

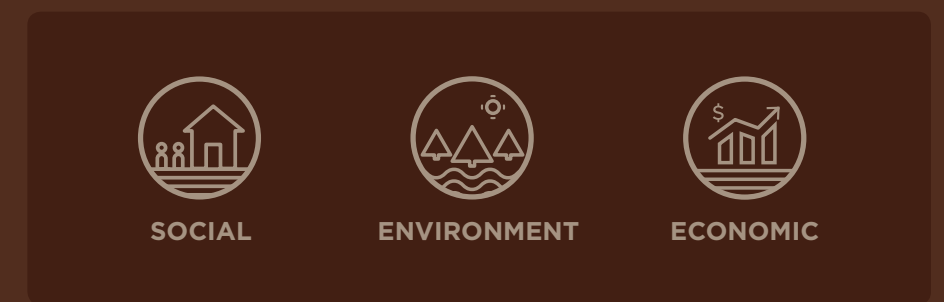
CULTIVATING CHANGE

2015 SUSTAINABILITY REPORT

Farmer Brothers

A NEW SEED BLOSSOMS

When we unveiled our SEED framework for Social, Environmental, and Economic Development in 2012, we categorized sustainability around a triple bottom line of people, planet, and profit. As our efforts have grown organically throughout the company, we've begun to see SEED as a whole organism rather than separate branches. That's because our decisions intentionally address environment, society, and business needs all at once — and all as one. By sourcing coffee responsibly, we don't just strengthen the environment, we also strengthen the lives of growers and the bottom line of our business. By building new LEED-certified offices, we aren't just reducing our carbon footprint, we are increasing employee efficiency. And by committing to the social well being of our farmers, not only are we doing the right thing for our partners, we're also doing what's right for our business. It's a culture of sustainability that is reinforced throughout our company — and it's how we're helping to build a better business, a stronger society, and a healthier planet.



01

**FERTILE GROUND
FOR CHANGE**

02

**OUR ECO
EVOLUTION**

03

**THE NEW PEOPLE
PARADIGM**

The Next Step: Making sustainability part of everyone's job — every day!

As we began our sustainability journey four years ago, our hopes were high. We started down a path confident that we could build strong, lasting relationships among our employees, our customers, and our growing partners.

Initially this was more “blocking and tackling” than cutting-edge practices. But we came together around our SEED program and made large strides toward improving our performance in areas like greenhouse gas emissions, water use, recycling, and support for coffee growers at origin.

We challenged ourselves to push harder to better execute our core sustainability objectives and develop new ways to improve. And we challenged our business partners and our growing partners to meet our standards for sustainability goals that impact human rights initiatives, waste reduction, environmental improvements, and ethical trade practices. Simply put, our sustainability practices were extended to all areas of our business practices.

At origin, we maintain personal connections with our coffee growers and invest in their welfare. Through our Direct Trade Verified Sustainable program we pay price premiums to coffee producers and participate in their ongoing education—in order to help them to continually improve the quality and sustainability of their crops and charge a higher premium for their products.

In our corporate office, as we began to say “yes” to sustainability more often and incorporate it into our growth strategy, we found ourselves making company-wide changes. The most dramatic of these changes is the relocation of the company headquarters to the Fort Worth area from Los Angeles. Our move to these LEED-certified offices will publicly demonstrate our commitment to sustainability while significantly lowering our


fuel consumption and improving our energy efficiency. We also strengthened our partnership with World Coffee Research (WCR) and Texas A&M’s agricultural school, which are working together to develop drought and pest-resistant coffee plants.

As we seek to expand our SEED program to reflect our growing commitment to social, environmental, and economic development, we believe it is increasingly important that every employee understands the strategic importance of sustainability; is aligned on the actions he or she needs to take every day; and makes it central to our conversations, actions, and future goals. That may sound easy, but in an organization with roughly 1,650 employees spread all across the country, it will be quite a challenge.

Our objective is simple—that Farmer Brothers pursue industry leadership in sustainability. We have set aggressive goals, are aligning our resources and investments to achieve them, and expect to improve the metrics that report our progress. As we achieve our objectives, we will set new ones—tougher ones—and start the process again to always push forward.

Thank you to our team of employees who has worked together to make great progress toward building a business that can be a force for good—so we can contribute to creating lasting change all around the world.

Sincerely,



Mike Keown
President and CEO



Molly Laverty
Director of Sustainability

2015 MATERIAL ASPECTS

In 2014, we deepened our commitment to sustainability by outlining the most pressing material sustainability issues of our time, focusing on the areas of human capital, natural capital, and financial capital. We set big goals and tracked our progress for eight of those issues. In 2015, we continued the work by focusing on eight more material aspects that we've folded into five themes. We're proud of our progress, but we also recognize that the journey will never be complete. Sustainability is an ongoing pursuit. And we're happy to report we're in it for the long haul.



Reduce the environmental impact of our products and services.

[▶ READ OUR COMPLETE PRODUCTS + SERVICES BRIEF](#)



Conserve protected land and promote biodiversity everywhere we operate.

[▶ READ OUR COMPLETE BIODIVERSITY BRIEF](#)



Advance social, environmental, and product compliance standards.

[▶ READ COMPLETE COMPLIANCE BRIEF](#)



Ensure our products meet high standards for customer health and safety.

[▶ READ COMPLETE CUSTOMER HEALTH + SAFETY BRIEF](#)



Protect the human rights and welfare of our farmers.

