

# SUSTAINABLE SUGARCANE CHANGING FOR GOOD

BONSUCRO STRATEGIC PLAN 2021-2026

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## FOREWORD

### OUR COMMITMENT TO SUSTAINABLE SUGARCANE

The Directors of Bonsucro are proud of the achievements of this global multi-stakeholder membership organisation dedicated to the successful expansion of sustainable sugarcane and its growing range of end uses.

Over the past 15 years, our members, Secretariat and partners throughout the world have helped make Bonsucro a global force for sustainability in the sugarcane world and beyond. We have a strong track record both as a voluntary standards organisation and as a convening platform to address key sustainability challenges and opportunities for the sector. We are now well placed to do so much more.

This Strategic Plan sets out our ambitions, commitments and use of resources for a critical five-year period for one of the world's most important crops. It reflects our confidence both in the future of sustainable sugarcane and in the contribution that Bonsucro will make for the benefit of all its stakeholders.

Sugarcane has an essential and positive role to play in the world's economic and environmental future. Grown in more than 115 countries and essential to the economy of many, the sector generates employment and income for millions of people.

While we must address many complex issues, the long-term prospects look positive for sustainably produced sugarcane and derivatives.

Bonsucro will effect change for the better through its global community of more than 260 members in over 50 countries, from all components of the sugarcane supply chain. We support that community with an expert Secretariat, growing financial and human resources and effective partnerships across the world.

We recognise the essential role that our certified mills and farms will play in the realisation of this strategy. We appreciate how much they have already achieved in demonstrating the value and effectiveness of Bonsucro certification.

As a Board, we oversee and monitor the work of our strong and dynamic Secretariat under the leadership of our Chief Executive, Danielle Morley, who has led the team in developing this strategic plan. The Directors have participated actively in the planning process and have endorsed these proposals, which we hope you will enjoy reading.



We believe that this plan makes a compelling case for broader adoption of Bonsucro's sustainability standards and for our members, partners and other stakeholders to step up their engagement with us. We commend this plan in the best interests of the sector to which we are all dedicated.

On behalf of the Board of Directors.

**Jean Claude Autrey**  
Chair

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## CHIEF EXECUTIVE'S INTRODUCTION

This is the strategic plan for Bonsucro for the five-year period from April 2021 to March 2026. It sets the direction for a critical period in shaping our sector's contribution to the UN Sustainable Development Goals and provides the basis for future annual operational plans.

### STRATEGY DEVELOPMENT

We have developed this strategy collaboratively, as we do everything in Bonsucro, supported by our external consultants, Change Agency, and a Steering Committee drawn from the Board and the executive leadership.

We have consulted widely among our members and partners - including several surveys, over 50 one-to-one interviews and over a dozen workshops, addressing the most important topics globally and in each of the regions where we work. We have benefited from a review of the draft plan by 14 independent 'critical friends' with expertise in the sector or aspects of sustainability. We greatly appreciate their constructive criticism and encouraging endorsement of our plans.

Our nine-month strategy development process has coincided with our latest revision of the Bonsucro Production Standard (BPS). This is a separate consultative exercise with its own governance, but some important planned modifications to the Standard will flow directly from the new strategy.

We have worked on this plan through a difficult period. COVID-19 has constrained the way we work, and we know that it will have a profound effect on our sector through 2021 and beyond. It has reminded us that all forward planning is subject to unforeseeable changes and challenges and that any strategy needs to be not only robust and ambitious, but also agile and adaptable. At the same time, the pandemic has dramatically highlighted that more sustainable lifestyles are within our reach.

### A POSITIVE FUTURE

We approach this next phase proud of our achievements to date, aware of where we need to be flexible, do more and do better, and confident that we have a unique and important part to play.

We are part of the powerful global drive to sustainable agriculture. Businesses are committed to sustainable sourcing to secure their supplies of essential commodities and to meet heightened public sector regulation and consumer expectations. The financial sector is driving sustainability as it seeks to minimise investment risk and ensure positive environmental and social impacts as well as strong economic performance.

Technology will aid advances in agriculture, manufacturing, information and logistics. We are confident that it can drive transformative change in sugarcane but recognise the importance of ensuring that everyone in the supply chains has access to developments that help improve efficiency and sustainability. Our use of intelligent data will drive value by providing insights and opportunities to farmers and the industry for improvement and return on investment.

We will continue to accelerate change by increasing our contribution and influence throughout the value chain while remaining adaptable to respond to unforeseeable events. We will build the scale and impact of our organisation through continued growth in our financial and human resources. We have set out clear plans to build our membership and the value we deliver to them, to expand our programmes and to improve both effectiveness and efficiency.



We look forward to working with you to deliver on the ambitions set out in this plan.

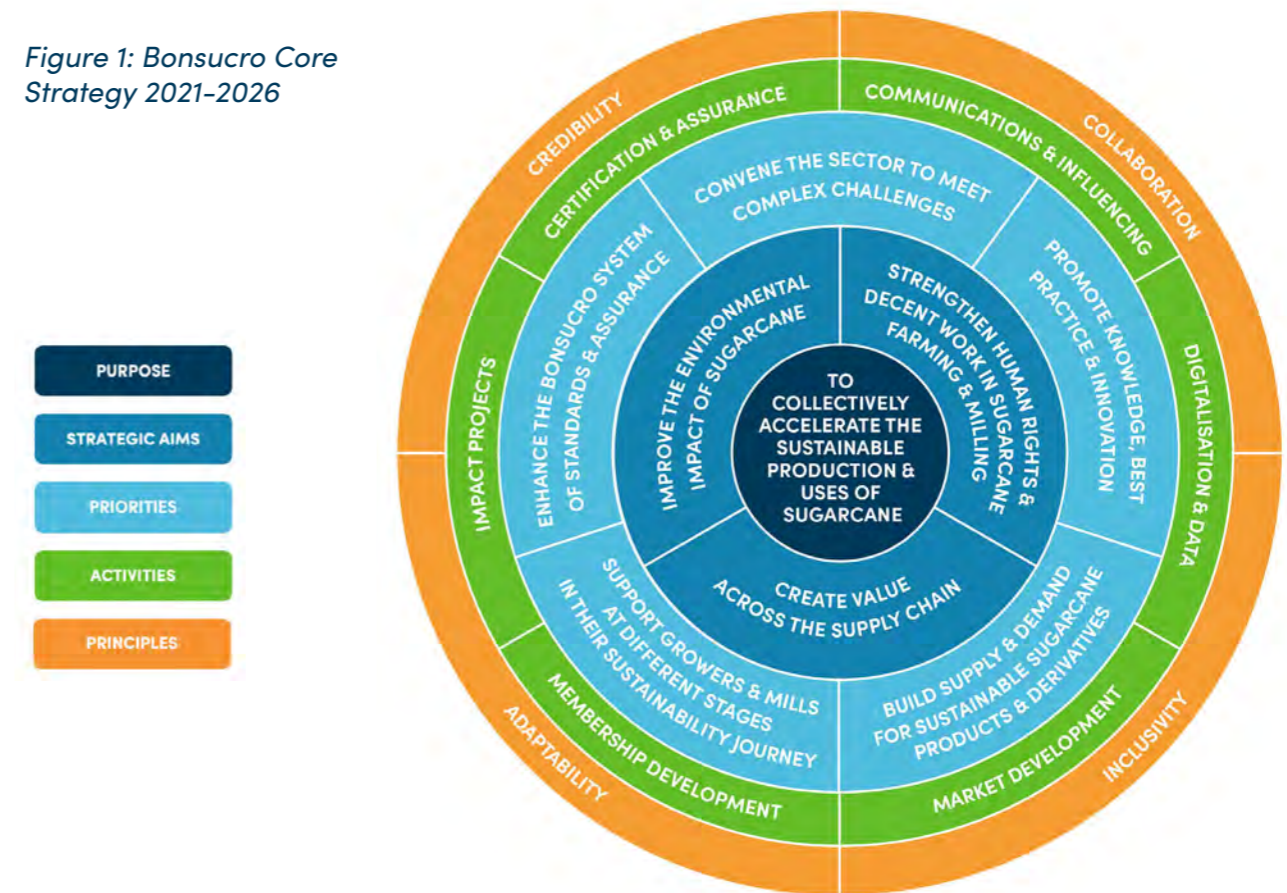
**Danielle Morley, CEO**

## 1. STRATEGY ON A PAGE

Our five-year strategy for Bonsucro builds on the achievements and progress of recent years, blends experience with new approaches, recognises where we need to do better, and sets an agenda for continuous improvement and greater impact.

The strategy is built around a newly defined Purpose and three Strategic Aims, against which we can measure progress over time through focused Lead Indicators. Implementation is designed around five strategic Priorities and delivered through six Activities, underpinned by four core Principles.

Figure 1: Bonsucro Core Strategy 2021-2026



**We will build on our position as the leading global sustainability standard for sugarcane and its many derivatives, and we will continue to support and grow our members, whose commitment is vital to our success.**

At the same time, we will expand our role as a convening force for the sector with our members and others to drive change beyond certification, including new collective commitments and actions to address critical systemic issues.

We will increase our focus on market development for Bonsucro-certified products and credits, building supply and demand for sustainable sugarcane products and derivatives.

We will expand our reach, capability and impact by developing our monitoring, evaluation and learning capabilities, and through the digitalisation of our systems.



## 2. BASELINE

Our strategy describes how we progress from our current state to where we want to be by 2026. This chapter provides an assessment of Bonsucro's achievements and challenges up to and during 2020/21, which will serve as the baseline year against which we will measure our impact through this strategy period.

### 2.1 ACHIEVEMENTS

**Bonsucro made significant achievements through 2020/21 despite exceptional challenges for sugarcane growing; from swarms of locusts, floods, droughts, to the far-reaching disruptions of COVID-19 - which will continue to impact the sector, in different ways, across the world.**

We grew our membership, strengthened our systems, and achieved many of our goals despite having to move to online working, and were able to continue much of our programme work, including the revision of the Bonsucro Production Standard.

We are embarking on this new strategy during a time of great disruption. We will continuously monitor and adapt our plans and ways of working to fulfil our purpose and achieve our strategic aims during this time of global uncertainty, building a more resilient and adaptive organisation.

#### GLOBAL REACH

**By March 2021, Bonsucro had 266 active members with strong participation in each of the largest sugarcane-producing countries in the Americas and Asia Pacific.**

Globally, approximately **4.8% of sugarcane land is certified** to the Bonsucro Production Standard, and certified mills are spread across **19 countries**. Bonsucro members represent some **20% of the global market** demand for sugar.

The strength of the organisation is reflected in the breadth of its members across farmers and associations, millers, intermediaries, traders, end users and civil society.

#### PRODUCTION & UPTAKE

**In the year ending March 2020, Bonsucro-certified sugarcane production reached 6.2 million tonnes and Bonsucro-certified ethanol reached 2.7 million m<sup>3</sup>, from 121 certified mills in 19 countries.**

Brazil accounts for little less than two-thirds of the certified sugar production followed by the rest of the Americas, India, Thailand, Australia and Africa.

Bonsucro-certified operations **exceeded their yield targets** in the 2018-19 season by an average of **8.65 tonnes of sugarcane per hectare<sup>1</sup>**. This meant that certified farmers were able to produce significantly more cane per hectare than conventional farmers, with reduced levels of fertiliser, pesticides and other inputs.

Combined sales of Bonsucro-certified mass balance sugar and credits amounted to **1.8 million tonnes** by end of season 2019/2020.

#### ENVIRONMENTAL IMPACT

**Bonsucro informs and promotes initiatives that support the sugarcane sector in tackling climate change, identifying solutions and building climate resilience.**

Our audit data from Bonsucro-certified producers and mills indicate **year-on-year reductions in Greenhouse Gas (GHG) emissions and water use**. This is supported by third-party research. For example, research among a sample of Bonsucro-certified mills and farmers in Brazil indicated **GHG reductions of 31% at farm level and 20% in mills over the first four years of certification<sup>2</sup>**. The same study showed that certification leads to continuing reductions in water, fertiliser and herbicide use and reductions in the pre-harvest burning of sugarcane<sup>3</sup>.

We want to build on past successes to achieve more with our members, partners and other stakeholders. We will engage the wider sugarcane sector to address the global climate crisis, and water crises and contribute to positive collective action for soil health, nature and ecosystems. This strategy reflects that ambition.

#### IMPACT ON HUMAN RIGHTS AND LABOUR CONDITIONS

**Bonsucro is committed to improving human rights and labour conditions across the sector.**

Respecting labour rights forms part of the Bonsucro's Standard Core Criteria. Certified mills are able to demonstrate no child labour or forced labour and the absence of discrimination. On average, wages on Bonsucro-certified farms are **21% above the national minimum wage**.

Certified mills and farms are continuously improving their health and safety standards and after five years of certification, operators achieve significant **reductions in accident rates<sup>4</sup> by 18%** at mill level and **38% at farm level**.

Our Code of Conduct revision in 2020 ensures convergence with the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Responsible Agricultural Supply Chains. The Code of Conduct commits members to respect human rights and work within the terms of the Bonsucro Grievance Mechanism, setting the bar for other sustainability standards.

While we celebrate this progress, we want to help Bonsucro-certified producers and millers achieve even greater improvements in their social impacts and economic conditions, and to engage with the wider sugarcane sector to share and act upon our experience and learning.

#### PLATFORM FOR CHANGE

**In 2019, we more than doubled investment in impact projects promoting sustainable production year-on-year. We have developed successful, replicable targeted programmes with partners to build capacity with mills and smallholders in India, Pakistan, Southern Africa, Mexico and Thailand.**

Bonsucro has worked to bring about more thriving, sustainable farming communities, and resilient assured supply chains feeding into national and international markets. We have achieved this through:

- Engagement and ownership by local stakeholders
- Targeted interventions to address context-specific issues and opportunities
- Capacity building and support to farmers and mills in key origins.

Our accelerator plans in India, Thailand, Brazil, Mexico and Central America have developed Bonsucro's role as a platform for sustainable sugarcane, working with farmers, millers, buyers and technology providers. Learning from our experience, we want to step this up to address systemic challenges focused on our strategic priorities.

## 2.2 CORE STRENGTHS & KEY CHALLENGES

Research and stakeholder consultation have confirmed Bonsucro's key strengths and identified a range of strategic and operational challenges, which this Strategic Plan seeks to address.

### PERCEIVED STRENGTHS

There is broad recognition of what we have accomplished with a relatively lean team in a challenging sector.

- Established Bonsucro as a global sustainability system and platform, with knowledge and an extensive network as key assets
- Built its reputation as the 'gold standard' for sustainable sugarcane: robust, credible, balanced, internationally recognised ISEAL code compliant member
- Strengthened membership through recruitment and retention
- Broadened its relevance to new end user sectors e.g. in bioethanol and bioplastics
- Grown its regional representation and engagement
- Developed impact reporting and gathered evidence of performance against key indicators
- Achieved a strong financial recovery through membership growth and addition of credit trading.

### STRATEGIC ISSUES

There are significant strategic challenges to address in this five-year cycle.

- Demonstrate a sharper sense of purpose and intended impact
- Apply rigour in deciding what Bonsucro will do and what it will not do
- Find appropriate balance between Bonsucro's role as a standard system and convening platform
- Resolve any tension between an ambition to raise the criteria of the Bonsucro Production Standard with the desire to make it more accessible
- Position Bonsucro clearly among a variety of alternative/competing schemes and standards
- Develop stronger value propositions for members, especially given the rigour and cost of Bonsucro certification in the context of low prices and market demand.

### OPERATIONAL ISSUES

We also need to address several operational issues.

