

2022 SUSTAINABILITY REPORT

# Making Great Strides

— ON THE PATH OF SUSTAINABILITY —

Farmer Brothers®

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**The journey toward a more sustainable company, industry and world begins by taking the appropriate steps. At Farmer Brothers, we have committed ourselves to setting goals and working toward them in an organized and measured way.**

From being the first coffee-focused company to set Science Based Targets (SBTs) in 2018 to setting a goal of providing 100% responsibly sourced coffee by 2025, we are proud to be moving forward on the path of sustainable progress. Our commitment to making a difference – from food security for coffee producers to customers enjoying a robust cup of coffee to everyone in between – has allowed us to make great strides toward realizing a more sustainable future for all.



Worker drying coffee for Aldea Coffee in Matagalpa, Nicaragua.

*COVER: Jorge and the agronomist from Anepaan O'Deput cooperative walking on Jorge's farm in Chiapas, Mexico.*

# Leadership Message

## A Culture of Commitment

Reflecting on the past year, and the sustainability progress we have made as an organization, brings to mind a thought which can best be described in a single word – commitment. The commitment of a group of people who, each and every day, work diligently toward achieving our sustainability goals. The commitment to the development of innovative processes to streamline efficiencies and time to market for our products. Ultimately, the commitment to being part of a team which cares passionately about our industry and the suppliers, growers and partners who make it all work.

I am continually inspired by this unwavering commitment, and resulting progress, our team at Farmer Brothers is making toward our sustainability goals. While there is work to be done, our work to date has established a fertile foundation upon which greater achievements can grow. This all stems from Farmer Brothers' heritage of caring for the world around us by nurturing the relationships which nourish our spirit and the world. As the first coffee company to align our carbon-reduction targets to the Science Based Targets Initiative (SBTi), we believe we have established ourselves as industry leaders and continue to achieve more than what most might expect from a company our size.

In particular, we were added to the Carbon Disclosure Project's (CDP) A-List in 2022. Farmer Brothers is one of only 330 companies, out of the nearly 15,000 firms scored worldwide, to receive this honor. Only 46 of these companies are located in the United States – elite company indeed. We have also been recognized for three consecutive years on CDP's Supplier Engagement Leaderboard.

Additionally, we are pleased to be honored for the fourth consecutive year by Texan by Nature as one of 20 recipients of their TxN20 award, given based on environmental protection and sustainability efforts.

These accolades confirm the hard work and culture of commitment embodied by our entire Farmer Brothers team.

In 2022, we continued to meet our targets for Greenhouse Gases (GHGs), which are aligned with the SBTi. We actively reduced our emissions by 27% from our 2018 base year. This is due to strategic initiatives, such as our Rialto, California distribution center, which has significantly cut the number of miles traveled throughout the year, and provided a base from which to better serve our largest client base. These efforts align with a global goal of limiting warming to 1.5 degrees Celsius.

While the data you see in this report quantifies our progress toward our climate related goals, I think

you'll also appreciate reading about the human impact our direct trade and Project D.I.R.E.C.T.® efforts have on coffee producers and growers in countries such as Colombia, Brazil, Peru, Rwanda and Nicaragua. The benefits of these programs include strengthening food security year-round for many and removing health hazards with new eco-efficient cooking stoves. These efforts also help to reduce the carbon footprint of farms through improved operations and equipment. The difference these efforts make in the everyday lives of people will have significant impacts which go far beyond what is measurable today.

As we continue working to shrink the gap which remains between our current achievements and the sustainability goals we have set, the progress we have made provides the inspiration needed to roll up our sleeves with renewed commitment. We look forward to embracing the new year ahead and are motivated by the opportunities for improving sustainability.

Sincerely,



Deverl Maserang  
President and CEO



**I am continually inspired to witness this unwavering commitment, and subsequent progress, our team at Farmer Brothers is making toward our sustainability goals. While there is work to be done, our work to date has established a fertile foundation upon which greater achievements can grow."**



# 2022 Sustainability Highlights

## CDP A-LIST



In 2022, Farmer Brothers was selected for inclusion on the Carbon Disclosure Project's (CDP) A-List. One of only 330 companies worldwide, Farmer Brothers was one of just 46 companies on the list located in the United States.