[▶ READ COMPLETE HUMAN RIGHTS + LABOR PRACTICES BRIEF](#)

01

FERTILE GROUND FOR CHANGE

To create a culture rooted in sustainability, businesses must be willing to cultivate change. As we've laid the groundwork for our own transformation, we've learned that this change can't come in the form of a corporate mandate, and it's never the work of just one department. From our zero waste* initiative to our responsible sourcing programs and beyond, the message is loud and clear. Each employee, partner, vendor, and farmer must be connected to our culture of sustainability—and committed to ensuring its success.

*Farmer Brothers uses The Zero Waste International Alliance's definition of zero waste (and zero waste-to-landfill), which defines it as a waste diversion of 90% or more.

01

GOALS

When we set our sights on a large-scale, long-term goal like zero waste, we know there are many process goals to be attained in order to get there, and it's only through a collective commitment to sustainability that we will.

Build a collaborative, sustainably minded workforce

PROGRESS: All new employees in our Fort Worth, Texas, location were introduced to the company's sustainability goals during orientation. A new incentive program, called "Green Beans," was launched.

120 sustainable acts credited to employees at this location.

[↗ READ OUR COMPLETE PRODUCTS + SERVICES BRIEF](#)

Get to zero waste by the end of 2017

PROGRESS: Through new partnerships, we were able to divert 490,000 burlap bags from landfill, and we upcycled more than 250,000 pounds of coffee packaging into corner board.

48% of waste diverted from landfill.

5% increase from 2014.

[↗ READ OUR COMPLETE PRODUCTS + SERVICES BRIEF](#)

THIRD-WAVE COFFEE BAR

Featuring high-quality, responsibly sourced coffee, our free, self-serve coffee bar will invite our employees to experience high-end coffee making and tasting.



COFFEE TRAINING AND CUPPING ROOM

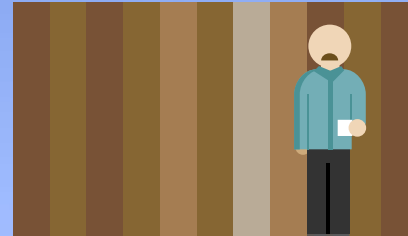
Our SCAA*-certified lab and teaching facility will enable us to train employees on green coffee, sustainable sourcing, and specialty coffees.

**Specialty Coffee Association of America*



SUSTAINABLE WOOD

Reclaimed wood will be used for various design accents throughout the building. Sustainably sourced wood from coffee trees will be used for tables in conference rooms and other common areas.



ATRIUM LOBBY

The lobby will provide an open area for collaboration and exhibits that tell the story of coffee from seed to cup.



PAPERLESS BREAK ROOMS

Every break room will be stocked with real plates, cups, and silverware—along with energy-efficient dishwashers—so employees can reduce their use of paper products.



BUILDING OUR VALUES, LITERALLY

The decision to move our headquarters to Fort Worth, Texas, in 2015 presented us with a unique opportunity to reflect sustainability throughout our corporate office. The result is new LEED-certified offices projected to open in Fall 2016. From energy-efficient windows and low-flow fixtures to gas-efficient exhaust management and on-site recycling and composting, our state-of-the-art building will help us create new operational efficiencies and major reductions in carbon emissions. It also embodies the coffee industry we all love, closely integrates with our sustainability values, and encourages company-wide collaboration.





THE UNCONVENTIONAL RECYCLER

Michelle Graham, financial analyst in our Portland branch, started a burlap recycling program, donating 10,000 bags per month to local farms, nurseries, and community gardens in and around Portland, Oregon. Instead of ending their lives in the landfill, bags are re-used for weed and erosion control.



Portland, OR



THE KING OF METAL

Ron King, distribution manager of our Oklahoma City branch, developed a new process for scrap metal segregation that has allowed us to divert 11,392 coffee brewers from the Oklahoma landfill. The extra time and labor it takes to sort the metal from old brewers is offset by the new revenue that comes from scrap metal recycling.



Oklahoma City, OK



Houston, TX



THE CHAMPION OF CHAFF

Gail Boyce, environmental health and safety manager of our Houston branch, spurred an initiative to turn coffee chaff and whole bean byproduct into organic fertilizer. This effort alone has kept over 35,000 pounds of waste out of the landfill.

ZERO WASTE FROM THE GROUND UP

A CEO can launch a zero waste initiative. A sustainability department can nurture it. But achieving zero waste-to-landfill requires engagement from each and every employee. We learned this first-hand in 2015. With nearly half of our waste diverted from landfills and all the easy ideas and quick wins already in place, getting to the next step is going to require more creative ideas, cross-functional teams, and ground-up initiatives. And our employees are ready to deliver them, becoming the innovators and champions of our zero waste campaign. Here are just a few of their brilliant ideas.

SHIFTING THE CULTURE

Creating a culture of sustainability can never work if it starts at the top and gets stuck there. That's why Farmer Brothers is intent on sustainability that permeates every department and resonates with our employees. From new employee sustainability training to the Farmer Brothers SEED committee, which brings together a cross-disciplinary team of sustainability champions, we're making sure that sustainability transcends our organization to become a natural part of our business culture.



Justin Bryant
*Lead Systems Support Technician,
Farmer Brothers*

EMPOWERED BY SUSTAINABILITY

Justin Bryant, lead systems support technician of IT, illustrates just how well this approach can work. Soon after joining Farmer Brothers, he was trained on our commitment to sustainable practices—and his job immediately challenged him to streamline systems that will reduce paper. Beyond his departmental sustainability goals, Justin felt empowered to bring his passion for solar energy to the new building design team. And thanks to his diligent research and sourcing, we're now looking into incorporating solar energy at our new headquarters as part of our phase two building plan, which would enable us to power green energy and take advantage of valuable tax incentives.