- Improve uptake for Bonsucro-certified product – by bringing in more traders and end users, improving market access for producers and stimulating and incentivising demand
- Deliver more platform activity – unlocking and creating value through smarter use of data, convening and supply chain/pre-competitive collaboration and multi-stakeholder partnerships
- Build up regional capabilities – especially for member recruitment and engagement, and promotion and training around Bonsucro tools
- Invest in communications, profile raising and influencing.



## 2.3 POSITIONING

The strategic and economic importance of the sugarcane sector and its expansion into new end-use markets, coupled with the rising societal expectations of sustainability, mean that Bonsucro is part of an increasingly complex ecosystem of pre-competitive initiatives, partnerships and voluntary standard systems.

Bonsucro is the only sugarcane sustainability initiative that combines **all** the following characteristics:

- Exclusive focus on sugarcane and its derivatives throughout their value chains
- Credibility of the standard, assurance, and claims through ISEAL accreditation
- Focus on continuous improvement
- Global reach with local presence
- Multi-stakeholder membership and governance
- A broader role as a platform for change beyond the membership.

Bonsucro enjoys greater scale and reach in terms of volumes and membership than any other multi-national standard system focused on sugarcane, with members in each of the ten countries producing the largest volume of sugarcane and with certified mills in nine of them<sup>5</sup>. However, there are growing challenges to Bonsucro's position both as a standard and as a sector-wide convening force:

- Multi-national companies are faced with an increasing number of options to deploy their investment in sustainable sourcing and field-level impact
- Standards that are perceived to be more accessible, more flexible and less costly to implement
- The trend towards landscape approaches to certification across several different commodities, which may represent a threat to single commodity voluntary standard systems, could provide an essential role for Bonsucro working in partnership with other standards and civil society as well as the public and private sectors
- Multi-sector standards offering the prospect of standardisation and reduction in auditing.

This strategic plan seeks to build on Bonsucro's distinctive advantages and address the challenges.





### 3. GLOBAL CONTEXT 2021-2026

In developing Bonsucro’s strategy, we have comprehensively considered the external factors that will influence and shape our work.

This chapter outlines some of the more important considerations and what these are likely to mean for Bonsucro’s direction and priorities. Currently, the duration and longer-term impacts of COVID-19 remain unpredictable and may have the effect of accentuating or distorting some of these trends over the lifetime of this strategy.

#### 3.1 SUSTAINABLE DEVELOPMENT GOALS

The UN Sustainable Development Goals (SDGs) for 2030 present a shared blueprint for peace and prosperity for people and planet, providing a framework for Bonsucro and other global sustainability initiatives.

However, despite the commitment and investments of governments and the private sector, the *Sustainable Development Goals Report 2020* shows that, even before the COVID-19 pandemic, the number of people suffering from food insecurity was on the rise, the natural environment continued to deteriorate at an alarming rate, and dramatic levels of inequality persisted in all regions. The situation has deteriorated further because of the continuing impact on public health and trade through 2020 and into 2021.

We expect to see sustained cross-sector collaboration to address these challenges.



*“Global efforts to date have been insufficient to deliver the change we need, jeopardizing the Agenda’s promise to current and future generations. Now, due to COVID-19, an unprecedented health, economic and social crisis is threatening lives and livelihoods, making the achievement of Goals even more challenging.”*  
 (António Guterres, Secretary General, United Nations)

#### 3.2 INVESTMENT IN SUSTAINABILITY

The global cross-sector drive for economic, social and environmental sustainability will continue to gather momentum, despite short-term political and trade uncertainties and the global impact of COVID-19.

Financing sustainable growth and the transition to decarbonised and climate-resilient economies will be the overarching theme for investors during this strategy period and beyond.

There will be increasing pressure for the adoption and disclosure of environmental, social and governance factors (ESG) in product tracking and financial reporting. Regulators and policymakers across the world are seeking to drive more sustainable business decision-making and corporate disclosure of longer-term ESG risks across business activities and value chains.

ESG legal compliance requirements are increasing during this strategy period, most notably in Europe with the new and wide-ranging EU Green Deal, which will have an impact on supply chains beyond the borders of the European Union.

Sustainability and climate-risk disclosure will oblige investors and companies to consider ESG risks across agricultural supply chains.

We will see more public-private partnerships to address climate change and the SDGs as well as investment in sustainable projects by regulatory bodies, such as the EU’s ten-point plan for financing sustainable growth<sup>6</sup>.

The UN Conference on Trade & Development (UNCTAD) estimates that funds dedicated to investment in sustainable development have reached US\$1.2–\$1.3 trillion<sup>7</sup>. They include sustainability-themed funds, green bonds, and social bonds. Lockdown measures are slowing down existing investment projects, but UNCTAD also forecasts that investment flows will slowly recover from 2022, led by restructuring of the global value chain for resilience, replenishment of capital stock and recovery of the global economy.

We anticipate greater collaboration – but also some competition – among sustainability standard systems, along with movement towards greater transparency, and more reliable, comparable data<sup>8</sup>.

*“Public-private partnerships are the key to tackling climate change.”*  
 (World Economic Forum)



### 3.3 ENVIRONMENT

**The UN SDG Report 2020 confirmed the urgency of global action on climate change<sup>9</sup>, with further global commitments due at the UNFCCC COP26 summit in November 2021. We expect increasing attention to the measurement and reduction of GHG emissions across supply chains, as more companies and countries gear towards a net positive position and businesses come under increasing financial and legal pressure to report on their climate change impacts and risks.**

GHG emissions will continue to be the primary contributor to climate change with agriculture accounting for around 14% of the total emissions – increasing to 25% if forestry and other land use (AFOLU) are included. Climate change will also have a huge impact on agriculture, and climate change mitigation and adaptation will remain the foremost environmental concern for the agriculture sector in the short and long term.

Water crisis ranks highly as a social threat in the World Economic Forum 2019 Global Risk Landscape. Water depletion and pollution poses major risks in certain sugar origins, exacerbated by the impacts of climate change.

Scientific models indicate that global adoption of the Bonsucro Standard would halve GHG emissions, reduce water use by 65% and nutrient loading by 34%<sup>10</sup>. Although universal Bonsucro certification may not be achievable, the data provide insights for a roadmap to reduce environmental impact with the Bonsucro Standard.

*“Under a scenario of doubled global sugarcane production, Bonsucro adoption would further limit water use and greenhouse gas emissions by preventing sugarcane expansion into water-stressed and high-carbon stock ecosystems.”*  
(PNAS, 2019)

Balancing the need to water, fertilise, protect and harvest sugarcane plants with promoting soil health and biodiversity will remain a challenge along with the protection and extension of High Conservation Value Areas (HCVAs). It will be important to accelerate efforts to help both smallholder and large-scale farmers make further progress through training, data and technology.

Since much of the world’s sugarcane is grown in countries with significant social and labour challenges, Bonsucro is well-placed to act as the convening platform for improvement and change. Some sugarcane producers and origins will want to do more to address human and labour rights, and there will be continuing pressures to improve the provision of Decent Work – meaning adequate pay, basic rights, gender equality, safe working conditions, accident reduction, health and safety standards, and the right to association and representation.

As climate adaptation becomes increasingly important, longer-term social impacts on workers, smallholders and communities will need to be addressed. This includes actions to protect workers from heat and other stress factors, and to generate opportunities for income diversification for smallholders and independent farmers.

Land issues and the rights of indigenous communities will come further up the human rights agenda, particularly in SE Asia and Latin America, following on the OECD-FAO Guidance for Responsible Agricultural Supply Chains<sup>11</sup>.

*“Decent Work for all reduces inequality and increases resilience. Policies developed through social dialogue help people and communities cope with the impact of climate change, while facilitating the transition towards a more sustainable economy.”*  
(Guy Ryder, Director General, International Labour Organisation)

### 3.4 SOCIAL & LABOUR

**Meeting minimum safeguards on human rights and social standards will become increasingly important for the private sector as the influence of critical inter-governmental frameworks takes greater effect, particularly the UN Guiding Principles Business and Human Rights and the OECD Guidelines on Multinational Enterprises.**

The human rights-based approach adopted by some INGOs (international non-governmental organisations) and development agencies will underpin the work of institutional donors and civil society organisations and increasingly influence the policies and practices of businesses, governments and foundations. This approach focuses on those who are most marginalised, excluded or discriminated against. This often requires an analysis of gender norms, different forms of discrimination and power imbalances to ensure that interventions reach the most marginalised segments of the population.





## 3.5 TECHNOLOGY

Technology and digital innovations will have positive impacts in sugarcane supply chains, albeit their relevance to different supply-chain actors will vary and their impact may be incremental rather than transformational. It is important that the benefits are widely accessible and result in tangible sustainability and financial gains.

On the production side, we expect some increases in output because of process efficiency through agricultural mechanisation and precision farming<sup>12</sup>. There will be widening – but far from universal – access to digital technologies such as AI for temperature and moisture sensors, smart devices and machines driven by aerial imagery and GPS technology for precision agriculture<sup>13</sup>.

The expanded use of information and communication/mobile technologies (ICT) can improve the effectiveness of training for smallholder farmers and provide access to data and analytics to drive productivity improvements. Columbia University's 2019 Report on our work in India noted: "A major benefit of Bonsucro certification is the data availability. With Bonsucro, the mills need to maintain data for the Bonsucro calculator. The data may be used for assessing gaps in the system as well as viewing the benefits accrued, thus helping in decision-making on a wider scale"<sup>14</sup>.

Mobile and digital solutions will improve the certification process for many commodities, making it more accurate, cheaper and more widely applicable. Increased use of digital technologies, such as blockchain, will improve transparency and visibility along supply chains and enable better identification and communication around sustainability and impact.

As the convening platform for the sugarcane sector, Bonsucro will work with its partners to widen access to appropriate technologies and the finances needed to invest in them.

*"Digital innovation offers the means for smallholder farmers to take their rightful place at the forefront of a sustainable agriculture revolution, empowering them with the tools and knowledge to increase their efficiency, yields and incomes to previously unattainable levels."  
(Ernst & Young)*

## 3.6 SUGARCANE SECTOR

Sugarcane is one of the most important crops that is commercially grown. It is present in around 115 countries, with significant differences among locations in terms of growing conditions, production methods and scale, government policies and wider socio-economic factors. Pricing depends on whether sugar produced is for domestic or export markets.

Sugarcane has a critical role to play in addressing some of the world's most pressing sustainability challenges. It has exceptional properties of photosynthesis as a means to convert solar energy into biomass, while new polymers and bioplastics are produced from sugarcane ethanol or bagasse (a waste product from sugarcane processing). By-products from the mill are returned to the field to complete the nutrient cycle and maintain soil quality, and water produced is of high quality.

Bagasse is also used to cogenerate heat and power for mills in countries such as Mauritius, Reunion Island, India and Brazil, while also exporting low-cost power to national grids. Renewable energy options such as cogeneration promote sustainable development, take advantage of domestic resources, increase profitability and competitiveness in the industry, and cost-effectively address climate mitigation and other environmental goals<sup>15</sup>.



### 3.6.1 SUGARCANE PRODUCTION

Grown principally in tropical countries, sugarcane supplies approximately 80% of global sugar, with the rest coming from sugar beet. Global sugarcane production is predicted to grow by about 1.5% per annum, reaching approximately 202 Mt by 2026<sup>16</sup>.

There are over 1,600 sugar enterprises operating more than 2,500 mills and refineries globally – including industrial mills producing crystallised sugar and more traditional, smaller scale non-centrifugal production of non-centrifugal sugar such as jaggery or panela.

Cultivation and milling are sometimes vertically integrated but refining usually occurs in a different location and refineries are opening in non-producing countries – particularly in the Middle East and North Africa as well as in the Far East. Around 55% of sugar is traded in its raw form. Local sources account for 70% of sugar consumption with only 30% internationally traded<sup>17</sup>.

Brazil, India and Thailand together are anticipated to contribute up to 74% of the change in global sugar output volume (49%, 18% and 6%, respectively). Brazil will remain the world's top sugarcane producer and exporter over the period with sugar production projected to remain at or above 37 Mt by 2029<sup>18</sup>.

### 3.6.2 SUSTAINABLY-PRODUCED SUGARCANE

The amount of sugarcane which is produced to voluntary sustainability standards (VSS) is set to increase – with growth in Bonsucro and other systems, introduction of new global and national systems and inclusion of sugarcane in systems designed for other agricultural commodities.

The State of Sustainability Initiatives Report in 2019 indicated strong growth in the production of VSS-compliant sugarcane, driven by corporate sourcing commitments. The report concludes that, by enabling sugarcane supply-chain stakeholders to come together to move the sector toward sustainability, VSSs are expected to continue to play an important role in addressing persistent socioenvironmental issues<sup>19</sup>.

All of us concerned with the acceleration of sustainable sugarcane will need to put more effort into driving demand for VSS-compliant sugarcane. VSS-compliant sales have not kept up with production, and most consumers do not know where the sugar used in company products comes from due to a lack of product traceability through the value chain making sugar the least traced agricultural commodity. This is partly because of negative health perceptions which disincentivise companies to market VSS-compliant sugar content in their products<sup>20</sup>.

### 3.6.3 DIVERSIFIED END-PRODUCTS

Sugarcane has a diverse range of food and non-food derivatives and end-uses, fuelling continued market development.

While sugar will continue to account for some 75% of the end usage of sugarcane, we expect considerable growth in its use as a biofuel and in plastics and packaging, as well as other markets such as molasses and animal feed. Production of paper from bagasse and cellulose-based packaging will also be pursued. We want certified sustainable sugarcane to become the norm for these newer markets, which are driven by sustainability objectives.

Sugarcane derivatives and end-products have significant potential which is yet to materialise for many producers. This will require appropriate government policies and incentives to support investment, emulating countries where the sugar industry has diversified successfully – such as Brazil, where the majority of sugar mills have successfully integrated ethanol distilleries enabling them to process cane into either sugar or ethanol.



## SUGAR

Global sugar consumption is projected to continue growing at around 1.4% per annum, reaching 199 Mt by 2029<sup>21</sup>. The average world level of per capita consumption is forecast to increase from 22.5 kg/person to 23.5 kg/person, underpinned by population and income growth – albeit with considerable variations among countries in demand patterns<sup>22</sup>.

Consumer demand will reduce in mature markets (such as Europe) due to concerns about the potential detrimental effect of sugar on health. Sugar taxes are also gaining momentum, and food and beverage producers are proactively reducing the amount of sugar in their products accordingly. This decline, however, is likely to be offset by increases in developing markets such as Asia and Africa (respectively accounting for 68% and 30% of additional demand).



## BIOFUEL

Ethanol will remain the world's principal biofuel through this period, when growth in demand will account for some 25% of all sugarcane production<sup>23</sup>. Sugarcane offers greater efficiency than other biofuel feedstocks since it returns about eight times more energy than is invested into it and yields about 7,500 L/ha of fuel, making it twice as efficient as maize<sup>24</sup>.

Global demand for ethanol is forecast to grow from 129 GL in 2020 to 140 GL by 2026, with most consumption being used in the producer countries. Sugarcane, which currently represents about 25% of the source material for biofuels, will provide an increasing share of ethanol feedstock over the period of our strategy<sup>25</sup>.

The international biofuel sectors are strongly influenced by national policies with three major goals: farmer support, reduced greenhouse gas emissions, and/or reduced energy dependency. Globally, biofuel consumption is expected to continue to increase, primarily in developing countries, largely driven by higher blending targets. In developed countries, the expansion of biofuels will be limited in view of a decrease in total fuel demand and reduced policy incentives<sup>26</sup>.

## PLASTICS & PACKAGING

Ethanol will be increasingly used to produce bioplastics<sup>27</sup>, which have the same physical and chemical properties as oil-based plastic and can be fully recycled. Sugarcane is also used to produce biodegradable PLA plastic. The global bioplastics market was valued at US\$ 8.3 billion in 2019 and is expected to show 16.1% compound annual growth (CAGR) from 2020 to reach US\$ 26 billion by 2027<sup>28</sup>.