## TxN 20 Award

For the fourth consecutive year, Farmer Brothers received the TxN 20 award from Texans by Nature, recognizing us as one of the top 20 Texas companies who are leading the way in conservation and sustainability efforts.



## EPA Green Power Partnership

The U.S. Environmental Protection Agency (EPA) welcomed Farmer Brothers to the Green Power Partnership. We were recognized for our commitment to green power and reducing our carbon footprint, while supporting the transition to a clean energy future.



## CDP Supplier Engagement Leaderboard

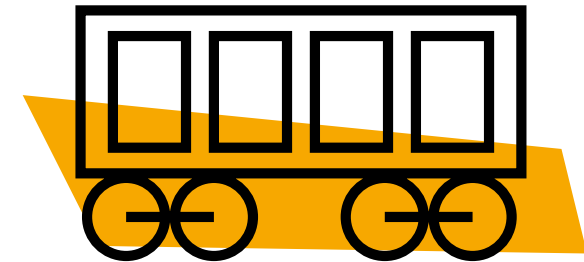
Farmer Brothers was selected to the CDP 2022 Supplier Leaderboard, the third consecutive year we have been recognized as one of the best companies for our Supplier Engagement Rating (SER).



## Membership in the We Mean Business Coalition

The We Mean Business Coalition is a global nonprofit coalition working with the world's most influential businesses to take action on climate change. By working together, the goal is to catalyze business and policy action to halve global emissions by 2030 in line with a 1.5 degrees Celsius pathway.

431,079



Rail miles used for all product distribution within the United States.

A man with a mustache, wearing a light-colored short-sleeved shirt and dark pants, stands in a lush green forest. He is leaning his right hand against the trunk of a large, ancient-looking tree. The forest is dense with various types of trees and foliage, including large, heart-shaped leaves and thick tree trunks. The lighting is natural, suggesting daylight filtering through the canopy.

# OUR ENVIRONMENT

Taking steps to protect the planet we call home has been an ongoing commitment at Farmer Brothers. Our work today means more people will be living more sustainably now and for generations to come.

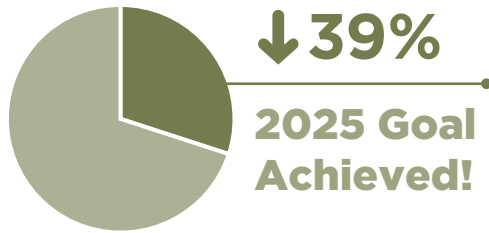
*Jose Angel showing one of the oldest trees on the farm.  
Jose is Producer of Direct Trade, Las Mercedes, Jinotega, Nicaragua.*

# A Commitment to Reducing Emissions

At Farmer Brothers, we realize the importance of our commitment to limiting global warming to 1.5 degrees Celsius. After initially adopting SBTs to reduce Greenhouse Gas Emissions (GHG) in 2017, we upped our game with a renewed commitment in 2018 to reach the 1.5 degrees Celsius goal by 2025. In 2023, Farmer Brothers will be updating the 2018 footprint baseline and adding FLAG (Forest, Land and Agriculture) emissions.\*

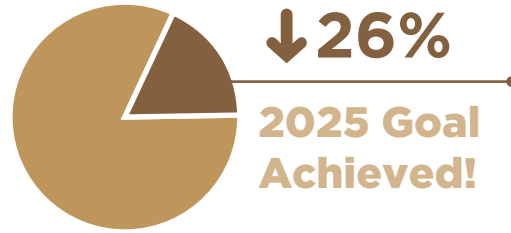
## Scope 1 and Scope 2 emissions

**Goal:** Reduce absolute emissions by 30% by 2025.  
**Our Progress:** Reduction of 39% from 2018 base year.



## Scope 3 emissions

**Goal:** Reduce absolute emissions 18% by 2025.  
**Our Progress:** Reduction of 26% from 2018 base year.



## Scope 1 and Scope 2 emissions

To help meet our goals in reducing emissions produced from burning fuel from owned or controlled buildings, vehicles and equipment (Scope 1 emissions), Farmer Brothers has increased efficiencies through maximizing capacity of the roasting plants and through the consolidation of branches across the country which helps to maximize the driving time of our fleet.