REWARDING ENVIRONMENTAL CHAMPIONS

Through our Green Beans Award program, we're acknowledging and rewarding environmental stewards throughout our company. Whether it's leading a zero waste initiative or commuting to work by bike, we recognize the individual actions of our environmental champions—so we can ignite employee enthusiasm and inspire new sustainability innovations across our business and beyond.

A photograph of two women working in a coffee nursery. They are in a covered area with a thatched roof made of dried leaves. The women are tending to rows of young coffee plants in black plastic pots. One woman is in the foreground, leaning over a row of plants, while another is in the background, also working. The scene is brightly lit, suggesting a sunny day.

02

OUR ECO EVOLUTION

We've always believed business can be a force for environmental good in the world—and reducing our carbon footprint is just the beginning. As we look to the future of our industry and our planet, we're discovering new ways to support biodiversity and health of ecosystems worldwide. We see it as a business imperative for protecting our coffee crops. More important, we see biodiversity as a moral imperative for protecting the future of our planet.

02

GOALS

By measuring our environmental impact, recording our progress, and making changes that protect the planet, we believe that doing good can also be good business.

Measure ecological impact at origin

PROGRESS: In 2015, we expanded our work with the Coalition for Coffee Communities to include a landscape-mapping program, which uses spatial imaging technology to track changes in the physical landscape of our partner farms in the Direct Trade Verified Sustainable (DTV) program in Jinotega, Nicaragua.

100% of Nicaraguan farmers in our DTV program will have access to soil conservation training.

[➤ READ OUR COMPLETE BIODIVERSITY BRIEF](#)

Track environmental health and safety initiatives

PROGRESS: We are working toward implementing an Environmental Health and Safety management system, which will provide a structured approach to monitoring our EHS initiatives and measuring compliance of EHS regulatory requirements.

100% of green coffee suppliers surveyed to record minimum compliance standards of human rights, environment, and labor practices.

[➤ READ OUR COMPLETE COMPLIANCE BRIEF](#)

Invest in technology to reduce transportation costs

PROGRESS: Through the use of videoconferencing and other collaborative tools, we are able to conduct face-to-face, interactive meetings without flying to decrease work travel kilometers compared to previous fiscal year.

25% decrease in km flown for work travel.

[➤ READ OUR COMPLETE COMPLIANCE BRIEF](#)

Reduce the environmental impact of energy usage through conservation and unique programs

PROGRESS: In 2015 we continued to offset 100% of electricity in our roasting plants by purchasing renewable energy credits (RECs).

16,940,347 kilowatt hours of wind energy RECs purchased.

[➤ READ OUR COMPLETE PRODUCTS + SERVICES BRIEF](#)



Ivania Rivera
Head of Sales, Aldea Global

FROM CHERRY PICKER TO ECO WARRIOR

When Ivania Rivera was a child, she loved to tag along while her mother picked coffee cherries, constantly watching, learning, helping, and thinking about the laborious process. "I always wondered where all that coffee was going," she says. And so she found out. After earning her degree in agricultural engineering, Ivania became the logistics manager of the Aldea Global coffee co-op, handling everything from green coffee purchasing and exporting to farmer relations and technical assistance. Today, she helps Farmer Brothers and its partners implement the DTVS program, which expanded to Nicaragua in 2015.

As part of the DTVS program, growers take environmental farming classes, learning strategies and tools for better crop management and coffee quality. The motivation for farmers to participate? Better prices for their crops. "If you don't touch the pocket of the farmer, she will never change," says Rivera.

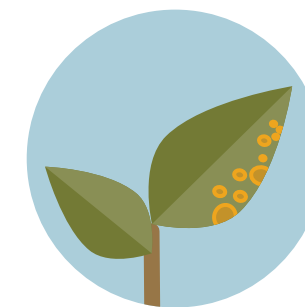
We see this plan already working. With financial incentives tied directly to environmental initiatives, waterways are better, coffee can grow in harmony with nature, and farmers can provide a better quality of life for themselves and their families.

"We're teaching farmers to protect the rivers, plant more trees, and use less water."

– Ivania Rivera

What is Direct Trade Verified Sustainable?

Using a baseline survey that includes information from 100% of farmers, we identify "hot spots" where sustainability practices can be improved. DTVS delivers data-driven technical assistance meant to drive meaningful impact in our farming communities.



PESTICIDES MANAGEMENT

By teaching sustainable pest management techniques, such as the use of pest-repelling plants and other natural pesticides, we're helping farmers protect their crops, their pickers, and the planet.



WATER CONSERVATION

We're helping farmers access clean water, minimize their consumption of it, and keep the water that's used for wet processing from trickling into lakes and rivers.



LAND PRESERVATION

We're building healthier ecosystems by teaching farmers techniques for maintaining rich, fertile soil and developing tree cover for their crops.

22%

of farmers surveyed in Jinotega, Nicaragua, are food insecure.*

Socio-economic conditions

By surveying farmer households across a diverse landscape that we're mapping, we're able to characterize the socio-economic profile of producers and communities, so we can better understand their farming practices and decisions.

40%

of land owned by farmers surveyed in Jinotega is not planted with coffee.*

Forest cover

By surveying farmers' properties, we found that they are conserving at least some of their land as native forest, especially around water sources.