Market growth is likely to be supported by investment in research and development in the bioplastics sector by private and public organisations, driven by policy decisions such as that of the EU to reduce the overall production and consumption of single-use plastic products by about 80% by 2022.

### 3.6.4 SUGAR PRICE

**Real sugar prices are predicted to remain flat at close to 2020 levels<sup>29</sup>, with periodic disruptions due to external factors.**

World prices for raw and white sugar have been volatile, with the price of raw sugar often dropping below production costs, threatening the economic viability of growers, millers and processors. Sugarcane farmers are vulnerable to falling into debt and losing their land and assets – requiring government intervention to ensure higher prices to producers.

Government interventions, specifically subsidies and import tariffs, greatly influence sugar prices. They are also affected by oil price movements, which impact ethanol prices and thus sugar prices. Other factors include currency fluctuations, shifting and variable weather patterns, increasing production mechanisation, and export fluctuations from Brazil and India due to domestic demands.

World prices for biofuels are linked to developments in feedstock prices (which are mostly declining in real terms), crude oil prices (constant in real terms) and distribution costs, as well as biofuel policies. International biofuel prices are expected to remain largely unchanged in real terms<sup>30</sup>.

## 3.7. IMPLICATIONS FOR BONSUCCRO

- **Sustainable Development Goals:** Show clearly how we plan to contribute to those SDGs we are best equipped to support.
- **Climate:** Short-term prioritisation of GHG emissions reduction in line with COP26 goals, with longer-term ambitions for net zero targets and building climate resilience.
- **Impact:** Provide robust metrics for environmental, economic and social improvements throughout sugarcane value chains.
- **Value:** Demonstrate Bonsucro's unique offer and value to business and to society.
- **Investment:** Improve financial incentives for sustainable production, by demonstrating the business case to financial institutions and other investors.
- **Demand:** Do more to enable the flow of sustainable sugarcane through to the marketplace and respond to demands for greater traceability and transparency.
- **Data:** Digitalise from farm to retail, using new tools, technologies and analytics to strengthen our support for farmers, supply chain mapping and traceability and impact measurement.
- **Engagement:** Continue to build productive partnerships and communicate more actively and effectively with a wider range of stakeholders to effect sector-wide change.
- **Flexibility:** Ensure that we are responsive and ready to make short-term adjustments as appropriate within our overall strategic direction.





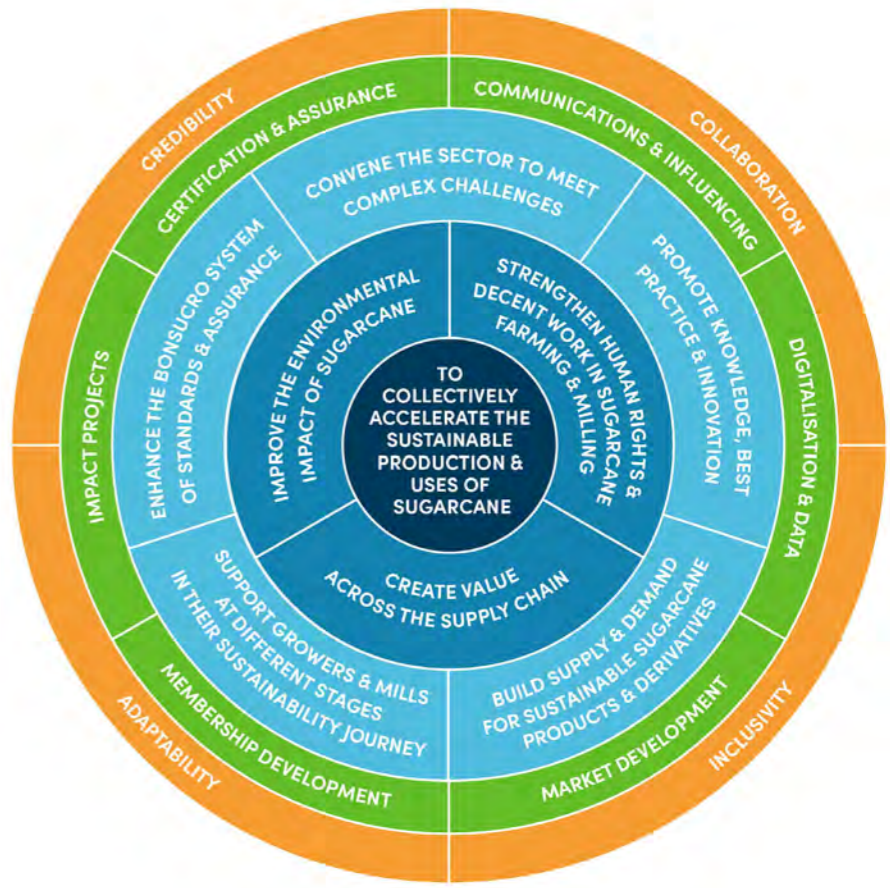
### 4. STRATEGIC INTENT

This sets out Bonsucro’s global strategy for the five-year period to March 2026 in support of the Global Goals 2030.

We are committed to the leadership role we must play in guiding and enabling the sugarcane sector to achieve greater sustainability, with our clearly articulated statement of Purpose and ambitious but achievable Strategic Aims.

Figure 2: Bonsucro Core Strategy 2021-2026

- PURPOSE**
- STRATEGIC AIMS**
- PRIORITIES**
- ACTIVITIES**
- PRINCIPLES**



### 4.1 PURPOSE

Our Statement of Purpose expresses our core reason for being and the overarching goal that drives our strategic priorities and choices.

**To collectively accelerate the sustainable production and uses of sugarcane.**

This statement captures our role as a catalyst for market transformation, driving the production and uptake of sustainable sugarcane - across sugar, ethanol, molasses, and bagasse value chains.

It also expresses our position as a global sustainability platform, working collaboratively with farmers, millers, traders, end users, civil society, government and other sustainability initiatives to scale sustainability across the sector and landscapes.

Unlike other sustainability initiatives, Bonsucro focuses exclusively on sugarcane and all its end-products. It does so on a global basis with a strong local presence in the countries that produce, use and consume the most sugarcane and its products.



## 4.2 STRATEGIC AIMS

Our three Strategic Aims describe the main objectives for Bonsucro, working in concert with our partners and stakeholders, to fulfil our Purpose. Each of these Aims is of equal importance and interdependent in the same way as the SDGs.

In setting these global Strategic Aims, we recognise that the challenges and opportunities for sustainable sugarcane vary among the sugarcane producing regions and countries as well as different types of farming. We will therefore set targets and design programmes that meet our global aims and address the priorities in key origins where we work, including the specific needs and opportunities of smallholder farmers.

Our Strategic Aims reflect our commitment to the ISEAL Credibility Principles that require a credible sustainability system to make a difference where it matters and to collaborate with others to create change.

### CREATE VALUE ACROSS THE SUPPLY CHAIN

Through a unique combination of certification, convening and collaborative action, Bonsucro offers different Value Propositions for different member and stakeholder groups, aligned to their respective interests, locations and ambitions. *These are set out in Annex 2.*

Independent studies in India<sup>31</sup> and Brazil<sup>32</sup> have identified how Bonsucro creates value for mills and farms in terms of productivity, employment conditions and environmental impact, as well as through the provision of essential data.

We will continue to enable all actors in the supply chain to reduce risk, build resilience and keep pace with increasing governmental, financial and consumer demands for evidence of best social, labour, climate and environmental impacts.

We will work to increase the uptake of Bonsucro-certified products and derivatives in key consumer food, beverage and alcohol sectors, as well as bioethanol and fast-growing markets such as bioplastics and bio-packaging.

We will continue to promote the sale and purchase of credits through the Bonsucro

**We will create value for mills and farms and across the entire sugarcane supply chain including buyers and end users – as well as others with a stake in making the sector more sustainable, such as governments, investors and civil society.**

Credit Platform and develop the Bonsucro Impact Fund to leverage funds from the sale of credits for investment in impact projects.

We cannot intervene in setting prices, which are determined by the market, but we will continue to provide the framework that facilitates compliance with high sustainability standards and therefore enables access to markets. To increase the amounts that end users source from certified mills, we will provide high-quality information and data for mills to improve their sustainability performance, and we will enable producers to share their sustainability metrics with their customers – if they wish – demonstrating compliance with standards set by multinational enterprises and investors.

We will advocate for a sustainable sugarcane sector by providing clear and consistent evidence of the economic, social and environmental benefits, from independent research and our own data. Bonsucro certification contributes to improved health and safety, reduced costs and production gains. The nature and extent of the gains will depend on the differing production and market situations across the wide range of national economic, social and legal frameworks within which our members work.

As the platform for sustainable sugarcane, we will enable and support pre-competitive collaboration with our members to connect or align with their peers and with other actors in the value chain. This will enable mills and farms to improve their performance through access to novel solutions and facilitate collective action on complex sustainability issues.

We will increase our support for independent and smallholder sugarcane farmers and work with the sector to build more inclusive and resilient value chains. This will be achieved through impact projects and new global and national partnerships to support farmers with access to affordable finance, increased productivity, improved working conditions and livelihoods and adaptation to climate change.

Mills, farmers, and all our members will derive value from greater awareness of improvements throughout the sector through our strengthened capacity in Monitoring, Evaluation and Learning (MEL). This will facilitate the transfer of best practice and give mills and their associations increased voice and visibility among policy makers and influencers.

All members stand to benefit from our collaboration with other initiatives and standards systems to drive the overall supply and demand for sustainably-produced sugarcane, reduce the need for multiple audits and assure compliance with national or regional requirements.

We cannot, however, deliver this value alone. Potential benefits will be maximised through shared responsibility and reciprocity, particularly when buyers and end users recognise producers' investments in sustainability and prioritise purchasing from those entities.

*"A credible sustainability system strives to create value that fairly rewards the effort and resources that it takes for users to participate in the system...It empowers users by demonstrating a clear business case for participating in its system."*

*(ISEAL Credibility Principles, 2021)*

## IMPROVE THE ENVIRONMENTAL IMPACT OF SUGARCANE

**Environmental issues remain a high priority for our members and partners, many of whom have specific mid- and long-term commitments to improve the impacts of their operations on the climate and the environment.**

We will work with members and partners to address the climate emergency, by agreeing sector-level commitments to science-based targets for sugarcane production that meet the UNFCCC Paris Agreement on climate change by 2030. We will support our members to meet their GHG reduction targets with access to data and knowledge and by aligning with green financing opportunities or other partnerships that accelerate the transition towards a net-zero and a climate-resilient future for the sector.

We will address the water crisis in key origins, and particularly in Asia, by partnering with members and others, such as the Alliance for Water Stewardship (AWS), to develop and pilot water stewardship policies and plans to manage water responsibly and equitably within the landscape. We will continue to provide a continuous improvement framework to reduce water stress from sugarcane production through the Standard.

Bonsucro Members commit to supporting the protection of forests and natural ecosystems in our Code of Conduct. We will work with our members and others to combat deforestation, and for the protection and maintenance of valuable ecosystems. We will develop or partner on initiatives that aim to improve soil health and productivity, and enable our members to move beyond reducing environmental impact towards regenerative agriculture.

Certification will remain critically important to drive environmental sustainability through the application of our Standards for managing efficiency to improve sustainability, reducing the off-site impacts of agrichemicals and improving the management of biodiversity and ecosystems. It also ensures adherence to the EU Renewable Energy directive and other regional or local regulations where appropriate.





Our commitment to continuous improvement means that we can support members and partners wherever they are on their sustainability journey and across different farming contexts, from smallholders to large-scale farming systems.

We will extend our impacts through landscape approaches, building on our convening of two flagship projects, 'Outcome based standards – a landscape approach'<sup>33</sup> and the 'Good Practice: Better Finance' project in South Africa.

## STRENGTHEN HUMAN RIGHTS & DECENT WORK IN SUGARCANE FARMING & MILLING

**The Bonsucro Code of Conduct calls on all members to respect human rights in their sugarcane supply chains. The Bonsucro Production Standard (BPS) requires respect for human rights and labour standards for certified entities.**

We will continue to drive Decent Work and safer working conditions for farmers, farm workers and mill workers – including zero tolerance for forced labour and child labour. We will work to ensure safe recruitment for migrant workers, reduce discrimination in all its forms and promote gender equality. We will make better use of external data to prioritise our actions in this area based on appropriate analysis of risks.

We will improve accessibility of our standards system for workers and communities, with a focus on the Grievance Mechanism that we introduced in June 2020 to manage complaints against our members. Our Grievance Mechanism is designed with respect to inclusivity and accessibility and facilitates mediation as means for resolution. It aligns fully with the UN Guiding Principles of Business and Human rights and complements the new Code of Conduct for Members, launched in March 2020, and puts Bonsucro at the forefront of sustainability standards.

We will promote improvements in wages for the most vulnerable people in farming and milling through action on benchmarking and piloting living wages and living incomes for the sector in specific origins. We are already in dialogue with other ISEAL code compliant members and plan to join the Global Living Wage Coalition.

The Bonsucro Production Standard sets specific requirements for compliance with international labour conventions, safe and healthy workplaces, clear and equitable contracts and minimum wages. We will build on the sound practices of certified producers to promote improvements in social and labour conditions by sharing learning and best practice throughout the supply chain.

Our regional and national programmes will identify and work with partners to remedy the most pressing social and labour issues in their countries, taking account of the situation in each country. We will also keep our members updated with best practice and information related to COVID-19 and incorporate COVID-19 along with other Health and Safety Executive (HSE) risks into our trainings.

*"The Grievance Mechanism is a ground-breaking dispute resolution solution in the business and human rights space."  
(Centre for Effective Dispute Resolution)*

## 4.3 CORE PRINCIPLES

Our four Core Principles guide our operational choices and decision-making in implementing our Strategic Aims and Priorities.

### COLLABORATION

Collaboration is central to our identity as a multi-stakeholder initiative with a global membership drawn from all parts of the sugarcane sector with an interest in sustainability. Our success as a standard and as a platform requires us to convene, learn and share with like-minded organisations.

### INCLUSIVITY

We need to be inclusive to drive sector transformation. This includes engaging with workers, mills, farmers, and producer communities; enabling sustainability improvements outside of certification; and aligning and co-operating with strategic partners, other sustainability standards systems and government agencies for collective benefit.

### CREDIBILITY

Transparency and the credibility of our standards, assurance, MEL and impact reporting are vital to our work. We adhere fully to the ISEAL Credibility Principles, embraced by other leading sustainability standards systems working to bring about positive social, environmental and economic impacts, while decreasing negative impacts.

### ADAPTABILITY

Sugarcane production and uses are highly impacted by landscapes, economies, markets, culture, and governments. Sustainability is a journey of continuous improvement. We will adapt our offering and approach to different contexts and, wherever possible, devolve responsibility to our people and partners on the ground. We will strengthen our organisational adaptability and resilience to ensure we can pivot to respond to unforeseen events and crises.

Photo credit: Ed Kashi





## 4.4 CONTRIBUTION TO THE SUSTAINABLE DEVELOPMENT GOALS

Our three Strategic Aims correspond to the three pillars of sustainable development and define how we will contribute to the UN's 2030 Sustainable Development Goals (SDGs).