To meet goals of reducing electricity used in our own operations (Scope 2 emissions), we continue to find ways to improve internal energy savings, as well as continue the purchase of local Renewable Energy Certificates (RECs) to match our total energy usage. These RECs are Green-e® certified and include wind RECs purchased by Farmer Brothers in Texas.

\*The SBTi's FLAG Guidance provides the world's first standard method for companies in land-intensive sectors to set science-based targets, which include land-based emission reductions and removals.

## CDP's 2022 A-List Honorees

The Carbon Disclosure Project (CDP) included Farmer Brothers in its 2022 A-List. Of nearly 15,000 companies scored worldwide, a select group of 330 made it into this year's A List, and out of those 330 companies, only 46 are in the United States. Being included in such elite company is recognition Farmer Brothers is leading the way in environmental transparency.



## 2022 Supplier Engagement Leaderboard

Farmer Brothers was pleased to be selected to the CDP 2022 Supplier Engagement Leaderboard, recognizing us as one of the best companies for our Supplier Engagement Rating (SER). Honored for the third consecutive year, this is reflective of our ongoing commitment to collaborate with our suppliers on taking positive climate action.

This year's report shows environmental action is not happening at the speed, scale and scope required to limit global temperature rises to 1.5 degrees Celsius, with many companies still not acknowledging their impact on the environment extends far beyond their operations and that of climate change.

*"COP 15 couldn't have been clearer in the call to action on corporate reporting on nature. If a company is not preparing for future regulations on nature in the supply chain, they are open to a wide range of risks and could also be missing out on the opportunities that safeguarding nature will bring. Quite simply, if a company wants to be in business in the future, they need to start embedding nature into the way that they buy and collaborating with suppliers to drive action in the supply chain. Therefore, we need to see environmental leadership from companies right now by tackling their impacts on climate change and nature together, working with their suppliers in an integrated way that includes nature as standard, and incentivizing this engagement within their organization."*

Sonya Bhonsle, Global Head of Value Chains & Regional Director Corporations, CDP

## Scope 3 emissions

Scope 3 emissions consist of emissions created in our supply chain. While we do not directly control the production of these emissions, we work with our partners, in both our upstream and downstream supply chain, to find ways to reduce these emissions. This includes increasing the use of rail transportation for our products, partnering with mills at origin that use renewable energy, and even using renewed brewing equipment at coffee shops through our Revive Service & Restoration operation.

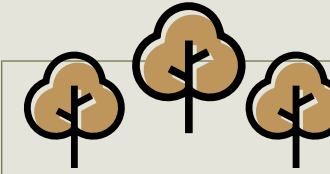


### Reducing emissions while improving productivity in Colombia

Through the efforts of Farmer Brothers' Project D.I.R.E.C.T.®, participating farms are now producing nearly 50% fewer emissions than an average coffee farm in Colombia. This reduction has been complemented with a 15% boost in productivity per hectare.

These farms are part of a pilot program consisting of 69 individual farms which measures the impact of actions implemented during the last eight years have had on the carbon footprint of those farms. The data is collected and measured by producer-promoters who wished to learn about the impact their carbon footprint can have on the environment. The information was processed by [Solidaridad](#), an organization committed to working with the agricultural producer to improve livelihoods in harmony with the environment. The results were calculated using the [Cool Farm Tool](#), an online greenhouse gas, water and biodiversity calculator for farmers developed by the Cool Farm Alliance. These results will serve as a baseline for our continued work over the next five years.

The results were then compared with a country average generated from the consolidation of data from 120 coffee farms in the departments of Tolima, Huila, Caldas, Santander and Boyacá. The study was also developed by Solidaridad within the ["Coffee, Climate & Forest Accord"](#).