100%

of farmers participating in our DTVS program in Jinotega will have access to soil conservation techniques.*

Soil conservation

Shade tree management is the most important measure of soil conservation; however, fencing, contour or terrace planting, hedgerows and check dams, and buffer zones, while less popular, have large potential benefits for the soil.

MAPPING THE LANDSCAPE

As part of the Direct Trade Verified Sustainable program in Nicaragua, we're using data to more accurately guide our investments in sustainable agriculture. It's all part of our efforts to make measurable and impactful change at the farm level. In partnership with the Coalition for Coffee Communities, we're sharing this data to inform a landscape-mapping program, which uses spatial imaging technology to track changes in the physical landscape in the region of Jinotega, Nicaragua. Beginning with a baseline map and then continuing to map the landscape at regular intervals, we can more accurately assess the current impact that coffee farmers are having on the environment. And by continually sharing this information across the industry, we can all work together to build and maintain thriving coffee communities.



Scott Siers
SVP/GM, Direct Ship, Farmer Brothers

BUILDING A SUSTAINABLE SALESFORCE

It's one thing to get employees to recycle. It's quite another to truly embed sustainability into their frontal lobes. But that's exactly what Scott Siers, Sales vice president/general manager, Direct Ship for Farmer Brothers, is trying to do. With an emphasis on technology instead of transportation, his team has decreased their work travel by 25% while also significantly reducing travel costs. And while the environmental and economic data look great, the cultural shift is even more transformative.

Employees who didn't think twice about traveling cross-country for a one-hour sales call now conduct customer meetings via video or teleconference. Voluminous materials that used to be printed and shipped are now shared online. And when sales reps must travel, they stick to a region close to home—cutting down on travel miles, time, and costs. The result is good for business, good for the environment, and great for employees, who can stay closer to their homes and families while still strengthening relationships with coworkers and customers.



ONLINE COLLABORATION Team projects are developed together and shared from a single online workspace to reduce the need for paper documents.



VIRTUAL CONFERENCING Team meetings and one-on-one meetings are done via video or teleconferencing to reduce the environmental and economic costs of work travel.



EFFICIENT TRAVEL When travel is an absolute necessity, meetings are grouped together so more can be accomplished in a single trip.



VIDEO TOURS Employees traveling to origin are equipped with GoPro cameras to take videos of our farmers and their coffeelands, so more people can experience the process without the arduous, expensive, and carbon-heavy travel.



DATA, DOUBLE-CHECKING

Now in our second year of reporting emissions data to the Carbon Disclosure Project (CDP), we've implemented a third-party verification system to validate our climate information. Conducted by Peer Aspect, this objective review process is the next step in our journey toward accurately measuring and reporting our environmental impact. And with fully transparent data that's verified to be true and can be readily accessed by companies everywhere, we can all make better business decisions that drive social, environmental, and economic change.



EXTRA CREDIT

In partnership with Sterling Planet, we were able to offset 100% of the electricity used during Fiscal Year 2015 in our Portland, Houston, and Torrance roasting plants with renewable energy credits (RECs). For every unit of renewable electricity generated through wind or solar, an equivalent amount of renewable credit is produced. In turn, these credits support renewable electricity generation, which in this case helps offset the impact of our conventional electricity used in operations, including the roasting process.

A man wearing a blue baseball cap and a light green short-sleeved button-down shirt is sitting in a lush coffee plantation. He is looking directly at the camera with a neutral expression. The background is filled with dense green coffee bushes and a banana plant to the right.

03

THE NEW PEOPLE PARADIGM

We believe an excellent cup of coffee tastes even better when it enriches lives all along the journey from bean to brewer. That's why when we invest in food safety certifications and the transparency of our suppliers, we're actually investing in people. But we don't stop there. We've set our sights on big goals that take us all the way to 2025—like reaching 100 percent sustainably sourced coffee, so we can bring fairness and accountability to the coffee purchasing process.

03

GOALS

With a sustainability-first mindset, we're considering the social implications of every decision we make, so we can work together to create a company filled with happy employees, satisfied customers, and thriving partners.

Ensure customer health and safety with the highest quality products

PROGRESS: By employing a third-party benchmarked rating system, we can report that both of our production facilities currently hold a Safe Quality Food (SQF) level 3 certification—the highest level given by the SQF Institute.

95% compliance with SQF health and safety regulations.

[➤ READ COMPLETE CUSTOMER HEALTH + SAFETY BRIEF](#)

[➤ READ COMPLETE BIODIVERSITY BRIEF](#)

Create a culture of sustainability through employee education

PROGRESS: Through training sessions and "Sustainability 101" classes, we educate our employees on sustainability, then reward them for putting these principles into practice.

100% employee participation in sustainability efforts at our new Fort Worth location.

[➤ READ COMPLETE COMPLIANCE BRIEF](#)

Safeguard human rights by surveying all our suppliers

PROGRESS: When selecting potential partners, we ask our suppliers to endorse the United Nations (UN) Global Compact principles, operate in compliance with the law, and not violate human rights or promote unfair labor practices.

100% supplier participation is what we're working toward in our human rights survey by 2017.

[➤ READ COMPLETE HUMAN RIGHTS + LABOR PRACTICES BRIEF](#)

Pay above-market prices for our direct trade coffees

PROGRESS: We source from organizations like Fair Trade Certified™ and Rainforest Alliance Certified™ who have well-established policies on human rights and fair labor. In addition, we track and audit financial transactions with our direct trade suppliers to encourage fairness and accountability.