Table 1: Bonsucro's contribution to the SDGs

Sustainability Pillar	Environmental	Social	Economic
<b>Strategic Aim</b>	Improve the environmental impact of sugarcane	Strengthen Decent Work and respect for human rights in sugarcane farming and milling	Create value across the supply chain
<b>SDG contribution</b>	<p><b>6</b> CLEAN WATER AND SANITATION</p> <p>6. Ensure availability and sustainable management of water and sanitation for all</p> <p><b>11</b> SUSTAINABLE CITIES AND COMMUNITIES</p> <p>11. Protect &amp; restore sustainable use of terrestrial ecosystems</p> <p><b>13</b> CLIMATE ACTION</p> <p>13. Take urgent action to combat climate change and its impacts</p>	<p><b>5</b> GENDER EQUALITY</p> <p>5. Achieve gender equality and empower women &amp; girls</p> <p><b>8</b> DECENT WORK AND ECONOMIC GROWTH</p> <p>8. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all</p>	<p><b>8</b> DECENT WORK AND ECONOMIC GROWTH</p> <p>8. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all</p> <p><b>12</b> RESPONSIBLE CONSUMPTION AND PRODUCTION</p> <p>12. Ensure sustainable consumption &amp; production patterns</p>



Our collaborative way of working, and our expanding role as the sustainability platform for sugarcane throughout its value chains, underpins how we will achieve our Strategic Aims in accord with Goal 17 – Partnerships for the Goals.



## 5. INDICATORS & TARGETS

We will have dashboard indicators and targets for each Strategic Aim and will report on them in the annual Outcome Report. The targets are interdependent and are not prioritised.

### 5.1. GLOBAL INDICATORS

We have set targets and indicators for this strategy period based our achievements to date and ambitions for the future. They reflect our priorities and planned increases in financial, human and system resources.

The provisional metrics in the table will be reviewed and confirmed after further analysis and consultation through 2021. For each target, we will assess the opportunities and risks as well as the resources needed. Consultation with our members and partners will inform the levels of ambition in our confirmed targets.

Table 2: Global indicators & targets 2021-2026

Objectives	Aim: Create value across the supply chain		
	Indicators	Baseline	Target
Increase supply & demand of certified sustainable sugar, ethanol & derivatives	Hectares of certified sugarcane annually	1.3 million ha <sup>34</sup>	2 million ha <sup>35</sup>
	Number of certified mills	130 mills <sup>36</sup>	210 mills <sup>37</sup>
	Tonnes certified sugar & m <sup>3</sup> certified ethanol produced (or equivalent)	Sugar: 6.2 million <sup>38</sup> Ethanol: 2.7 million	Sugar: 9.6 million <sup>39</sup> Ethanol: 4.3 million
	Number of Bonsucro raw sugar credits (or equivalent) sold annually Tonnes of certified physical products sold ex-mill	Credits: 1.2million <sup>40</sup> Chain of Custody: 820,000 t <sup>42</sup>	Credits: 2.2 million <sup>41</sup> Chain of Custody: 1.6 million t <sup>43</sup>
More inclusive & sustainable value chains	Number of independent farmers & smallholders reached* by Bonsucro certification and/or impact projects over 5 years	3,000 farmers <sup>44</sup>	15,000 farmers
Convene impact & innovation projects	Total money invested in Bonsucro impact and innovation projects over 5 years <sup>45**</sup>	£1.46m	£5.37m
Deliver value to members	Annual membership retention rate	93%	95%

\*By "reached" we mean those farmers who have been engaged in information, training, or capacity building programmes where Bonsucro or its members have played a significant role in planning, delivery, or reporting.

\*\*Income from credit impact, grants and partnerships

**Aim: Improve the environmental impact of sugarcane**

Objectives	Indicators	Baseline	Target
Drive climate action in the sugarcane sector	% Reduction in Scope 1 and 2 emissions of certified mills and farms after 5 years' certification	18% reduction 0.33 kg CO2e/kg sugar to 0.27 kg CO2e/kg sugar	>30% reduction
	Collective commitments & actions** in line with 1.5° global warming	To be determined through 2021-22	
Improve water security & stewardship	% Increase in water-use efficiency (kg per mm per hectare) by certified producers after 5 years certification	28% increase 105 kg/mm/ha to 135 kg/mm/ha	>30% increase
	Collective commitments and actions** on sustainable water management	To be determined through 2021-22	
Improve biodiversity and soil health	# hectares High Conservation Value Areas (HCVA) protected & maintained in high-risk areas	To be determined through 2021-22	

**Aim: Strengthen human rights & Decent Work in sugarcane milling & farming**

Objectives	Indicators	Baseline	Target (disaggregated by gender)
Increase wages in sugarcane farming and milling	% increase in average differential between wages paid above legal minimum wage after 5 years of certification	Farm: +16% to +21% average differential Mills: +18% to +26% average differential	Farm: 30% increase Mill: 45% increase
	Collective commitments & actions** on Living Wage	To be determined through 2021-22	
Improve occupational health & safety in farming and milling	% reduction in accidents in certified farms & mills after 5 years' certification	Farm: 38% decrease Mill: 18% decrease	Farm: 43% decrease Mill: 23% decrease
Enhance respect for human rights	Collective commitments and actions** to promote UN Guiding Principles on Business & Human Rights & OECD-FAO Guidance for Responsible Agricultural Supply	To be determined through 2021-22	

\*\* "Collective commitments & actions" refers to collaborative research, capacity building, policy commitments or impact projects where Bonsucro acts as lead/convenor with a significant role in planning, financing, delivery or as a knowledge partner.

**5.2 PLATFORM INDICATORS**

Table 2 above shows our provisional five-year targets for those goals where we already have baseline data and which we will review and finalise in the first half of 2021/22. It also indicates where we will develop new metrics through 2021/22 for our work as a convening platform.

For these new metrics, we will work with members and partners to develop baselines and set targets for collective agreements and actions for collaborative research, capacity building, policy commitments or impact projects - where Bonsucro acts as lead/convenor with a significant role in planning, financing, delivery or as a knowledge partner.

We will prioritise agreements and actions that contribute to:

- Limiting global warming within 1.5 degrees C above pre-industrial levels
- Sustainable water management
- Protection of High Conservation Value Areas (HCVA)<sup>46</sup>
- Living wages
- Promotion of UN Guiding Principles on Business & Human Rights and OECD-FAO Guidance on Responsible Agricultural Supply Chains.

**5.5 MEASURING PROGRESS**

We will develop an improved monitoring and evaluation system for Bonsucro to measure impact and progress against our global targets, including use of many of the following sources:

- Code of Conduct Annual Reports
- Bonsucro Production Standard and Chain of Custody Standard audits
- Certification dashboards
- Credit Trading Platform
- International Sugar Organisation (ISO) reports
- Financial reports
- Project reports
- Salary and Living Wage benchmarks
- Published company reports
- Government and intergovernmental reports
- Peer-reviewed scientific articles.

**5.3 LOCAL INDICATORS**

Each of our regions, countries and departments will have further key performance indicators which support or build upon the headline indicators.

Importantly, these will include:

- Living Wage pilots and evaluation in sugarcane mills and farms
- Addressing the most pressing human rights and Decent Work issues in each area
- Member recruitment, retention and satisfaction
- Policy changes attributable entirely or in part to evidence produced by Bonsucro
- Levels of engagement with Bonsucro training and events.

**5.4 ORGANISATIONAL PERFORMANCE**

Our annual planning and reporting will also include specific organisational targets to monitor and manage what we need to do to achieve successful delivery of this strategy.

These are likely to include, for example:

- Membership engagement and satisfaction
- Resources – finance and staff
- Evaluating and reporting on impacts
- Capabilities and systems
- Communications output and outcomes.



## 6. PRIORITIES

Within the wide range of work that we will be doing in pursuit our Strategic Aims, we have identified five global Priorities.

Each of the priorities contributes to the achievement of one or more of the three Strategic Aims and, in section 6 below, we set out in greater detail how we will deliver on these Priorities.

### 6.1 ENHANCE THE BONSUCRO SYSTEM OF STANDARDS & ASSURANCE

This is an area of core expertise for Bonsucro and for the certification bodies with which we work. We will increase the number of sugarcane farms and mills certified each year, while continuing to update our standards and systems to drive improvements in sustainability through value chains.

In our Production Standards, environmental issues cover water usage, soil health, safeguarding sensitive ecosystems and biodiversity hotspots, climate resilience, use of agrochemical and fertilisers. The social priorities relate to labour, workers' safety and living conditions, non-discrimination, wages and more.

Our Chain of Custody Standards ensure the traceability of sustainability claims along the supply chain from farm to end user. They are based on five fundamental principles and provide proof of responsible sourcing and trading.

The role and scope of our standards are summarised below. Standard revisions are conducted by independent specialists and involve extensive member/stakeholder consultation.

Table 3: Bonsucro Standards 2020

Standard	Purpose
Bonsucro Production Standard	Defines the targets for sustainable production that all sugarcane mills and farms should meet, regardless of size.
Bonsucro Production Standard for Smallholder Farmers	Defines the targets for the sustainable production of sugarcane by smallholder farming groups (where farmers farm less than 25 hectares on average) in place of the Bonsucro Production Standard.
Bonsucro Mass Balance Chain of Custody Standard	Defines the system that supply-chain actors must implement to support tracking of sustainability claims along the supply chain.
Bonsucro EU-RED	Intended for ethanol, ETBE or other products wishing to demonstrate compliance with the EU Renewable Energy Directive (RED- 2009/28/EC) and subsequent amendments.



We will deliver on this Priority by:

- Publishing the revised Bonsucro Production Standard (BPS) in 2021
- Reviewing and updating the Bonsucro Production Standard for Smallholder Farmers (BPSS)
- Updating the Chain of Custody Standards and Claims rules for sugarcane derivatives
- Strengthening our assurance model and social auditing
- Developing partnerships with compatible standards and initiatives to enable scale-up on production or market side.

### 6.2 CONVENE THE SECTOR TO MEET COMPLEX CHALLENGES

Beyond driving sustainability through standards and certification, we will step up our unique convening role for the sector, enabling pre-competitive collaboration and cross-sector partnering.

We will focus on critical issues where collective action is needed and where multiple stakeholders have shared interests in finding viable solutions. We will do this at a global level and locally in leading producer countries.



#### 6.2.1 SCIENCE-BASED TARGETS FOR GREENHOUSE GAS EMISSIONS

Developing shared sector-wide methodologies, metrics and commitments to science-based targets for GHG emissions with the aim of driving down Scope 1 (direct), 2 (indirect) and 3 (supply chain) emissions for participating companies towards meeting the UNFCCC Paris Agreement 2030 targets.

#### 6.2.1 WATER STEWARDSHIP

Testing and scaling best practice in water stewardship, working with members and partners, including the Alliance for Water Stewardship, to improve sustainable water management with the aim of reducing overall water risk in the landscape through addressing water challenges and opportunities in the farm and mill and catchment levels.

#### 6.2.1 HUMAN AND LABOUR RIGHTS

Working with members and partners to improve social and labour conditions and respect for human rights with specific attention to working conditions, heat stress, migrant and forced labour, child labour, wages and gender equality.



### 6.3 BUILD SUPPLY & DEMAND FOR SUSTAINABLE SUGARCANE & DERIVATIVES

We will stimulate greater uptake for Bonsucro-certified sugar, ethanol and other derivatives, but without becoming an industry promotional body.

While Bonsucro cannot intervene commercially in the sugarcane supply chain nor change the trading dynamics of the market, we can influence demand for sustainable sugarcane across diverse end use markets - focused on increased uptake of Bonsucro-certified product.

Key actions will include:

- Identify new markets for Bonsucro certification
- Expand membership in both traditional food, drink and ethanol sectors and emerging consumer markets and more novel end-use markets
- Develop shared responsibility among Bonsucro members, and between producers and end users
- Expand and optimise trade in Bonsucro credits
- Support members' supply chain mapping and traceability activity
- Seek alignment with market-side standards with most potential for scale-up, e.g. sustainable jet-fuel, carbon markets
- Leverage new financial, commercial and regulatory opportunities where Bonsucro becomes an accepted Standard for compliance, e.g. green bonds, EU Green Deal.



### 6.4 SUPPORT GROWERS & MILLS AT DIFFERENT STAGES IN THEIR SUSTAINABILITY JOURNEY

In response to stakeholder demand around the 2021 Production Standard Revision, we are testing the inclusion of a stepwise approach to some key indicators within the Standard. We will explore the feasibility of embracing a stepwise approach to drive sustainability.

After reviewing various stepwise mechanisms implemented by voluntary standard-setting organisations, we are actively considering a move towards a four-step system based on the continuous improvement cycle: plan, do, check & act. We are also factoring in learnings from our previous attempt at tiered improvements in 2017-18.

Critical questions remain to be answered, including the role of assurance and certification, identifying key enabling conditions, the role of market forces, claims, rewards and how to incentivise change and progression along any steps.

We will in any event increase our capacity building and impact project work with farmers and mills, focusing on locations where the need is most acute – especially for smallholder farmers and harder-to-reach mills, with access to affordable finance, increased productivity, improved working conditions and livelihoods and adaptation to climate change.

We will provide this support by:

- Establishing the Bonsucro Impact Fund, leveraging finance through credit trading and donors
- Developing a stepwise approach
- Partnering with others on knowledge, innovation and support for farmers and mills
- Expanding our technical training and technical support offer
- Facilitating improved access to finance for growers.



### 6.5 PROMOTE KNOWLEDGE, BEST PRACTICE & INNOVATION

Sharing knowledge and best practice and championing innovation are central to our aspiration to act as a convening force for the sugarcane sector.

Each year, we publish the Bonsucro Outcome Report, which sets out the social, economic and environmental outcomes achieved by Bonsucro members through farm and mill certification as well as programme-wide monitoring.

Our project work also provides multiple opportunities to transfer knowledge, catalyse ideas and build relationships well beyond our membership.

Work within this Priority will include:

- Improving Monitoring Evaluation Learning (MEL) and impact reporting
- Unlocking new value from Bonsucro data and analytics, including supply chain mapping
- Updating Bonsucro members on the latest global research on sugarcane sustainability issues
- Convening and contributing to research to assess and improve the outcomes of sustainability standards
- Sharing learnings from impact and innovation projects within and beyond the membership
- Providing shareable and useful ESG metrics, including to financial institutions.





## 7. MAKING IT HAPPEN

Here are the principal Activities through which we will deliver the Strategy outlined in the previous pages, in the context of our work to date and the wider global trends.

### 7.1 CERTIFICATION & ASSURANCE

Bonsucro's Production and Chain of Custody standards will remain core assets. We will continue to evolve not only the standards themselves, but also our certification and assurance system. We will explore partnerships with compatible standards within and beyond sugarcane, and along the value chain.

#### 7.1.1 REVISE THE BONSUCRO PRODUCTION STANDARD (BPS)

The BPS is at the heart of everything Bonsucro does. It defines what sustainable sugarcane production should look like and provides a comprehensive metric tool for sustainable farming and milling.

The revised BPS, to be launched in 2021, will include the top environmental, social and economic priorities identified in our 2019 pre-consultation survey, which engaged over 800 people from 35 countries.

In response to member demand, we will make the Standard more progressive

The new version will reflect extensive progress since the previous version in 2014, drawing on greater understanding and experience of the sustainability issues in sugarcane production and processing, as well as what can realistically be achieved with certification.



*"The BPS gives peace of mind to our customers, knowing that they are purchasing products from a company that carries out its agro-industrial activities with good practices and in compliance with the rules. It also allows us to give employees greater confidence and security internally."*

(End user)

#### 7.1.2 REVIEW & UPDATE THE BONSUCRO PRODUCTION SMALLHOLDER STANDARD (BPSS)

Since smallholder farmers are the crucial foundation of many sugarcane supply chains, the BPSS is aligned to the BPS but adapted to the realities and constraints of smallholder farming. It will evolve in line with changes to the BPS, but with a view to using it as a reference tool to facilitate and guide improvements even for those who are unable or unlikely to reach formal certification.

