



ANNUAL FINANCIAL AND GOVERNANCE REPORT

2019-20

INTRODUCTION

This year has been busy, successful, and productive. Once again, our membership increased and importantly, our members are working with us more closely. We have also seen an increase in certifications against our Production Standard and Chain of Custody Standard.

Over the past 12 months we have focused on improving some of Bonsucro's fundamental frameworks. We updated and launched our new Code of Conduct for members, we started developing a new Grievance Mechanism, and we launched the extensive Production Standard revision process. Each of these are complex pieces of work that will make Bonsucro stronger.

We expanded our presence and work in key origins. We started our first impact project in Mexico which led us to recruit a Regional Coordinator there. Work in Asia progressed apace, particularly in Thailand and India, but we also started working in Pakistan for the first time. Plus, we saw the first mill in Mauritius become certified in this period.

Although COVID-19 brought uncertainty and disruption at the end of the financial year, I am sure the sector will pull together and handle the challenges. Sustainability is becoming more pressing and the sugarcane sector is striving for more sustainable production, processing, and trade.



The next year is an important one for Bonsucro. We will continue with key pieces of work and develop our new five year strategic plan.

We will remain agile and quick to react to challenges, particularly those presented by the pandemic. We will also support the sector to meet sustainability goals.

Danielle Morley
CEO

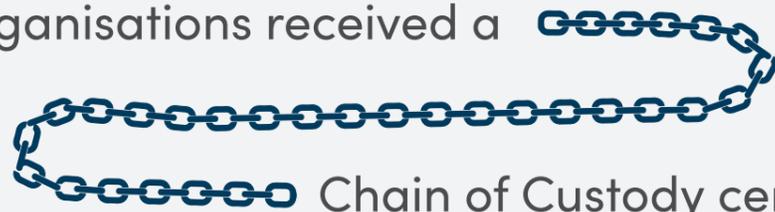
HIGHLIGHTS



33 NEW MEMBERS

including organisations in **Germany, China, Poland, Egypt, Singapore and Ecuador**

15 organisations received a



Chain of Custody certificate



Launched the Credit Trading Platform

an innovative tool that connects sugarcane producers with buyers to reward sustainability investment.



There are now Bonsucro members in more than **50 COUNTRIES WORLDWIDE**



27

farmers or mills achieved the Bonsucro Production Standard Certificate



First Technical Week held in **Argentina**



First certifications achieved in **Mexico, Costa Rica and Mauritius**

New impact projects started in **Pakistan, Thailand, Brazil, Mexico and South Africa**



OVER £1MILLION worth of credits sold



CASE STUDIES

Improving governance

In March 2020, Bonsucro launched its new Code of Conduct for members. The Code was developed after multiple consultations with members and other stakeholders over the course of a year.

Changes to the Code of Conduct reflect Bonsucro's risk management and due diligence processes, including on human rights. The new Code looks at members' sugarcane processing, production, and sourcing activities to ensure they align with Bonsucro's vision and mission and best practice in this space.

The rigorous consultation and changes have put Bonsucro at the forefront of due diligence in voluntary sustainability standards.

First mill becomes certified in Africa

For the first time, Bonsucro certified sugar from Africa is now on the market. Omnicane Milling Operations Limited, on the island of Mauritius, achieved certification in November 2019. Omnicane is a large business – it crushes around 1.2M tonnes of sugarcane per year. The organisation is considered a leading sugarcane producer and processor in Africa and has always been committed to sustainability. In addition, the mill is part of the National Cane Sustainability Steering Committee established by the Mauritian Sugar Syndicate to promote a national drive for sustainability across the Mauritian cane industry. The certification is a positive step forward for both Bonsucro and Omnicane.



Boosting sustainability with smallholder farmers in Mexico

In November 2019, Bonsucro joined an innovative coalition with PepsiCo, One Peterson, Proforest and GAM to increase sustainability of sugarcane production with smallholder farmers in Mexico. The project will help small scale producers and mills improve sustainability and achieve certification. As almost 90% of Mexico's sugarcane comes from smallholder producers, the project aims to boost the whole sugarcane sector. The collaboration focuses on creating sector-wide solutions to protect human rights and increase productivity on smallholder farms. The project will offer practical technical assistance and build the capacity on sustainable production at farm level.