300% increase in responsibly grown coffee purchases since 2014.

[➤ READ COMPLETE HUMAN RIGHTS + LABOR PRACTICES BRIEF](#)



Jose Ramirez
VP of Coffee Sourcing, Farmer Brothers

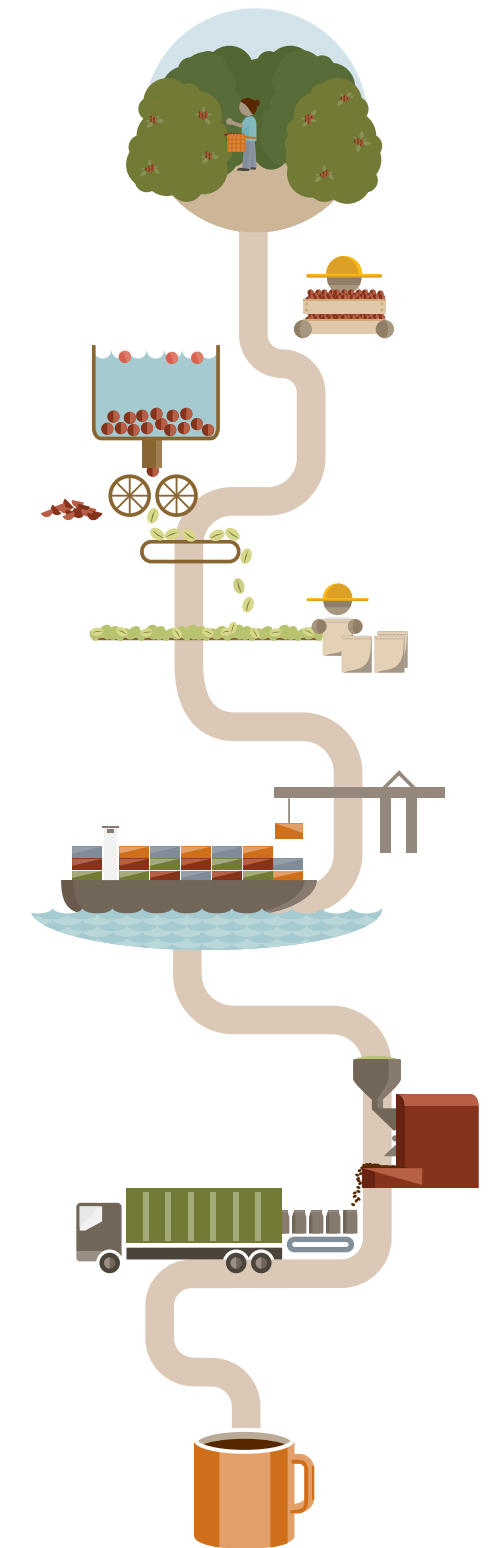
A RESPONSIBILITY TO PEOPLE AND PROCESS

For Jose Ramirez, our vice president of coffee sourcing, there was a time when responsibly sourced coffee simply meant a verbal verification and a handshake. Now, consumers' notion of quality coffee includes traceability with a level of detail down to the mill, the region, and even the grower. And it's time for coffee companies to meet these expectations. That's why we're upping our requirements for responsibly sourced coffee. We want every bean purchased to help conserve natural resources and to help improve the lives and livelihoods of coffee farming communities. We're taking traceability even further by requiring this level of scrutiny not only for our specialty coffee, but also for all of our conventional coffee. This provides greater certainty that pickers are being paid legal wages, land is being farmed with care for natural resources, and farmers can sustain their small businesses.

Responsible sourcing is not a new concept in the specialty coffee market, but traceability for conventional coffee is leading edge. That's because, traditionally, bulk beans are blended from multiple sources across a complex supply chain. We've never turned our backs on a challenge, and we're proud to be out in front of this change. "For us to be the first coffee company to require this, especially at our size, it's pretty exciting and really shows how sustainability is at the core of everything we do," says Ramirez. "This is completely different from how we sourced in the past and gives us a better eye on where to invest and what the needs are." And Farmer Brothers knows that investing in people can reap great rewards.

"This is completely different from how we sourced in the past and gives us a better eye on where to invest and what the needs are."

— Jose Ramirez



THE TRACEABILITY TRAIL

From the picker to the purchaser, we're tracing a path to responsibly sourced coffee for both our specialty and conventional coffee products.

SAFE PRACTICES, SECURE PEOPLE

Without our farming family, there is no Farmer Brothers. Through our partnership with the Sustainable Agriculture, Food and Environment (SAFE) platform, we're part of a movement that's helping over 150,000 small farmers in Latin America become active participants in protecting their businesses. This alliance emphasizes projects that focus on building capacities and providing guidance on resource management, financial planning, and sustainable farming practices that address climate concerns. With this foundation, our hope is that farmers can not only protect their farms and become more resilient, but actually grow more prosperous businesses in the long term.

By engaging public and private partners, SAFE builds collective knowledge and learning through the development of each of its projects. The platform aligns squarely with our vision of collectively building a sustainable future for coffee. By bringing together diverse leaders who care about sustainable agriculture and smallholder farmers, we're working to build value for farmers and their families, and for our industry as a whole.