This Standard includes core indicators from the BPS, ensuring compliance with International Labour Organization (ILO) conventions, no use of banned agrochemicals, and that environmental and health and safety plans are being used. It includes an added principle, specific for smallholder farmers, allowing stepwise indicators to encourage continuous improvement.

We will adapt our approach to smallholders following the publication of the revised BPS, benefiting from learnings across both production standards and broader experience of engaging smallholder farmers in other ways, particularly on impact projects.

#### 7.1.3 UPDATE CHAIN OF CUSTODY STANDARDS & CLAIMS RULES

We will revise the existing standards and related guidance to address evolving requirements to ensure the traceability of Bonsucro-compliant material and the authentication of claims. We will work with our members and technology suppliers to develop a range of traceability options alongside credit trading and mass balance.

We will ensure the credibility of our system by taking steps to eliminate inaccurate or unsubstantiated claims. Our EU-RED Mass Balance Chain of Custody Standard will also be reviewed and updated to ensure that it evolves in line with EU requirements.

#### 7.1.4 STRENGTHEN OUR ASSURANCE MODEL

We will continue to be ISEAL code compliant and to collaborate with our peer Sustainability Standard Systems in ISEAL.

We will develop our third-party assurance model, including the requirements and protocols for accreditation of independent certification bodies to undertake audits and to certify producers against the Bonsucro Standards. We will expand and strengthen our network of auditors and accredited certification bodies, and introduce new training approaches combining virtual, in-person and field-level learning.

We will develop improved digital systems to expand our assurance activities to more partners and locations, reduce manual entry of data, and improve data governance. We will investigate how the use of external data sources, including geospatial data, can lead to more accurate and efficient assurance processes. We will keep abreast of and explore possible uses of new and developing technologies, including how blockchain could be adapted and used for our assurance system.

Assessment will be enhanced by new audit tools, methodologies and datasets, including further development of our cloud-based data management system. There will be greater focus on worker feedback, grievance mechanisms and remediation through engagement with worker representative structures and intermediary organisations at local, national or international levels, as appropriate.

We will recruit farmers associations as members so they can implement Bonsucro certification and contribute with the improvement of environmental impact of sugarcane. We will monitor constantly to ensure that there is no sugarcane expansion on deforested land.



### 7.1.5 ALIGN WITH COMPATIBLE STANDARDS & INITIATIVES

We will continually review opportunities to align and partner with other sustainability standards and initiatives, both within sugarcane and beyond, which share common goals such as reducing GHG emissions.

Growth markets for biofuels, bioplastics and other sugarcane derivatives will bring their own regulatory and sustainability requirements. We will continue to meet the requirements of the EU RED programme for the European Union. We will introduce further adaptations of the Bonsucro Standards to enable members to meet the Brazilian biofuel standard RenovaBio and align where possible with other national or international standards, for example for sustainable aviation fuel.

While benchmarking offers opportunities to scale sustainable production, it also carries significant risks – especially where less stringent schemes stand to benefit more from association with Bonsucro than vice versa. We will apply two main filters when entering benchmarking discussions:

- Benchmarking is relevant only as one element of a broader partnership
- Focus on other ISEAL code compliant members, where alignment of purpose and principles is more likely and risks of credibility and competition can be minimised.

## 7.2 IMPACT PROJECTS

**We will increase available funding and expertise to drive better outcomes for growers. Impact projects will be funded through credit trading and grant-funded partnerships and projects.**

In 2019, we more than doubled the number of programmes promoting sustainable production year-on-year. We can also learn from successful, replicable targeted programmes in sustainability training for mills and smallholders in Pakistan, India, Mexico and Thailand.



### 7.2.1 IMPACT PROJECT INVESTMENT

We will develop a Bonsucro Impact Fund to invest in initiatives and projects that catalyse or accelerate sustainable sugarcane production in key locations in line with our strategic Aims – irrespective of whether or not beneficiaries are candidates for certification.

The Impact Fund will be designed to fund projects in a variety of ways: through credit trading, direct grants, match-funding, competitive funds or other means. We will learn from other relevant funding organisations and mechanisms and design a best-in-class system, with appropriate policies and procedures to govern and manage the fund – including co-funding and other kinds of support from strategic partners.

Impact projects typically involve several partners representing different stakeholder group, and with a shared interest in driving specific improvements with a targeted population in a specific area – including corporate end users, mills, civil society, government agencies, consultancies and other institutions.

Future choice of impact projects – especially those funded through Bonsucro credit trading – will be more rigorous and based on a needs assessment. We will focus on projects that clearly serve our Strategic Aims, deliver measurable impact and contribute to our KPIs. We will participate in relevant projects or bids instigated by other organisations where these contribute significantly to our Purpose and Strategic Aims.

Partners will include Bonsucro members, international and local non-governmental organisations, other ISEAL code compliant members, international and local businesses, institutional and private donors, and governmental organisations. Learnings will be shared with other Bonsucro members and more broadly to encourage adoption and interest in similar projects.

### IMPACT PROJECT EXAMPLES

**Mexico:** Collaboration to improve sustainable production of small producers in partnership with PepsiCo, Proforest, One Peterson & Mill Tala.

**Pakistan:** Partnership with the International Finance Corporation (IFC) to support the introduction and implementation of the Bonsucro standard and to facilitate its use by a mill group and smallholders.

### 7.2.2 IMPROVE ACCESS TO FINANCE FOR GROWERS

We will work with partners and financial providers to improve access to sustainability-linked finance for Bonsucro-certified members by demonstrating the credibility of Bonsucro certification and enabling members to disclose relevant data. Action on climate change is now a key issue for the financial sector, and there are many emerging opportunities linked to disclosure of carbon or ESG metrics and reduction of risk.

We will build on the learnings from the SECO/ISEAL funded programme ‘Good Practice, Better Finance’ in 2019, where we joined with fellow ISEAL code compliant members and the South African financial sector to better understand how our Standards could expand access to finance for producers.

We will look to convene the sugarcane sector around payment for environmental services (PES) – relatively new schemes that seek to offer payment to landowners to implement good agricultural practices and protect the environment. A recent study into the viability of PES for sugarcane producers in Brazil<sup>47</sup> confirmed that these services can add financial value to farmers, guide better practices for preserving land/habitats and enhance livelihoods.





## 7.3 MEMBERSHIP DEVELOPMENT

Bonsucro will remain a member organisation, representing a wide range of sugarcane interests in seven classes of membership.

Membership responsibilities will be increasingly devolved to the regions and countries where we operate, with significant matching investment in the people and resources needed to serve and support members fully.

### 7.3.1 MEMBERSHIP RETENTION & RECRUITMENT

Membership fees for MSIs (multi-stakeholder initiatives) in many different sectors and commodities are coming under price pressure. Bonsucro is no exception. Although we achieved a 93% retention rate in 2020-21, we know that our members are looking to us for more support, engagement and value delivery.

At the same time, we continued to recruit new members through 2020-21, despite the pandemic, and can see future demand across all classes and end-uses – including farmer and miller associations, traders, civil society organisations and financial institutions.

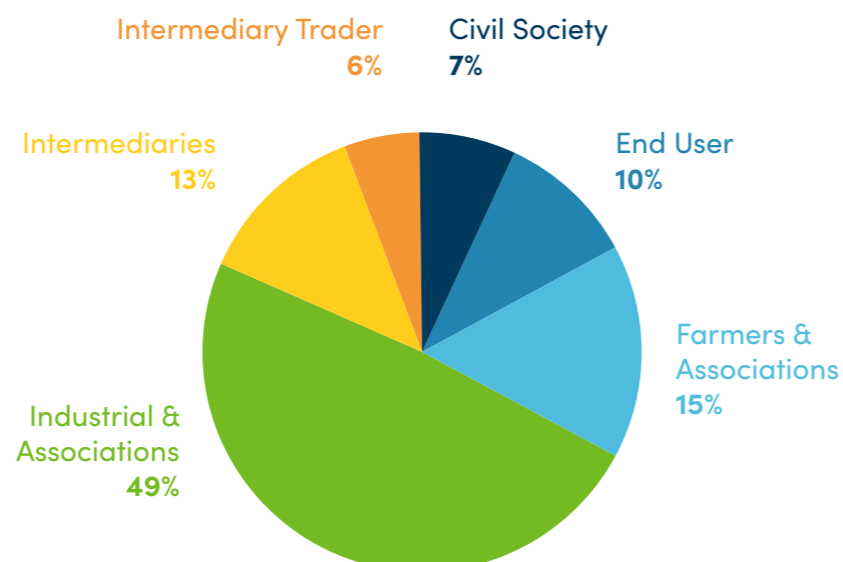
We therefore plan to grow from over 260 members in 2021 to more than 450 by 2026, as we build the necessary resources to recruit and manage new members at the right level.

Specifically, we will recruit more end users and retailers in large consumer markets – enabling them to purchase certified material and/or credits and unlocking investment for impact projects. We will target new members in the ethanol, animal feed, bio-packaging, and bioplastics sectors.

Drawing on our historic success in developing membership and certification in Brazil, we will continue to recruit more members in other key origins through accelerator programmes which set out the benefits of Bonsucro for mills, farmers, associations, intermediaries and civil society organisations in those countries. Business case studies from Brazil and India provide us with additional supporting evidence.



Figure 3: Bonsucro membership 2020-2021



### 7.3.2 IMPROVE MEMBER SERVICES & VALUE DELIVERY

Members want us to be more customer-driven and solutions-focused. We need to increase our engagement with members and to develop a better understanding of their strategic priorities to inform the activities we undertake globally and regionally. We also need to convene and share knowledge much more effectively.

We will continue to encourage and support more mills to achieve certification and to demonstrate the business case for certification. We will also develop our tools and services to be more user-centric.

Members will increasingly benefit from richer data collected through the Annual Reporting and certification processes, enabling them to better analyse and benchmark their results.

Members also tell us that they want better and more frequent communication and education on our tools – especially Credit Trading and Bonsucro Connect, which enables users to monitor and demonstrate sustainability in their supply chains.

We will work with them to develop our policy positions and intentions on issues such as genetic modification, bioplastics and traceability, and improve our advocacy and communications around sustainable sourcing.

*“Bonsucro delivers professional services to its members. It has been very good at retaining existing and gaining new members, even in the last months when challenged by COVID-19. It keeps the balance between marketing and selling Bonsucro’s work and services and being realistic and honest about achievements.”*  
(Civil Society member)

## 7.4 MARKET DEVELOPMENT

We will strive to stimulate and facilitate demand and uptake for Bonsucro-certified products, in both traditional and developing end-use markets, as we respond to growing demand from end users, consumers and the public sector for sustainable production and consumption.

In this context, Bonsucro’s digital Credit Trading Platform, launched in late 2019, has the potential to be a game-changer for the sector.

Because sugarcane and derivatives cannot be physically traced through segregated supply chains to sustainable producers, the system allows buyers to incentivise and reward the adoption of sustainable practices by purchasing credits for sugarcane or derivatives, a significant proportion of which goes to fund local impact projects.





Credits offer a smart solution to dealing with the multiple market barriers in sugar trading (such as price controls, quotas and import tariffs) by allowing buyers to purchase directly from Bonsucro-certified mills and farmers across the globe.

On every transaction, a levy is charged per credit purchased (1 credit = 1 tonne of sugarcane, sugar, molasses and = 1m<sup>3</sup> ethanol), paid by the buyer. Credit trading is a win-win proposition enabling buyers to achieve their procurement targets more easily, while rewarding certified producers and supporting investment into non-certified producers who are committed to change.



### 7.4.1 IMPROVE CREDIT TRADING

Credit trading has generated proof of concept, but some modifications to the system and much more effective education and promotion will be needed before its full potential can be realised.

While some users are positive about the intent and potential for credit trading, others are more concerned about how it has worked in practice. Buyers want to know how credits purchased generate additional revenue for mills and benefit farmers too. Mills want to know how they can achieve better sales for credits. We also need to protect the market value of credits.

We will explore users' questions and suggestions for system improvements and enhancements. These include whether the system should allow for credits to be sold on through the value chain, the case for minimum pricing, and whether refined sugar should be included. There is also significant interest from members in the potential to integrate carbon credits into our system.

Participation is currently limited to Bonsucro members and, although we do not have any immediate plans to change that, we will explore the feasibility of making credits available to others. Bonsucro Credits are currently available for sugarcane, raw sugar, ethanol, and molasses. There may be an opportunity to develop a parallel system of carbon credits based on the BPS.

### 7.4.2 DRIVE UP PURCHASE OF BONSUCRO-CERTIFIED MATERIAL

We will increase purchase of certified material and/or credits by recruiting more end users and retailers in large consumer markets. We will actively pursue new sectors such as ethanol, animal feed, packaging and bioplastics.

Investment in new technology and data will help our members to map supply chains with greater visibility and precision – enabling us to work with end users to develop action plans to address key risks, overcome barriers and grow procurement of certified sugarcane in their priority markets.

### 7.4.3 DEMONSTRATE SUSTAINABILITY PERFORMANCE

Improved impact reporting will enable more compelling, evidence-based storytelling about members' sustainability performance and will be a key driver of uptake for end users.

We will connect stories of change to the purchase of Bonsucro credits, and we will facilitate access to research and data that demonstrate how procurement of Bonsucro certified product and impact projects are enabling manufacturers to meet their sustainability commitments, mitigate their sourcing risks and protect their reputation, as well as supporting market claims. We will review and promote the use of Bonsucro Claims both on- and off-pack.

### 7.4.4 STIMULATE MARKET PULL-THROUGH

We will identify and engage financial institutions and other influencers to build market pull-through. We will engage with governments and the public sector to show how our standards and protocols meet their requirements in domestic and export markets, as we have for the EU-RED and for the Dutch government's recognition of bagasse in sustainable electricity production.

## 7.5 DIGITALISATION & DATA

Technology will increasingly touch every aspect of our organisation and our work – including field-level and supply chain innovation, the tools we provide to members, and our own knowledge management and analytics capabilities.

Digitalisation will both drive operational efficiencies and unlock significant value for those we work with.

### 7.5.1 IMPROVE MONITORING, LEARNING & EVALUATION

The methods and outputs of Bonsucro's MEL programme will continue to evolve, as we strengthen both our human and systems capabilities.

We will focus on collecting, analysing and reporting credible, longitudinal data on outcomes that track performance against our 2026 targets.

We will better understand the causal relationship between interventions and results, enabling us to strengthen future interventions and our claims on impact.

Members will benefit from the development of performance benchmarks for producers and mills to plot progress, and aggregated data to identify areas of comparative high/poor sustainability performance. As highlighted in 6.4 above, there is significant demand for richer data for impact reporting and reinforcement of sustainability claims and storytelling.





## 7.5.2 DEVELOP ANALYTICS & INSIGHTS

Our new data strategy prioritises end-to-end stewardship to maintain confidence in our data security and to facilitate more sophisticated use and sharing, in full compliance with data protection regulation.

Data and analytics have the potential to be longer-term drivers of revenue for Bonsucro, although this can be hard to monetise since not all data are proprietary and are often shared by and between multiple owners and contributors.

Some certification metric data sets and insights are likely to be provided to members as an added value benefit of membership, including a dashboard for better visualisation. Consideration of members' own systems and

data needs will be factored into the establishment of data formats and infrastructure used for insights and visualisation. It is important that any digitalisation process benefits Bonsucro members and therefore the pursuit of a streamlined data management process should be of mutual advantage.

We will also enhance the functionality of Bonsucro Connect to enable members to access, utilise and analyse a broader set of supply-chain data and mapping of key risks.

Some of what we produce will be for the benefit of the sector and the wider public good. We will develop partnerships to explore and analyse data jointly with research institutions, consultancies and other sustainability initiatives within and beyond the sugarcane sector.