Engaging with stakeholders in Thailand

In October 2019, Bonsucro organised a Stakeholder Forum in Thailand. More than 50 people from 22 companies gathered in Bangkok to discuss the sugarcane sector and how to work together more closely. The event ran across two days and included representatives from government agencies, sugarcane buyers, mills, farmers, non-governmental organisations, universities, and banks. The event revealed opportunities to work towards sustainability together. Some key topics for collaboration include developing a national standard, creating a smallholder farming association to help listen to individual's needs, and establishing a child protection programme.



DETAILED INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2020

	31.3.20	31.3.19
INCOME	£	£
Membership	1,490,097	1,389,331
Fees from credit trading	392,797	444,712
Standards training	61,862	74,729
Consultancy	6,943	-
Licence fees	39,651	17,050
Other income	19,710	1,010
Bonsucro week	-	94,312
Grants	259,060	175,640
	2,280,119	2,196,784
EXPENDITURE		
Operating expenditure	364,043	300,264
Grant expenditure	153,999	128,937
	518,042	429,201
Staff Costs	1,005,262	961,206
Admin and overheads	212,532	180,834
Bad debts	59,179	56,181
Amortisation and depreciation	27,029	39,079
Total Expenditure	1,822,045	1,666,501
NET SURPLUS	458,075	530,283



GOVERNANCE

There were several changes in Bonsucro's governance this year. Geraldine Kutas resigned as the Chair of the Board of Directors in September 2019.

The Board voted Jean Claude Autrey in as the new Chair in December 2019, meaning he had to leave his position as the Chair of the Technical Advisory Board (TAB), which he had held since 2017 – when the TAB was formed. Peter Allsopp then became the new Chair of the TAB.

In addition, over the 2019-20 financial year, Bonsucro appointed two new Directors and members of the Board. Ruben Faust was appointed in June 2019 and he also became the new Chair of the Finance and Risk Committee. Elizabeth Farina was appointed as Director of Bonsucro in December 2019.

The annual rotation on the Members' Council also took place.

Board of Directors as of end of March 2020

Jean-Claude Autrey – Chair, Board of Directors
Dr Peter Allsopp – Chair, Technical Advisory Board
Anthony Edmonds – Vice Chair, Members' Council
Elizabeth Farina – Board Director
Ruben Faust – Chair, Finance & Risk Committee
Melanie Rutten-Sülz – Chair, Governance Committee
Meredith Smith – Chair, Members' Council

Technical Advisory Board as of end of March 2020

Dr Peter Allsopp – Chair
Roshan Lal Tamak
Marionne Lips
Armando Ortega
Damien Sanfilippo
Dr Catharina Wesseling

Members' Council as of end of March 2020

Meredith Smith – Chair, ED&F Man
Anthony Edmonds – Vice Chair, Donovale
Mario Francisco Amador Rivas, National Committee of Sugar Producers of Nicaragua
Claudia Asensio, Ingenio Pantaleon
Alex Bjork, WWF USA
Rafael Bordonal Kalaki, Socicana
Marina Carlini, Raízen
Patrick Dessources, Caseli
Iver Drabaek, Nordzucker
Julian Fox, Tetra Pak
Monica Jaen, Copersucar
Neil Judd, Proforest
Billy King, Pernod Ricard
Joe Maguire, Coca-Cola
Acacio Masson Filho, Assobari
Dr Gopinathan MC, Solidaridad
Kevin Ogorzalek, Barry Callebaut
Sanjay Sacheti, Olam
Jorn Schouten, ACT Commodities
Natasha Schwarzbach, PepsiCo
Miguel Tejada Iraizoz, Hacienda San Isidro

THANK YOU

All our success has only been possible because so many people and organisations have offered valuable contributions.

We would also like to thank the Board for their dedication and valuable leadership. The diverse group always help to guide Bonsucro in the right direction. In addition, the team has worked very hard to ensure that 2019-20 was a successful and productive year. Finally, we would like to extend our thanks to our members. We appreciate your commitment to sustainability and your input into all our work.





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