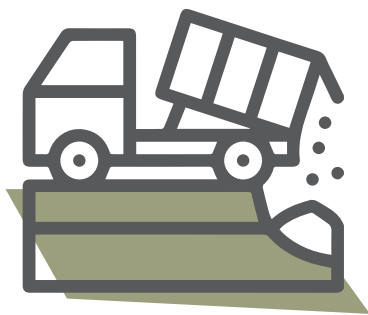
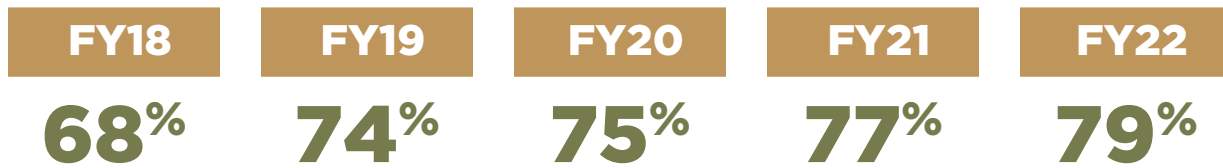
	Participating farm	Average farm
<b>Productivity Kg. parchment coffee per hectare</b>	<b>1,626</b>	<b>1,368</b>
<b>Nutrients/fertilizer kilos used per hectare</b>	<b>323</b>	<b>473</b>
<b>Kg. CO<sup>2</sup> eq emissions per hectare</b>	<b>4,266</b>	<b>6,687</b>
<b>Kg. CO<sup>2</sup> eq emissions per Kg. parchment coffee* produced</b>	<b>2.62</b>	<b>4.9</b>
<b>Shade trees per hectare</b>	<b>39</b>	<b>58</b>
<b>Average coffee area in hectares</b>	<b>3.0</b>	<b>5.2</b>

\*Parchment coffee is coffee which has been hulled out from the cherry, fermented, washed and dried. The "parchment" is the paper-like layer surrounding the green bean at the end of the described process.

# A Commitment to Reducing Waste

To continue our journey toward greater company-wide sustainability, we have made additional progress toward our goal of having 90% of our waste diverted from the landfill by 2025.

2025 goal  
**90%**



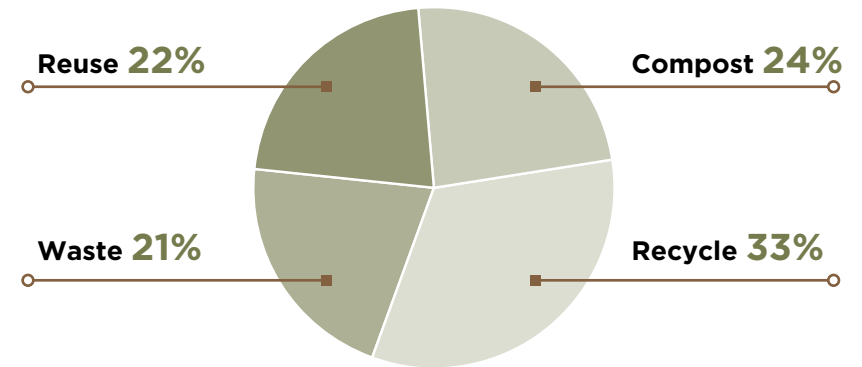
**36%**

Reduction in pounds of waste sent to the landfill since 2018. We've reduced the amount of waste from 4.7 million pounds to just under 3 million pounds.



## Road to Zero Waste

- Since 2018, our roasting facilities have achieved 90% diversion of waste.
- Our reuse of pallets, especially at our distribution centers, has helped keep 3.2 million pounds of material out of the landfill.



	Pounds
Compost	3,467,153
Recycle	4,728,912
Waste	2,995,755
Reuse	3,229,545
<b>Grand Total</b>	<b>14,421,365</b>





# Revive™ Service & Restoration

## Our purpose is to repurpose

With an expanding market for coffee, it is only natural the demand for equipment will also continue to expand. That's why the work done by Revive Service & Restoration plays an even greater role in helping the industry, and our company, more successfully manage waste while making strides toward Farmer Brothers' goal of achieving zero waste.