## 7.6.1 MEMBER ENGAGEMENT

Bonsucro members have been calling for more engagement and information from us – ranging from more technical communication on using Bonsucro products and services (such as the Bonsucro calculator or credit trading) to success stories, evidence of impact and transferable learnings.

We will progressively complement our centrally-driven communications with more locally generated and adapted content, better tailored to specific local contexts and member profiles and priorities. There will be much more production in local languages to enable Bonsucro to get closer to members and to facilitate more effective local dialogue. In so doing, we will both enhance our relationships and service delivery with current members and support recruitment efforts among both established and emerging membership groups.

## 7.6.2 STAKEHOLDER ENGAGEMENT

To promote sustainability across sugarcane value chains, we will need to invest in new capabilities in influencing and communications well beyond our member base – both in-house and through expert external support.

Where possible, we will look to leverage the connections of Bonsucro member companies, and to align our policy influencing agenda and actions with other compatible organisations – particularly within ISEAL – to improve access and effectiveness.

This will mean engaging new audiences – particularly policymakers and the financial sector – and ramping up our partnering activity with industry bodies, international organisations, academic institutions and campaigning groups. We will prioritise audiences by type, role and footprint as we re-develop our Theory of Change – with particular focus on investors and asset managers with an active interest in ESG and who are receptive to our specialist sector expertise and convening activity on critical issues such as climate or human rights.

## 7.6 COMMUNICATIONS & INFLUENCING

**To build the profile and reputation of Bonsucro and to better support our members, we will increase investment in our communications activity and capabilities globally and regionally. This will include recruitment in marketing, media relations, public affairs and influencing.**

We will maintain our current mix of events, workshops and conferences, online and social media, newsletters and updates, and audio-visual material including reports and case histories.

We will continue to communicate with credibility and integrity, based on the best available evidence. Over time, our communications will become more targeted and better tailored to the needs of different audiences and their expectations of the unique value that Bonsucro can provide.



## 7.6.3 POLICY

The quality and quantity of our data from across the sector and many different origins and markets will enable us to positively influence global and national policies related to the production, distribution and marketing of sustainable sugarcane.

We will work with our members, partners and independent research institutes to provide evidence of how certification and innovative approaches to sustainability can achieve economic, environmental and social change for the better in the sector and beyond. Our investment in monitoring, evaluation and learning will strengthen our policy and communications expertise, and enable us to influence change well beyond the immediate reach of our work.

We will strengthen our engagement with ISO and other international agencies and donors as well as policymakers and influencers in the countries which produce or consume the greatest volumes of sugarcane and its derivatives. This will also involve a progressively higher level of interaction with the most relevant media channels and scientific institutions.

## 7.6.4 CONSUMER BRANDING & COMMUNICATION

While Bonsucro will remain essentially a business-focused organisation, we foresee growing interest from end users to reference Bonsucro in their own consumer-facing and on-pack communications. We will therefore evolve our claims framework, brand assets and content library to facilitate consumer communication with and through members.

We will be prepared to develop our own low-cost, direct-to-consumer engagement via digital and social channels when the time is right – allowing us to control our own narrative, to educate interested consumers and to enhance consumer/customer marketing by members.



## 8. GLOBAL STRATEGY, LOCAL IMPACT

We are developing specific operational plans for each of our region and country programmes to achieve the Strategic Aims within the Priorities set out in the previous sections. Our work on the ground will be consistent with the Activities described in Section 7 above but tailored to optimise impact at the local level.

We have Bonsucro-certified mills in nine of the world's top ten countries for sugarcane production. Based on lessons learnt from our regional and country programmes as well as member/stakeholder inputs, we have identified some key priorities below. More will follow as regional strategies are elaborated through 2021.

Some of the largest producer countries have been among those most severely impacted by COVID-19. While it is too early to assess the longer-term impact on sugarcane communities, we are ready to collaborate fully with others to support mills and farmers in those countries in their work towards sustainability as their health and economic systems invest in recovery from the pandemic.

We have focused here on Brazil, Mexico, Central America, Africa and Asia-Pacific – all of which will require a significant expansion of our regional staff. We remain open to opportunities in other regions, subject to constraints on our capacity.

### 8.2 MEXICO

**We aim to significantly grow the current base of three certified mills over the course of the strategy, thereby accelerating the country's contribution to supporting smallholders, reducing GHGs, improving water stewardship, and protecting High Value Conservation areas. To help achieve this goal we will actively promote best practices from certified mills elsewhere in Latin America.**

We will step up collaboration between brands/financial institutions and mills and farmers on market uptake of certified products – including impact projects focused on smallholder farmers to increase certified volume and area. We will do this in close coordination with those mills which are willing to support their sugarcane suppliers.

We will develop and/or support projects aimed at improving workers' conditions and human and labour rights through a sectoral approach. This will entail aligning our projects in the country with the best practices in the region based on the BPS and the BPSS and developing tools and resources to support stakeholders to comply with those Standards.

### 8.1 BRAZIL

**We will increase certification from the current base of 75 certified mills and engage up to eight more into membership and the certification program, so they can contribute to strengthening human rights and decent work practices in sugarcane farming and milling.**

We will seek to minimise the cost and time pressures of certification for producers, and boost their return on the investment, by developing joint certification protocols with consolidated certification schemes such as RenovaBio. We will partner with financial institutions with a view to helping Bonsucro-certified operators secure sustainability-linked financing.

We aim to deliver on improving environmental impacts, working with our members and stakeholders on climate change mitigation and resilience in line with the UNFCCC Paris Agreement.

We recently worked with five other organisations on a Brazil-based project sponsored by the Earth Innovation Institute to address the challenges and explore the opportunities around Payment for Environmental Services (PES), specifically in the context of sugarcane production. We plan to convene the sector around PES with a view to encouraging landowners and farmers to implement good agricultural practices and protect the environment. Our goal is to work with partners to implement at least one PES project in this period.

### 8.3 CENTRAL AMERICA

**We plan to increase the scope of certification from the current base of 18 certified mills and engage up to ten more mills into membership and the certification programme, to increase the certified hectares and volumes and maximise contribution to GHG, water and HCVA metrics.**

We will recruit farmers' associations as members so they can implement Bonsucro certification and contribute with the improvement of environmental impact of sugarcane. We will monitor constantly to ensure that there is no certified sugarcane expansion on HCV land and forests and all members adhere to the cut-off-date January 2008 in compliance with EU RED.

We will expand the implementation of the Water-Rest-Shade protocol, developed by the Adelante Initiative, a partnership between La Isla Network, Ingenio San Antonio, The Nicaraguan Sugar Producers Association, Fair Trade USA and Bonsucro, to help protect sugarcane cutters in Nicaragua from the risks of working under intense heat, to other parts of the region. We will also step up collaboration with civil society organisations to drive progress on human rights and decent work across the sector.

### 8.4 AFRICA

**We will assess the opportunity for growth in sugarcane growing countries across the continent with an initial focus on Southern Africa as well as Côte d'Ivoire, where we can build on our connections with mills, farmers, and influential stakeholders.**

We aim to have two more mills certified in Mauritius and mills certified in South Africa, eSwatini and Cote'd Ivoire. We will pilot the stepwise approach, including in East Africa.

We will collaborate with partners such as banks, AWS, farmer organisations and governments, to improve water management at farm, mill and landscape level. This will require development of a methodology using the newest monitoring technologies and pilot programmes before taking to scale.

We will collaborate with mills and supply areas in Africa to reduce their GHG emissions in line with the Paris Agreement.

We will build on the Good Practice, Better Finance project in South Africa, which aims to help financial institutions offer incentives for sustainable agricultural and business practices. Specifically, we will increase our engagement and communications to promote compliance with the BPS as a risk mitigator for the finance sector.

We will work with partners to increase awareness of modern slavery in the sugarcane sector and to improve human rights and working conditions by providing training and guidance for both employers and employees. We will seek funding partners to further this work in specific countries across the region.

### 8.5 ASIA PACIFIC

**We will continue to support new certifications across the region, and extend the impact of certification, by sharing our experience and providing support to our members while promoting continuous improvement with partners and stakeholders.**

We will drive the development and rollout of a more progressive approach in India and Thailand to enable access to the benefits of certification for many more farmers. We will continue to grow the number of Bonsucro-certified mills to increase our contribution to protecting the environment. We also plan to convene up to ten impact projects involving up to 5,000 smallholder farmers focused on reducing GHGs and improving water stewardship.

In Australia, we will continue to engage with Australian members, stakeholders and local standards to implement and continuously improve the Bonsucro Standard. We aim to improve environmental impacts, work with stakeholders on climate change mitigation, water stewardship and regenerative agriculture in sugarcane production and milling, through collective actions and knowledge-sharing.

In terms of social and labour priorities, we will convene strategic partnerships in India and Thailand to address some of the most pressing issues including modern slavery and child labour, working with credible and impactful partners. We will collaborate with other ISEAL code compliant members to provide education and training on human rights and decent work.

We will establish clear objectives to monitor compliance among members and ensure zero tolerance for forced labour and child labour, safer working conditions and gender empowerment as part of our 'Promoting Workers and Community Voices' project.



## 9. ORGANISATION DEVELOPMENT

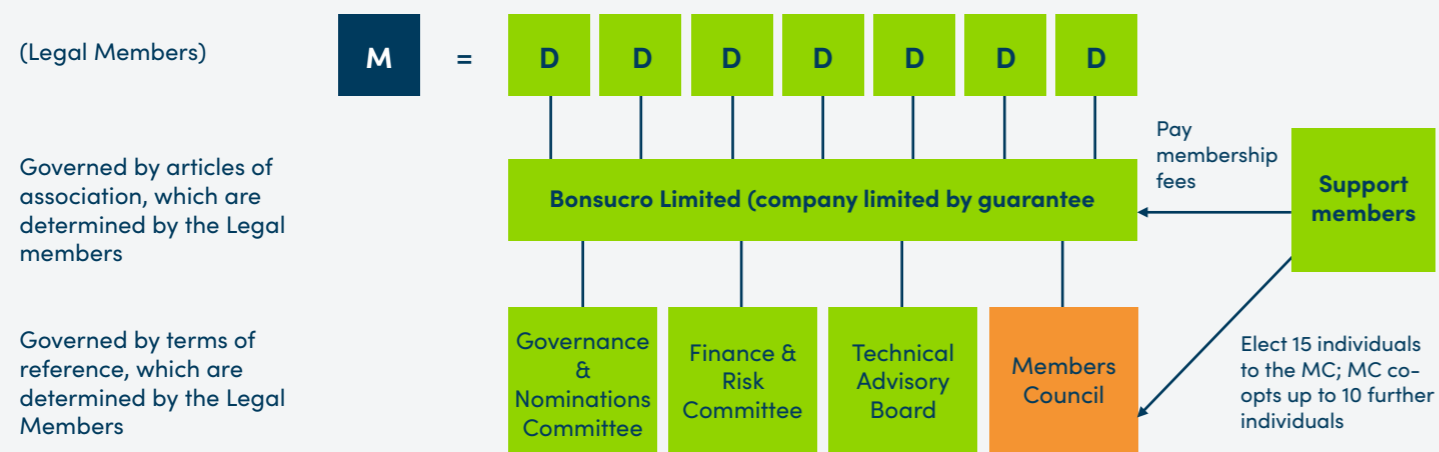
We will enhance Bonsucro’s capabilities in governance, people and systems while exercising high standards of organisational leadership and management. We will ensure and promote diversity and equality throughout our work and our organisation.

Bonsucro will remain a multi-stakeholder initiative, with broad-based and diverse stakeholder participation in policy, strategy and implementation. We will manage our growth by building capacity at the centre and in the countries where we work, with greater operational efficiency and increased devolution from the centre.

### 9.1 GOVERNANCE

Bonsucro is registered as a limited company in England and Wales. It is governed by a Board of Directors, who are the Legal Members of Bonsucro. Our system of governance was approved by the members in 2015 and has proved robust and effective.

Figure 4: Bonsucro Governance Structure



#### 9.1.1 BOARD OF DIRECTORS

Bonsucro’s Board will continue to draw on diverse high-level experience across all aspects of the sugarcane sector and/or sustainability.

The Board exercises ultimate responsibility for Bonsucro, while delegating the day-to-day responsibility for managing the organisation to the CEO and Secretariat team. The Board of Directors will continue to delegate to Standing Committees, and to convene the Members Council, Technical Advisory Board and ad hoc task groups to support it in its work and delegate responsibility for certain activities.

Each of our directors serves for a period of three years and may be appointed for up to two further terms, ensuring balance between continuity and new thinking.

#### 9.1.2 MEMBERS’ COUNCIL (MC)

Our Members’ Council will continue to ensure that our members have a strong voice in developing strategy and policies, by providing the Board with advice, opinions and recommendations from a variety of informed perspectives.

The MC reflects diverse experiences, geographies and interests in relation to the work of Bonsucro. It comprises up to 25 members, 15 of which are elected from the five membership classes and up to ten that are co-opted by the MC itself to ensure a balanced membership from a range of sectors, interests and geographies involved with sugarcane. The Chair and Vice Chair of the MC both sit on the Board of Directors and so can ensure a crossflow of information and views between the bodies.

#### 9.1.3 TECHNICAL ADVISORY BOARD (TAB)

The role of the TAB is to provide the Board of Directors with advice and recommendations and to maintain responsibility for Bonsucro Standards and assurance mechanisms, as well as providing guidance on how Bonsucro should measure impact. The TAB Chair sits on the Bonsucro Board.

The TAB appoints its own members, up to 15 individuals who are experts in their field. Each member serves a maximum of three years in a voluntary capacity. We will work to improve the overall composition of the TAB to reflect a diversity of geographies and technical expertise to support the technical delivery of the strategy and measurement of the impacts.





## 9.2 TEAM

We will remain a relatively lean organisation but aim to double in size to around 38 FTE (full-time equivalent) staff by 2026 to enable us to deliver on our ambitions.

This represents an average increase of about four people per year. This managed expansion follows three years of restricted growth while the organisation built its reserves and secured a more dependable revenue base. Most of the growth in personnel numbers will be in producer countries.

The table opposite sets out how we expect to grow our staff numbers by function, subject to meeting financial targets or adaptation of our plans through this period.



Table 4: Staff projections

Staff role	December 2020 actual	April 2026 projected
Regional & Country Programmes	6	19
International Secretariat	12	19
<b>Total</b>	<b>18</b>	<b>38</b>

This planned organisational growth allows for:

- The Chief Executive to dedicate more time to external representation to build the reputation of Bonsucro among industry leaders and with decision-makers and influencers in government, the research community, other sustainability initiatives and the media.
- Significant upweighting of Bonsucro's presence in the largest sugarcane-producing countries to initiate and drive national acceleration programmes and convene the public sector, mills, farmers, buyers and civil society organisations around initiatives to drive sustainability in line with national priorities. This will involve staff recruitment in the key countries.
- Investment in membership support both globally and locally with an increased focus on driving demand for Bonsucro credits and certified production.
- Strengthening our capacity to deliver and demonstrate impact and act effectively in our roles as the leading voluntary standard and as an effective platform for sustainable development in the sugarcane sector. We will recruit individuals with proven expertise in policy, monitoring, learning and evaluation while building our capability in data management, project funding and communications.

## 9.3 LOCATIONS

Our team will work from a central hub in the UK, where Bonsucro is registered, and in the largest sugarcane producing countries where we can achieve the greatest impact and work safely and in accordance with our human resources policies.

Most but not necessarily all our staff working in standards and assurance and in central services will be based in the UK. However, we will recruit globally for all posts and may opt to locate some central service staff in our regional or national offices.

We will maintain regional offices to support national programmes, develop impact partnerships, work with financial institutions and regional businesses, convene collaborative networks and events, and recruit and support members.

