nick Goodall
Chief Executive

Your interest in sugarcane means that, if you aren't already, your participation in Bonsucro would be a good idea.

You'll be in good company.

Making the Standard for sustainable sugarcane available is what we do. The more widely the Standard is embraced, the greater and faster the benefits for every participant in the supply chain, from the grower to the consumer is realised.

Our Standard is 'pre-competitive'. Typically, embracing the opportunities we offer mean that a farmer sees better yields, human rights are respected, the planet benefits from better stewardship, the miller becomes more efficient, the trader gains more visibility, the end user greater transparency of origin, and we all, as consumers of sugar, benefit from knowing that Bonsucro certified means 'sustainable'.

The fact that our Standard has since conception, been designed and owned, not only by the industry, but by customers, by civil society, by the farmers who grow the cane and all those along the supply chain, is what gives it such strength.

I am certain that what we have started to do here will soon become as routine and natural for business as the 'bottom line' already is. Put simply, there is no future in not being sustainable. What has been difficult up until now is having a way to measure sustainability. What we have in our production Standard is a way to prove it, for everyone who cares about sugarcane.

For now, our office is small but our work plan ambitious. We already know that we need to constantly develop our Standard and to find ways to make it work for the diverse communities in which sugarcane is grown and milled. We invite you to become part of that community.

We're excited to be driving this agenda forward. If you're not yet part of the future for sugarcane, get in touch with us. We'll be delighted to share our vision with you.

Bonsucro - simply the future for sugarcane.

Nick Goodall



Chief Executive



Bonsucro has four goals

Grow

“Increase membership across all categories to assure continued geographic growth particularly in the top sugarcane producing countries”.

Market

“Market the value of and establish the channels to enable sale of certified product”.

Improve

“Create and implement a platform to foster continuous improvement across all member value chains”.

Certify

“Increase certification of global sugarcane production”.

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 and in Australia and a trademark in other counties.

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

E&EO: Information was correct at time of publishing October 2012, contact www.bonsucro.com

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