[Revive Service & Restoration](#) is the brand name for Farmer Brothers' equipment maintenance and restoration service, an independent division of the company which helps prolong the life of equipment in the field, lowering the amount placed in landfills. This not only benefits customers of Farmer Brothers by keeping their equipment working so they can operate their businesses more successfully, but also benefits the communities surrounding these coffee shops, cafes, restaurants and institutional facilities.

Revive's 180+ person team prolongs the life of brewing equipment, sometimes extending the service life four to five times. Revive also works with manufacturers and distributors to provide refurbished equipment for customers needing coffee and tea brewers, as well as other commercial beverage equipment.

Whether prolonging the life of equipment through maintenance or restoring and reusing it, Revive's efforts represent the ever-expanding possibilities for making a difference, contributing to the circular economy through more sustainable management of waste.



## 8,032 pieces

of equipment refurbished in 2022.

## 524,604 pounds

of equipment put back into circulation in 2022 (and kept out of landfills) through Revive restoration efforts.

### Repurposing resources: coffee burlap bags

# 601,068 pounds of burlap repurposed since 2021



In April 2021, Farmer Brothers began a program to make use of old coffee bags and burlap throughout the South Texas area. Approximately 30,000 pounds of bags per month are either sold or reused, many becoming sandbags which help with flood control and protection to reinforce dike structures and in levee construction.

Burlap bags also serve a variety of other purposes, including use in sandbags to provide weights for holding down traffic and road signs, in landscaping and garden applications to prevent soil erosion, hold waste on oil rig operations and even as barriers on paintball courses. According to Luis Rodriguez, owner and CEO of Houston Bag & Burlap Company, over 200,000 burlap bags per year are repurposed for a variety of uses, including bags that replace non-biodegradable plastic bags.

# Nurturing better waste management through compost

For nearly six years, Farmer Brothers has been supplying coffee chaff (the dried skin surrounding coffee beans which falls off during the roasting process) as well general office organics and food scraps to Cowboy Compost. The waste from Farmer Brothers' Northlake, Texas facility is picked up and then converted into compost used locally as fertilizer.

Cowboy Compost is a waste hauler which helps restaurants, schools, food production facilities, offices, and more reduce their waste across the Fort Worth area. They also speak to local colleges, offices, and schools, educating them about their process and the importance of the work they do.

As part of Farmer Brothers' Zero Waste initiative, we are continually looking for ways to reduce, reuse, and recycle. Since its inception, 4,100 tons of compost have been created by Cowboy Compost, with 3,000 tons coming from Farmer Brothers byproducts. By offering the composting program through Cowboy Compost, local businesses can recycle their used coffee grounds or other waste, providing a better way to manage waste by nurturing things to grow through compost instead of sending it to a landfill.



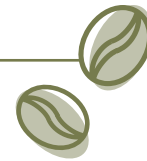
*"Our partnership with Farmer Brothers has allowed us to create compost that is used as a soil additive to support the growth of plants and also provide soil stabilization to protect from erosion."*

Cowboy Compost Operations Manager Pete Smith

## Reducing waste through reclaimed coffee

Before entering the manufacturing process at Farmer Brothers, all green coffee is cleaned to eliminate any impurities and defective beans. The byproducts are then sent to an external facility to separate the green coffee beans from foreign material. The resulting beans are classified as reclaimed coffee resulting in yet another way we are minimizing waste.

**216,599 pounds**



from the green coffee cleaning process resulting in 153,343 pounds of reclaimed coffee.

## Commitment to lowering water use

The Farmer Brothers Northlake, Texas, Headquarters offices facility a [LEED silver certified building](#) was designed to reduce water consumption and features native landscaping, which reduces the need for irrigation by 50%.

**40%\***

water usage reduction



\*40% decrease in water use from the baseline calculated by the USGBC for a commercial building.