We will periodically review priorities and staffing levels based on achievement against objectives, actual and potential impact, and available funding.

*"By having more people in the regions, we can be in close contact and provide better customer service to our members. We need to strengthen our technical, communications and market capacities regionally."*  
(Bonsucro staff member)



## 9.4 EMPLOYER OF CHOICE

We will aim to ensure that everyone working at Bonsucro has clear roles and personal objectives and feels properly valued for the contribution that they make.

Following a review of staff engagement in 2019, we have developed an organisation-wide working group to optimise the recruitment, retention and development of our people. We will continue to conduct annual surveys of staff satisfaction with the aim of continual year-on-year improvement.

Our plan of work on staff engagement includes:

- Ensuring that levels of compensation are fair and comparable with those in similar organisations
- Increased investment in learning and development
- Ongoing review and updating of HR policies through a staff-led process
- Promoting teamwork, collaboration between offices and functions, and celebration of success.

## 9.5 SYSTEMS

We will invest in strengthening our operating systems to improve efficiency and effectiveness.

Our priorities include:

- Strengthening our data collection and management with a particular emphasis on generating evidence of impact
- Developing Bonsucro Connect, our online tool that enables users to monitor and demonstrate sustainability in their supply chains
- Continually renewing the Public Quality Management System Library to improve access to key reference documents supporting the Bonsucro Assurance System
- Assessing Bonsucro certification requirements against other sustainability initiatives
- Improving internal document management systems.



## 10. FINANCIALS & FUNDING

Our ambition to roughly double the size of our team by 2026 - including building new capabilities - will require similar growth in income. We have developed alternative scenarios for income and expenditure - one more ambitious, the other more conservative.

Bonsucro's financial position at the start of this strategy period is sound. We have a strong profit & loss statement, healthy financial reserves, good currency management and a good level of unrestricted funding to finance our core operations. We already have strong financial controls through our Finance & Risk Committee and the CEO's regular report to the Members' Council. We will further adapt and strengthen our controls as we devolve more decision-making and activity to the regions.

### 10.1 INCOME

We aim to grow our overall operating income from £2.1m in 2020-21 to around £3.7m in 2025-26, with a significant increase in funds raised for field-level and other projects.

We expect that the underlying business model for Bonsucro will remain unchanged through this strategy period, while continuing to explore alternative options.

Table 6 below shows the more ambitious income scenario, with significant increases in credit trading and fundraising, while Table 7 assumes more modest growth rates across the board.

Our assumptions for each revenue stream are explained in 10.2-10.6 below. All figures are for net operating income to Bonsucro after deduction of associated cost of sales (such as platform fees for credit trading income or venue hire in the case of events). Growth rates are expressed as annual (CAGR), but some are likely to be slower in Years 1-2 as we come out of the pandemic.

Table 5: Operating income 2021-26, Scenario #1 Ambitious

Income	Baseline 2020-21 (£K)	Yr 5 2025-26 (£K)	Notes
Membership Fees	1,500	2,415	10% CAGR
Consultancy, Data & Analysis	60	250	New services
Events & Training	55	110	15% CAGR
Credit Trading	365	755	15% CAGR
Partnerships & Grants	45	190	25% CAGR
<b>TOTAL NET INCOME</b>	<b>2,025</b>	<b>3,720</b>	
<b>Total Core Operating Costs</b>	<b>1,635</b>	<b>3,205</b>	
<b>SURPLUS/ (DEFICIT)</b>	<b>390</b>	<b>515</b>	16% of Core Operating Costs



Table 6: Operating income 2021–26, Scenario #2 Conservative

Income	Baseline 2020–21 (£K)	Yr 5 2025–26 (£K)	Notes
Membership Fees	1,500	2,100	7% CAGR
Consultancy, Data & Analysis	60	150	New services
Events & Training	55	70	5% CAGR
Credit Trading	365	600	10% CAGR
Partnerships & Grants	45	105	15% CAGR
<b>TOTAL NET INCOME</b>	<b>2,025</b>	<b>3,025</b>	
<b>Total Core Operating Costs</b>	<b>1,635</b>	<b>2,660</b>	
<b>SURPLUS/ (DEFICIT)</b>	<b>390</b>	<b>365</b>	14% of Core Operating Costs

Table 7: Cumulative project investment 2021–26

Funding sources	Investment £K 2016–21	Investment £K 2021–26 Conservative	Investment £K 2021–26 Ambitious	Notes
Credit trading & impact projects	880	2,480	2,880	Net of platform costs & Bonsucro unrestricted income
Partnerships & grants	585	1,895	2,550	Net of Bonsucro administrative fees
<b>TOTAL</b>	<b>1,465</b>	<b>4,350</b>	<b>5,370</b>	

## 10.2 MEMBERSHIP FEES

Overall, we expect to maintain our historic revenue growth rate in membership fees at around 10% per year, subject to further investment in the resources needed – especially regionally – to recruit and service members. We anticipate maintaining membership fee pricing at current levels, while improving value delivery.

The bulk of the fees will be paid by the largest companies: large sugar/sugarcane derived products buyers and mills. Our penetration of large international companies interested in membership is already high, so growth in membership numbers will come from small to medium traders and buyers, and from producers and mills in the key origins where sugarcane is produced (mainly Brazil, India, Mexico, Thailand and China).

Membership growth from biofuels and innovative end use sectors such as biochemicals or bioplastics is likely to be limited, given the dominance of relatively few large companies, the relative infancy of these applications for sugarcane derivatives and/or buyer satisfaction with their current sourcing options. Conversely, the potential medium to long-term value of demand for Bonsucro-certified product in these sectors is high, so we will pursue targeted recruitment among global and local buyers. We will recruit new members selectively in other more commoditised end-use sectors such as molasses.

## 10.3 CONSULTANCY, DATA & ANALYTICS

We will invest significantly in data, analytics and knowledge management. This will enable us to add value to members, and eventually to monetise new data products or services either in their own right or as underpinning elements for consultancy work.

Bonsucro is sometimes approached for consultancy assignments drawing on specific areas of in-house expertise, for example on supply-chain mapping, sourcing or capacity building. Clients have included a leading multi-national corporation and a global development institution. To date, we have not actively sought to develop or promote consultancy – largely because the staff involved are predominantly engaged in other work.

By Year 3, we would expect to significantly grow overall consulting revenues from their current relatively low base. As we expand our activities, we expect to use a mix of in-house staff and third-party consultants and contractors. Our projected figures are for net income to Bonsucro, having deducted any external costs incurred in project delivery.

## 10.4 EVENTS & TRAINING

We foresee growth of 5–15% growth per year in events and training, with more emphasis on remote and virtual participation.

Our main event product is Bonsucro Global Week, a major stakeholder forum, which is normally face-to-face but was postponed in 2020 due to COVID-19. We will move to a mix of physical and virtual events, with more activity devolved to key producer countries.

Our online academy delivers technical training for staff of certification bodies and training providers, with training providers paying an additional annual licence fee. We also conduct in-person technical training for members and potential members, using a mix of Bonsucro staff and outsourced professional trainers. We expect training revenue to grow in line with market demand for certification, with more emphasis on local languages and tailoring with local knowledge.

We see growing interest from members for live interactive training. However, dependence on third-party trainers for delivery means Bonsucro's margins are modest, and we do not want to compete with our licensed training firms. The real future value of training, however, is not commercial but rather as a vehicle for convening, especially with expert bodies in areas such as human rights.

## 10.5 CREDIT TRADING

We believe in the long-term potential of credit trading and plan to strengthen both its value proposition and promotion to potential buyers (see 7.5 above). We have modelled an annual growth of 10–15%, with approximately half of the gross amount generated providing unrestricted income for core operating costs.

Since we introduced credit trading, some of our Brand members have already made it an integral part of their sugar sustainability strategy. Participating mills and farms also understand its value to them. However, the model remains unproven for many others. The main barriers are presented by buyers unwilling to pay a premium for sustainable sugarcane, or who may be dissuaded by negative associations around other comparable book-and-claim systems, or who prefer to directly invest in their physical supply chain.

Currently the first 20% of income from credit trading goes to cover trading platform costs, with the net funds then split 50:50 between Bonsucro and funding for impact projects – typically capacity building and other sustainability initiatives focused on selected smallholder farmers and mills in key locations. Through this strategy period, credit trading will be increasingly important in funding our organisational growth, while amplifying our field-level impact in sugarcane producing areas.



## 10.6 PARTNERSHIPS & GRANTS

In addition to the impact project work funded through credit trading, we will work on a range of collaborative projects which we will initiate or join with other partners. Although project funding is less predictable than other revenue streams, we are targeting growth of 15-25% per year.

Our strategic priority to convene the sugarcane sector around critical challenges (such as climate change, water and human rights) provides a clear focus for proactive fundraising by Bonsucro – as well as opening up more inbound/reactive opportunities from partners. Project partners will include end users, producer members, other ISEAL organisations and academic/research institutions. Some of these additional projects may be impact-related, but the scope will be broader – including best practice, policy and innovation.

Bonsucro will continue to levy a standard management fee on all funds raised, plus cost recovery for staff time involved in project support or delivery, while most of the income will be restricted to specific project expenditure.

## 10.7 ALTERNATIVE REVENUE STREAMS

We believe that we can fund our ambitious growth targets for 2021-26 without changing our business model in the medium term. Longer term, however, we will also look at the feasibility of adopting other approaches that work successfully for comparable organisations.

For example, volume-based fees levied on production and paid by end users have enabled the Better Cotton Initiative to raise over €100m for capacity building for cotton farmers over ten years. The system does not distort pricing as it avoids costs passing through or being marked up through the supply chain.

The Roundtable on Sustainable Palm Oil (RSPO) has had similar success via a modest volume-based fee charged on mass balance sales, which has raised millions of dollars of additional annual income to enable the RSPO deliver its mission. Volume-based fees could help reduce financial dependency on fewer large end users and fairly incentivise uptake, for example by offsetting against membership fees.

Any such developments would be subject to detailed financial modelling and extensive consultation with members and to a feasibility assessment.

## 10.8 EXPENDITURE

The main changes in predicted expenditure by Year 5 are:

- Planned increases in staff numbers with more regional/local than central hires
- Significant investment in currently under-funded areas – particularly ICT, systems, policy and communications (including some upfront pre-investment before starting to generate returns)
- Post-COVID resumption of training, events and other face-to-face engagement activity, with more activities conducted virtually and remotely (with related savings on office and venue costs)
- Increase in regional/local travel to deepen and expand member/partner engagement.

Both Year 5 scenarios below assume a contingency of 5% and a target annual surplus of 15%.

Table 8: Expenditure 2021/26, Scenario #1 Ambitious

Item	Baseline 2020-21 £K	Yr 5 2025-26 £K	Details
International staff	715	1,030	Exec leadership, shared services, technical/ specialist
Regional staff	300	750	Regional leadership, regional/ country teams
Administration & overheads	150	250	Office, legal, accountancy
ICT & systems	80	250	Digitalisation, development, data/ analytics
Travel	50	150	All travel except training/ events
Policy & communications	50	250	Production, agencies, research
Consultancy	200	350	Strategic, technical, standard etc
Other/ contingency	90	175	
<b>Total core operating costs</b>	<b>1,635</b>	<b>3,205</b>	

Table 9: Expenditure 2021/26, Scenario #2 Conservative

Item	Baseline 2020-21 £K	Yr 5 2025-26 £K	Details
International staff	715	900	Exec leadership, shared services, technical/ specialist
Regional staff	300	650	Regional leadership, regional/ country teams
Administration & overheads	150	200	Office, legal, accountancy
ICT & systems	80	150	Digitalisation, development, data/ analytics
Travel	50	130	All travel except training/ events
Policy & communications	50	190	Production, agencies, research
Consultancy	200	300	Strategic, technical, standard etc
Other/ contingency	90	140	
<b>Total core operating costs</b>	<b>1,635</b>	<b>2,660</b>	



## 11. CONCLUSION

**This Strategic Plan is ambitious but achievable. We have defined our Purpose and Strategic Aims and set out challenging targets that shape what success will look like, along with the priorities and actions that will be needed to deliver on our objectives.**

We have been asked what changes in this strategy. This plan builds on our extensive learning from more than a decade of experience and sets out our intention to do things better and smarter, rather than radically changing direction.

### WE WILL CONTINUE TO

- Support our members
- Work exclusively in sugarcane & its value chains
- Contribute to the SDGs
- Maintain global good governance
- Adhere to the ISEAL Codes of Conduct

There are many issues we would like to address but, for these five years, we will concentrate our resources in those areas which are most important to achieving our Purpose and in which our members want us to excel.

We will continue to do all those things which are clearly working well strategically and operationally, while strengthening our capabilities and investment in key areas.

We will continue to act as an effective multistakeholder organisation, maintaining our high standards of credibility, integrity and good governance. We will enhance the value we deliver to our members and other stakeholders and partners, supporting their contributions to the Sustainable Development Goals and on climate change.

We will expand and deepen our role as the convening platform for the whole sector, determined to play a more proactive role in addressing urgent and systemic challenges with a specific focus on climate change, water and biodiversity.

We will bring members and stakeholders together to advance human rights and Decent Work in sugarcane farming and milling.

In our work with producers, we will be more inclusive of smallholder farmers and facilitate continuous improvement both within and outside our standards and certification. We will expand our impact project work with partners including capacity building and access to affordable finance.

On the market side, we will work with buyers and end users to grow demand and uptake for Bonsucro-certified product and credits, expanding our membership and reach in both traditional and developing markets.

### WE WILL STRENGTHEN

- Focus on climate change, water & biodiversity
- Contribution to Human Rights & Decent Work
- Support for smallholders
- Investment & partnerships
- Market development for Bonsucro product & credits
- Digitalisation & MEL
- Influencing & communications

We have planned significant increases in both resources and revenue to meet our ambitious but attainable goals for 2021–26 and are confident that we have the organisational agility and resilience to respond rapidly and effectively to unforeseen challenges along the way.

We commend this Strategic Plan to all those who share our ambition to accelerate the transition of the sugarcane sector to a more sustainable future.