PURPOSEFUL PARTNERING

By making a conscious effort to align our charitable giving, we believe we can make the greatest impact in our areas of strategic focus. That's why we've selected Feeding America, Mercy Corps, and Ronald McDonald House as our giving partners. And we've seen our employees rally around these organizations by running marathons, hosting food drives, and responding to disaster relief both here at home and abroad. When one of our Direct Trade coffee growing communities in Salgar, Colombia, was hit by a devastating landslide, Farmer Brothers, our employees, and our key importing partners raised over \$15,000 for emergency relief funding, paid directly to the coffee cooperative.



Team Farmer Brothers after having successfully completed the 2015 Bank of America Chicago Marathon in support of Team RMHC.

GOLFING FOR GOOD

Sure, plenty of charity golf tournaments are out there, but when ours raised \$65,000 to directly support Ronald McDonald House, LA Regional Food Bank, and Mercy Corps, everyone came away feeling like they shot a hole-in-one.

\$32,500

Ronald McDonald House

\$16,250

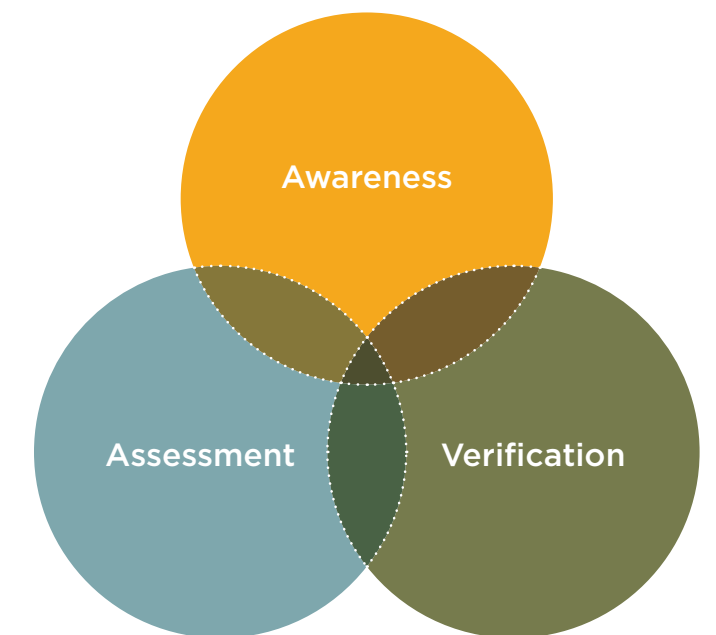
LA Regional Food Bank

\$16,250

Mercy Corps

PROTECTING HUMANKIND

Beyond supporting basic human rights, we believe that caring for people within our company and partners across the globe is key to creating a thriving Farmer Brothers family. By surveying our suppliers on how they treat their employees and how they conduct their businesses, we're working to align not only in principle, but also in action. With three main goals—awareness, assessment, and verification—we partner with suppliers in our sustainability goals. If something on our survey raises a red flag, we work together toward a solution. Our goal is not to get rid of suppliers, but to inspire change—so we can work together to create an altogether better world.



SCORECARD



Improved



Working on it

GOAL	UNIT OF MEASURE	2013 INTENSITY	2014 INTENSITY	2015 INTENSITY	YEAR/YEAR CHANGE	STATUS
Reduce CO ₂ emissions	metric tons/roasted kg	N/A	0.0127	0.0125	▼ 2%	
Reduce on-road fuel consumption	liters/roasted kg	0.4793	0.4012	0.4095	▲ 2%	
Reduce on-site fuel consumption	kWh/roasted kg	1.3881	1.4567	1.2216	▼ 16%	
Reduce electricity consumption	kWh/roasted kg	0.8691	0.7884	0.7773	▼ 1%	
Increase percent of renewable energy equivalent to electricity	% of total kWh	40.57%	71.27%	69.34%	▼ 2%	
Reduce water consumption	liters/roasted kg	2.5831	1.7445	1.6481	▼ 6%	
Increase percent of responsibly sourced coffee in portfolio	% of total green kg	6.86%	11.88%	16.46%	▲ 4%	
Shift waste ratio toward zero waste to landfill (landfill diversion)	% of total waste kg	31.00%	43.00%	48.00%	▲ 5%	
Shift waste ratio toward zero waste to landfill (landfill)	% of total waste kg	69.13%	57.33%	51.68%	▼ 6%	
Increase percentage of biodegradable/recyclable packaging (finished)	% of total pkg kg	29.88%	62.19%	93.47%	▲ 31%	
Increase percentage of biodegradable/recyclable packaging (shipping)	% of total pkg kg	73.26%	99.21%	100%	▲ 1%	
Increase investment in supply chain stability and food security	dollar/roasted kg	0.0223	0.0117	0.0090	▼ 23*	

*Substantial decrease is related to decline in product donations because of better inventory management and food waste prevention measures.

2014 MATERIAL ASPECTS

We've made great strides toward furthering our 2014 sustainability goals. Here's how we've been putting these goals into action over the past 12 months.

Strengthen local communities

PROGRESS: We've developed a supplier survey asking that all our suppliers endorse the UN's global compact principles, operate in compliance with the law, and do not violate human rights or promote unfair labor practices. By requesting this level of compliance from all our suppliers, we're one step closer to fair labor practices in the communities we touch.



Enhance occupational health and safety

PROGRESS: In 2015, we continued to emphasize occupational health and safety. Our Occupational Safety and Health Administration (OSHA) Total Incident Recordable Rate (TIRR) is 2.9, which is well below the industry rate of 5.1.