## ANNEX 1: GLOSSARY

<b>AFOLU</b>	Agriculture, Forestry & Other Land Use	Used in reference to greenhouse gas emissions
<b>AWS</b>	Alliance for Water Stewardship	Global network that promotes responsible use of freshwater
<b>BCI</b>	Better Cotton Initiative	World's largest sustainable cotton programme
<b>BPS</b>	Bonsucro Production Standard	Standard which helps farmers and millers to measure their productivity alongside their social and environmental impacts
<b>BPSS</b>	Bonsucro Production Standard for Smallholder Farmers	Provides environmental, social, and economic sustainability with performance-based indicators specifically designed for application to sugarcane production
<b>CAGR</b>	Compound Annual Growth Rate	Geometric progression ratio that expresses the compound rate of return on investment
<b>CEO</b>	Chief Executive Officer	
<b>CO<sup>2</sup></b>	Carbon dioxide	Chemical compound composed of one carbon and two oxygen atoms; present in the Earth's atmosphere at a low concentration and acts as a greenhouse gas
<b>CO<sup>2</sup>e/t</b>	Carbon dioxide equivalent per metric tonne	Equivalence metric for greenhouse gas emissions
<b>CTP</b>	Credit Trading Platform	Automatic price-matching mechanism which allows a global network of businesses to buy and sell Bonsucro Credits
<b>ESG</b>	Environmental Social & Corporate Governance	Criteria used by socially conscious investors and shareholders to screen investments and assess a company's impact on the world
<b>ETBE</b>	Ethyl tertiary butyl ether	Biofuel derived from ethanol
<b>EU</b>	European Union	
<b>EU-RED</b>	European Union Renewable Energy Directive	Directive on the promotion of the use of energy from renewable sources
<b>FAO</b>	Food & Agriculture Organization	United Nations agency that leads international efforts to defeat hunger and improve nutrition and food security
<b>FTE</b>	Full-time equivalent	Unit to express employed persons in a way that makes them comparable although they may work a different number of hours per week
<b>GDP</b>	Gross domestic product	Monetary measure of the market value of all the final goods and services produced in a specific place or time
<b>GHG</b>	Greenhouse gases	Gas that absorbs and emits radiant energy within the thermal infrared range, causing the greenhouse effect
<b>GM</b>	Genetically modified	Process of altering the genes of a living thing
<b>ha</b>	Hectare(s)	Unit of area equal to 10,000m <sup>2</sup> or approx. 2.47 acres
<b>HCVA</b>	High conservation value area	An area in which there are biological, ecological, social or cultural values considered outstandingly significant
<b>ICT</b>	Information & Communications Technology	The systems, infrastructure and components that enable modern computing and electronic communications
<b>IFC</b>	International Finance Corporation	Member of the World Bank Group and largest global development institution focused exclusively on the private sector in developing countries

<b>ISEAL</b>	ISEAL Alliance	Global membership organisation for ambitious, collaborative and transparent sustainability systems
<b>ISO</b>	International Sugar Organization	Intergovernmental body devoted to improving conditions on the world's sugar market
<b>M&amp;E</b>	Monitoring & evaluation	Overview and assessment of performance in relation to objectives
<b>MC</b>	Members Council	Representative body of the membership of Bonsucro which acts as a reference and sounding board for the Board of Directors, allowing members to have a say on the issues that matter to them
<b>MEL</b>	Monitoring, evaluation & learning	Systems to track, assess and learn from the results of an organisation's interventions
<b>MNC/ MNE</b>	Multi-national corporation Multi-national enterprise	Corporate organisation that owns or controls production of goods or services in at least one country other than its home country
<b>MSI</b>	Multi-stakeholder initiative	Voluntary partnerships between governments, civil society, and the private sector
<b>Mt</b>	Megatonne	Million tonnes
<b>NGO</b>	Non-governmental organisation	Non-profit organisations which are independent of government involvement which serve a social or political goal such as humanitarian causes or the environment
<b>OECD</b>	Organisation for Economic Co-operation & Development	Intergovernmental economic organisation with 37 member countries, founded in 1961 to stimulate economic progress and world trade
<b>OHS</b>	Occupational Health & Safety	Process of ensuring the health, safety and welfare of people at work
<b>PES</b>	Payment for environmental services	Payments to farmers or landowners who have agreed to take certain actions to manage their land or watersheds to provide ecological service
<b>RSPO</b>	Roundtable for Sustainable Palm Oil	Multi-stakeholder organisation to promote the growth and use of sustainable oil palm products.
<b>SDG</b>	United Nations Sustainable Development Goals	Global agenda to end poverty, protect the planet, and ensure all people enjoy peace and prosperity.
<b>SECO</b>	Swiss State Secretariat for Economic Affairs	Swiss federal government competence centre for all key economic policy issues
<b>TAB</b>	Technical Advisory Board	Bonsucro body that provides the Board of Directors with advice and recommendations regarding the standards, assurance mechanisms, and measurement of impact
<b>t</b>	Tonne	1,000 kilograms; metric equivalent to approx. 1.102 US tons
<b>UK</b>	United Kingdom	
<b>UN</b>	United Nations	Intergovernmental organisation that aims to maintain international peace & security, and achieve international cooperation
<b>UNCTAD</b>	United Nations Conference on Trade and Development	The organisation within the United Nations Secretariat which deals with trade, investment, and development issues
<b>UNGP</b>	United Nations Guiding Principles on Business and Human Rights	Instrument consisting of 31 principles implementing the UN's "Protect, Respect and Remedy" framework on the issue of human rights and transnational corporations and other business enterprises
<b>US\$</b>	US dollars	
<b>VSS</b>	Voluntary Standard System	Non-governmental standard systems for sustainability



## ANNEX 2: VALUE PROPOSITIONS

### FARMERS

Bonsucro provides sugarcane farmers with a robust performance framework to progressively improve their farming practices and impact on the land, water and ecosystems. Certified farmers benefit from access to certified mills, the ability to sell sugarcane credits on our trading platform and opportunities to connect and exchange with their peers.

As a convening platform, we give farmers and farming associations greater visibility and voice than they would otherwise have in sustainability discussions and initiatives, both globally and locally.

Bonsucro-certified farms experience much lower accident rates, while farm workers benefit from safer working conditions and can earn significantly more than the national minimum wage, depending on location. We will continue to strengthen respect for human rights and promote advances in Decent Work both within and outside of the Bonsucro Standard.

We will increase our support for smallholder sugarcane farmers in particular – including those not yet certified. Specifically, we will expand the number and scope of our impact projects, unlock more investment in capacity building and facilitate access to affordable finance.

Bonsucro cannot claim or guarantee directly attributable improvements in sugarcane farming costs or yields for certified farmers – especially given the diversity of Bonsucro farms, different growing conditions, and other variables such as changes in variety, better fertilisation, better irrigation, and better weed control. However, our data demonstrates that, globally, certified farmers produce significantly more sugarcane per hectare than conventional farmers.



### MILLS

Although Bonsucro certification does not necessarily carry a premium, we will do everything within our power to ensure that mills' investment in sustainability is recognised by the market. Our credit trading system rewards sustainable production by enabling buyers to purchase directly from Bonsucro-certified mills. There is growing evidence that end users prefer to buy from certified mills, including non-certified product.

Independent business case studies demonstrate that Bonsucro certification drives a range of operational benefits and cost reductions for mills – including reduced application of agrichemicals, lower GHG emissions, improved water usage, and lower rates of absenteeism and accidents. It can also reduce amounts paid in fines by strengthening legal compliance.

Critically, certification helps to safeguard business and mitigate commercial risk by giving mills the credibility they need to respond to growing customer demand and regulatory pressure for sustainable sugarcane and derivatives.

We provide member mills with technical and communications support to improve their sustainability performance, including best practice information and data – as well as valuable supply-chain connections through local and international pre-competitive convening activity. We are expanding our support to other mills that are not yet ready for certification but who are serious about becoming progressively more sustainable.

Increasingly, we are looking to add value to mills by creating access to new and innovative lines of finance, such as carbon credits and green bonds, and by providing additional support to their farmers through access to finance and funds for capacity building.



## TRADERS

Traders play a vital role in connecting supply and demand, supporting their customers' sustainability and ESG commitments through more sustainable sourcing.

As leading corporations themselves, many are subject to the same stakeholder demands and expectations as their customers. Buying Bonsucro-certified product helps all parties to manage and mitigate commercial, legal and reputational risk.

As we develop our data and analytics capabilities, Bonsucro will provide traders with improved metrics and evidence of impact on the ground. We also connect them with other supply chain actors and stakeholder groups to develop shared responses to critical sectoral challenges, such as water usage, deforestation and human rights.

## END USERS

Our end-user members represent both traditional consumer food, beverage and alcohol sectors and other derivatives, such as bioethanol, bioplastics and biopackaging.

Sourcing from Bonsucro-certified mills is vital for end users to achieve their sustainable procurement targets (including purchase of Bonsucro credits), to demonstrate sustainability performance to stakeholders and investors (including delivery against the SDGs) and to mitigate risk, especially as regulatory requirements become more stringent.

End users value the peer-to-peer and supply chain connections that we create and privileged access to knowledge and insights – particularly intelligence on projects in development by mills and farmer groups to achieve certification and deliver measurable improvements. They also welcome the individual support that we provide through training, advice on developing their sustainability strategy and roadmaps and more data-driven decision-making, including increased transparency on supply-chain mapping.

Bonsucro provides a pre-competitive platform to bring like-minded companies together to advance sustainability across the sugarcane sector globally. Bonsucro aligns the end user community around critical challenges facing the sector (such as GHG, water and human rights), developing shared policy and solutions, while driving collective action on the ground – especially through impact projects in locations of specific interest to end users and partners such as donors and civil society organisations.

Through Bonsucro, International and local NGOs can play an active role to achieve their own mission and desired impact by participating in the design and delivery of field-level projects. This can include capacity building, innovation and other technical support work – designed to drive measurable environmental, social or economic impacts for farmers and mills in targeted locations.

## DONORS & FUNDERS

Bonsucro is a credible and trusted partner for donor-funded projects and programmes. We are the leading authority on sustainability in sugarcane, our work is data-driven and evidence-based, and we have a proven track record of project management, reporting and delivery. Since we generate a significant amount of impact investment funding from our credit trading system, we ourselves view our own funding through a similar lens.

Thanks to our critical mass and reach in sugarcane, we are uniquely placed to advise donors on hotspots for potential investment, to help them to channel funding to where it will best meet their objectives, criteria and desired outcomes, and to connect them to current and potential project partners.

We provide access to some of the biggest commercial operators in the sector for larger projects looking to drive change at scale. Alternatively, we can facilitate funding for more targeted and localised projects – including capacity building, innovation, and access to finance – and especially for smallholder farmers and less advanced mills. We are an effective conduit for best-practice transfer across into sugarcane from donors' experience with other agricultural commodities and supply chains.

## CIVIL SOCIETY

As the world's leading sustainability initiative for sugarcane, and as a Code Compliant member of ISEAL, Bonsucro is the go-to organisation for NGOs with a direct or indirect interest in sugarcane. We recognise the role of civil society organisations in holding corporations and other stakeholders to account, and create opportunities for them to influence our Standards, policies and practices.

We actively engage and partner with civil society at every level – from global policy and research to local field-level projects and programmes – often in collaboration with other interested parties such as farmer and mill associations, donors and government extension services.

Our work already spans environmental sustainability (for example on GHG emissions, soil health, biodiversity), poverty alleviation and better working conditions and human rights protections for workers. We are open to diversifying our engagement further.

Civil society members have privileged access to mills, buyers and end users. We provide multi-stakeholder engagement through committees and advisory groups, networking, events and knowledge sharing – where civil society members can not only learn from others, but also promote their own work and influence change.

## GOVERNMENTS

Bonsucro is a valuable resource for governmental organisations both globally and locally. We are a source of data and insights for the public good, an influential convenor for multi-stakeholder dialogue and consensus, and a trusted advisor and delivery partner for development assistance projects. Our expertise in sustainability complements the work of the ISO. We provide a vital bridge among governments in producer and consumer countries.

In producer countries, Bonsucro's metric-based standards can provide a proxy for regulation and raise the bar for farms and mills beyond national minimum requirements. We enable national governments to compare their approach with other producer countries and to share best practice. We help them to better understand the evolving requirements of consumer countries and to better promote responsible management of the sector to stakeholders abroad.

For governments in consumer countries, Bonsucro provides comprehensive, authoritative guidance on the local contexts in producer countries – from national environmental and social and labour regulation to the very real challenges for improving sustainability on the ground. As a partner in achieving their SDG and Net Zero commitments, we enable them to benchmark policy against our standards, to de-risk imports and to think through the impact on producer countries of changing regulation on supply-chain sourcing and due diligence.



<sup>1</sup>Many other agronomic and weather factors can affect cane yield and direct correlation is not assumed. Yield data are based on that achieved by half of the farms within a climactic zone according to a model developed for Bonsucro by the University of Minnesota in 2014

<sup>2</sup>Agroicone, Business case study for Bonsucro certification in Brazil: a cost-benefit ratio assessment, September 2020. <http://www.bonsucro.com/benefits-of-bonsucro-certification-in-brazil/>

<sup>3</sup>ibid

<sup>4</sup>Bonsucro Outcome report 2019

<sup>5</sup>The ten largest sugarcane producers in 2019 were India, Brazil, Thailand, China, Mexico, Pakistan, Australia, USA, Guatemala, Indonesia. Bonsucro has certified mills in all these countries except Pakistan and the USA. (ISO Sugar Year Book 2020)

<sup>6</sup>European Commission, Action Plan for Financing Sustainable Growth, March 2018

<sup>7</sup>UNCTAD World Investment Report 2020, "Investing in the SDGs"

<sup>8</sup>"Economist Intelligence Unit, "Is sustainability in fashion?", October 2020

<sup>9</sup>Sustainable Goals Development Report, 2020

<sup>10</sup>Smith WK et al, Voluntary sustainability standards: Proceedings of the National Academy of Sciences of the United States of America, February 2019, <https://www.pnas.org/content/116/6/2130/>

<sup>11</sup>OECD/FAO (2016), OECD-FAO Guidance for Responsible Agricultural Supply Chains, <http://dx.doi.org/10.1787/9789264251052-en>

<sup>12</sup>FAO, 2017

<sup>13</sup>World Government Summit, "Agriculture 4.0: The Future of Farming Technology", February 2018

<sup>14</sup>Business & Human Rights Clinic, Columbia University, "The Impact of Bonsucro on Human Rights in the Sugarcane Industry, A Focus on India", 2019

<sup>15</sup>Energy Potential of Bagasse <https://www.bioenergyconsult.com/energy-potential-bagasse/>

<sup>16</sup>Statista 2020 based on OECD-FAO, Agricultural Outlook 2020-2019

<sup>17</sup>Bonsucro, Introduction to Sugarcane, 2019

<sup>18</sup>OECD-FAO, Agricultural Outlook 2020-2019

<sup>19</sup>IISD – SSI, Global Market Report: Sugar", 2019

<sup>20</sup>Bonsucro, Introduction to Sugarcane, 2019

<sup>21</sup>OECD-FAO Agricultural Outlook 2020-2029

<sup>22</sup>ibid

<sup>23</sup>ibid

<sup>24</sup>Biofuel UK, "Biofuel Organisms – Sugarcane", <http://biofuel.org.uk/sugar-cane.html>

<sup>25</sup>OECD-FAO Agricultural Outlook 2020-2029

<sup>26</sup>ibid

<sup>27</sup>The European Bioplastics Association defines bioplastics as being biobased, biodegradable or both.

<sup>28</sup>Grand View Research, Bioplastics Market Size, Share & Trends Analysis Report By Product (Biodegradable, Non-biodegradable), By Application (Packaging, Automotive & Transportation, Textile), By Region, And Segment Forecasts, 2020 – 2027, June 2020

<sup>29</sup>OECD-FAO, Agricultural Outlook 2020-2029

<sup>31</sup>Deloitte, Business Case Study of Bonsucro Certification in India, Feb 2021

<sup>32</sup>Agroicone, Bonsucro Business Case, 11 September 2020

<sup>33</sup>'Outcome based standards – a landscape approach' is a research project managed by Bonsucro, funded by a consortium of donors and the ISEAL Innovations Fund, which is supported by the Swiss State Secretariat for Economic Affairs (SECO) with research led by the University of Minnesota.

<sup>34</sup>Sugarcane season 2019/20

<sup>35</sup>Sugarcane season 2024/25

<sup>36</sup>Financial year 2020/21

<sup>37</sup>Financial year 2025/26

<sup>38</sup>Sugarcane season 2019/20

<sup>39</sup>Sugarcane season 2024/25

<sup>40</sup>Financial year 20/21

<sup>41</sup>Sugarcane season 19/20

<sup>42</sup>Financial year 25/26

<sup>43</sup>Sugarcane season 25/26

<sup>44</sup>Sugarcane season 19/20 and financial year

<sup>45</sup>Financial years

<sup>46</sup>"Areas designated on the basis of High Conservation Values (HCVs) which are biological, ecological, social or cultural values considered outstandingly significant at the national, regional or global level" Biodiversity a-z, UN Environment World Conservation Monitoring Centre

<sup>47</sup>In partnership with the Earth Innovation Institute, producer associations Orplana and Socicana, Solidaridad Brazil and Geoflorestas.







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