Optimize energy use

PROGRESS: Farmer Brothers increased energy efficiency in 2015 by fixing leaks and overproduction of our air system, which is estimated to save 295,000 kWh. We also replaced our roasters' circulating system in our Houston facility, which will reduce heat loss while improving the roast quality. These and other projects helped us reduce our overall consumption of electricity by 1% between 2014-2015.



Conserve water

PROGRESS: A lot of clean water is needed to grow, mill, and roast coffee. We want to do what we can—from developing innovative farming and processing techniques that reduce water use to employing the latest water-efficient technologies at our facilities, to conserve this precious natural resource. Building off of last year's progress, we reduced our overall water footprint by 6% from 2014-2015.



Minimize emissions

PROGRESS: A number of initiatives—including the incorporation of collaborative technologies to reduce the need for air travel, the consolidation of our supplier network, and the growth of our sustainable coffee portfolio—helped us to reduce our absolute emissions by 5%, moving us closer to our goal to reduce our carbon footprint by 80% by 2050.



Reduce effluents and wastes

PROGRESS: In 2015, we continued to build upon the progress of 2014, closing in on our zero waste goals. A key achievement in this process was our creation of a program to upcycle 277,000 pounds of coffee packaging. We remain firmly committed to diverting at least 90% of waste from landfill by the end of the 2017 calendar year.



Optimize economic performance

PROGRESS: 2015 was headlined by beginning our relocation to a new, state-of-the-art headquarters in Northlake, Texas. We expect this strategic decision to increase our operational efficiency and cost savings. Moreover, our sales of sustainable coffee grew in 2015, an industry-wide trend that the National Coffee Association (NCA) and the Specialty Coffee Association of America expect to continue in future years.*



Establish responsible procurement practices

PROGRESS: In 2015, we continued to take steps toward our goal of 100% responsibly sourced coffee, increasing our responsibly sourced coffee purchases by nearly 300%. Additionally, we began to take steps toward the implementation of a comprehensive sustainability supplier survey, which will help us to evaluate current and potential suppliers on their sustainability practices.



GRI G4 CONTENT INDEX

- Completed for Core compliance
- Completion planned for 2016—in development for Comprehensive compliance
- In progress for future disclosures

INDICATOR AND INDICATOR DESCRIPTION		STATUS	EXTERNAL ASSURANCE	LOCATION
GENERAL STANDARD DISCLOSURES				
Strategy and Analysis				
G4-1	Statement from the most senior decision-maker of the organization	●	●	This report, pg. 3
Organization Profile				
G4-3	Name of the organization	●	●	General Standard Disclosures
G4-4	Primary brands, products, and services	●	●	General Standard Disclosures
G4-5	Location of the organization's headquarters	●	●	General Standard Disclosures
G4-6	Number of countries where the organization operates, and names of countries where the organization either has significant operations or is specifically relevant to the sustainability topics covered in the report	●	●	General Standard Disclosures
G4-7	Nature of ownership and legal form	●	●	General Standard Disclosures
G4-8	Markets served	●	●	General Standard Disclosures
G4-9	Scale of the organization	●	●	General Standard Disclosures
G4-10	Total number of employees by employment contract and gender	●	●	General Standard Disclosures
G4-11	Percentage of total employees covered by collective bargaining agreements	●	●	General Standard Disclosures
G4-12	Describe the organization's supply chain	●	●	General Standard Disclosures
G4-13	Report any significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain	●	●	General Standard Disclosures
G4-14	Report whether and how the precautionary approach or principle is addressed by the organization	●	●	General Standard Disclosures
G4-15	List externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or endorses	●	●	General Standard Disclosures
G4-16	List memberships of associations (such as industry associations) and national or international advocacy organizations	●	●	General Standard Disclosures
Identified Material Aspects and Boundaries				
G4-17	Entities included in the organization's consolidated financial statements or equivalent document	●	●	General Standard Disclosures
G4-18	Explain the process for defining the report content and the Aspect Boundaries and how the organization has implemented the Reporting Principles for Defining Report Content	●	●	General Standard Disclosures

INDICATOR AND INDICATOR DESCRIPTION		STATUS	EXTERNAL ASSURANCE	LOCATION
G4-19	List all the Material Aspects identified in the process for defining report content	●	●	General Standard Disclosures
G4-20	For each Material Aspect, report the Aspect Boundary within the organization	●	●	General Standard Disclosures
G4-21	For each material Aspect, report the Aspect Boundary outside the organization	●	●	General Standard Disclosures
G4-22	Report the effect of any restatements of information provided in previous reports, and the reasons for such restatements	●	●	General Standard Disclosures
G4-23	Report significant changes from previous reporting periods in the Scope and Aspect Boundaries	●	●	General Standard Disclosures
Stakeholder Engagement				
G4-24	Provide a list of stakeholder groups engaged by the organization	●	●	General Standard Disclosures
G4-25	Report the basis for identification and selection of stakeholders with whom to engage	●	●	General Standard Disclosures
G4-26	Report the organization's approach to stakeholder engagement	●	●	General Standard Disclosures
G4-27	Report key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded	●	●	General Standard Disclosures
Report Profile				
G4-28	Reporting period	●	●	General Standard Disclosures
G4-29	Date of most recent previous report	●	●	General Standard Disclosures
G4-30	Reporting cycle	●	●	General Standard Disclosures
G4-31	The contact point for questions regarding the report or its contents	●	●	General Standard Disclosures
G4-32	The 'in accordance' option the organization has chosen	●	●	General Standard Disclosures
G4-33	The organization's policy and current practice with regard to seeking external assurance	●	●	General Standard Disclosures
Governance				
G4-34	The governance structure of the organization	●	●	General Standard Disclosures
Ethics and Integrity				
G4-56	The organization's values, principles, standards, and norms of behavior such as codes of conduct and codes of ethics	●	●	General Standard Disclosures
SPECIFIC STANDARD DISCLOSURES				
CATEGORY: ECONOMIC				
Aspect: Economic Performance				
G4-DMA	Generic Disclosures on Management Approach	●	●	Charting the Issues: Economic Performance
G4-EC1	Direct economic value generated and distributed	●	●	Charting the Issues: Economic Performance

INDICATOR AND INDICATOR DESCRIPTION		STATUS	EXTERNAL ASSURANCE	LOCATION
Aspect: Procurement Practices				
G4-DMA	Generic Disclosures on Management Approach	●	●	Charting the Issues: Procurement Practices
G4-EC9	Proportion of spending on local suppliers at significant locations of operation	●	●	Charting the Issues: Procurement Practices
CATEGORY: ENVIRONMENTAL				
Aspect: Energy				
G4-DMA	Generic Disclosures on Management Approach	●	●	Charting the Issues: Energy + Climate Change
G4-EN3	Energy consumption within the organization	●	●	Charting the Issues: Energy + Climate Change
Aspect: Water				
G4-DMA	Generic Disclosures on Management Approach	●	●	Charting the Issues: Water
G4-EN8	Total water withdrawal by source	●	●	Charting the Issues: Water
Aspect: Biodiversity				
G4-DMA	Generic Disclosures on Management Approach	●	●	Charting the Issues: Biodiversity
G4-EN11	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	●	●	Charting the Issues: Biodiversity
Aspect: Emissions				
G4-DMA	Generic Disclosures on Management Approach	●	●	Charting the Issues: Energy + Climate Change
G4-EN15	Direct greenhouse gas (GHG) emissions (Scope 1)	●	●	Charting the Issues: Energy + Climate Change
Aspect: Effluents And Waste				
G4-DMA	Generic Disclosures on Management Approach	●	●	Charting the Issues: Effluents + Waste
G4-EN22	Total water discharge by quality and destination	●	●	Charting the Issues: Effluents + Waste
Aspect: Products and Services				
G4-DMA	Generic Disclosures on Management Approach	●	●	Charting the Issues: Products + Services
G4-EN28	Percentage of products sold and their packaging materials that are reclaimed by category	●	●	Charting the Issues: Products + Services

INDICATOR AND INDICATOR DESCRIPTION		STATUS	EXTERNAL ASSURANCE	LOCATION
Aspect: Compliance				
G4-DMA	Generic Disclosures on Management Approach	●	●	Charting the Issues: Product + Social Compliance
G4-EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	●	●	Charting the Issues: Product + Social Compliance
CATEGORY: SOCIAL				
Sub-Category: Labor Practices and Decent Work				
Aspect: Occupational Health and Safety				
G4-DMA	Generic Disclosures on Management Approach	●	●	Charting the Issues: Occupational Health + Safety
G4-LA5	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs	●	●	Charting the Issues: Occupational Health + Safety
Aspect: Supplier Assessment for Labor Practices				
G4-DMA	Generic Disclosures on Management Approach	●	●	Charting the Issues: Human Rights + Labor Practices
G4-LA14	Percentage of new suppliers that were screened using labor practices criteria	●	●	Charting the Issues: Human Rights + Labor Practices
Sub-Category: Human Rights				
Aspect: Supplier Human Rights Assessment				
G4-DMA	Generic Disclosures on Management Approach	●	●	Charting the Issues: Human Rights + Labor Practices
G4-HR10	Percentage of new suppliers that were screened using human rights criteria	●	●	Charting the Issues: Human Rights + Labor Practices
Sub-Category: Society				
Aspect: Local Communities				
G4-DMA	Generic Disclosures on Management Approach	●	●	Charting the Issues: Local Communities
G4-SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs	●	●	Charting the Issues: Local Communities

INDICATOR AND INDICATOR DESCRIPTION		STATUS	EXTERNAL ASSURANCE	LOCATION
Aspect: Compliance				
G4-DMA	Generic Disclosures on Management Approach	●	●	Charting the Issues: Product + Social Compliance
G4-SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	●	●	Charting the Issues: Product + Social Compliance
Sub-Category: Product Responsibility				
Aspect: Customer Health and Safety				
G4-DMA	Generic Disclosures on Management Approach	●	●	Charting the Issues: Customer Health + Safety
G4-PR1	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement	●	●	Charting the Issues: Customer Health + Safety
Aspect: Compliance				
G4-DMA	Generic Disclosures on Management Approach	●	●	Charting the Issues: Product + Social Compliance
G4-PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	●	●	Charting the Issues: Product + Social Compliance

WHAT'S BREWING FOR 2016

We're committed to continuously improvement in our business, our communities, and our world. In 2016, we're deepening this commitment by focusing on the following goals.

Require traceability information on 100% of our inbound green coffee.

Report in accordance with the Comprehensive option of GRI reporting standards.


Increase the volume of responsibly sourced coffees in our portfolio.

Conduct waste audits to help identify our remaining waste currently destined for landfill.

Institute performance-based incentives for sustainability-related employee engagement.

Tell us what you think of this year's goals—and let us know what else you'd like to see Farmer Brothers doing to create a more responsible business and a better world.

Questions regarding this report can be directed to our Sustainability Team at: sustainability@farmerbros.com

Check us out on Facebook 

Farmer Brothers