## OUR COMMUNITIES

Having a positive impact on the lives of others both at home and around the world gives purpose to our work. Our heritage is one of caring for communities, from the farms where our coffee originates to the tables and cafes where our products are enjoyed.

*Damaris baking cookies on a brand-new wood stove at Flor and Jairo's farm in Salgar, Antioquia, Colombia.*

# Commitment to our communities

## National Organization on Disability

Farmer Brothers supports the National Organization on Disability (NOD) and its mission to increase employment opportunities for Americans with disabilities. Their programs and services enable companies to realize the competitive advantages of hiring people with disabilities. As part of the efforts, Farmer Brothers is developing training for all managers focused on unconscious biases and how they can impact hiring and management decisions.



## Feeding America

Feeding America is the largest charity working to end hunger in the United States. Farmer Brothers is proud to partner with Feeding America and support their work with local food banks, pantries and programs to bring food to people facing hunger.



## Sustainability Internship Program

In summer 2021, Farmer Brothers began a 12-week summer internship to provide local students with real-life involvement in various corporate departments, including operations, transportation, HR and, yes, sustainability. As part of our diversity, equality and inclusion efforts, we initiated this program to increase generational diversity within the organization, as well as support the communities we serve by building partnerships with local colleges and universities.

In summer of 2022, our sustainability intern worked side-by-side with operations interns to identify areas where manufacturing waste could be reduced. This summer internship then expanded to include our operations team that involved local university students, specifically those studying industrial engineering, to support their senior projects.

## TxN 20

Each year, Texan by Nature ranks the top Texas businesses leading conservation and environmental sustainability efforts in the state. Farmer Brothers is honored to be selected for the fourth year in a row as a member of the TxN 20, recognizing us as one of the top 20 Texas companies for our conservation efforts.



Former First Lady Laura Bush and Farmer Brothers Sustainable Programs Coordinator Victoria Lau during the award ceremony at the conservation summit in Dallas.

*"I'm thrilled to celebrate this year's TxN 20! They are pioneers, collaborators, and changemakers. I encourage other companies to follow their example and engage in conservation. Together, we can set the standard for sustaining a prosperous economy, rich natural resources, and a secure future for the next generation."*

Former First Lady and Texan by Nature Founder Laura Bush

## Local food banks

Farmer Brothers has donated almost \$20,000 in coffee and culinary products for those in need around the country over the past year.

Almost

**\$20,000**

donated in 2022

# A Commitment to responsible sourcing

## Responsibly sourced coffee and traceability

As part of the Sustainable Coffee Challenge, Farmer Brothers has made a public commitment to responsibly source 100% of our coffee by 2025. For the 2022 Fiscal Year, 41% of our green coffee was responsibly sourced, a 0.7% increase from 2021.

This includes Rainforest Alliance Certified™, Organic, Fair Trade Certified™, Project D.I.R.E.C.T.®, Direct Trade, micro-lots and traceable to the farm-level coffees.


**41%**  
responsibly sourced in 2022

**23%**  
increase from 2018  
(baseline year) responsibly  
sourced coffee

## Traceability levels secured by Farmer Brothers

The challenges presented by the past few years for global supply chains have meant delays in coffees from many origins. This, in turn, has triggered the increase in spot buys and affected the ability to obtain traceability data beyond the country since paperwork is typically not passed through suppliers.

### Farmer Brothers® Green coffee fiscal year 2022

% of coffee traced by level* 	FY 2022	FY2021
Country where the coffee was produced	100%	99.2%
Region within the country where the coffee was produced	88.2%	89.7%
Dry-mill where the coffee became an exportable product	86.1%	83.4%
Entity who aggregated the coffee before being processed in the dry-mill	38.1%	36.7%
Specific farm/farms/group where the coffee was produced	18.5%	28.1%

\* 36 suppliers reporting information

**Ground-level impact: Direct Trade and Project D.I.R.E.C.T.®**

Our efforts of working directly with coffee producers in the field has proven when coffee producers do better, everyone wins. Since 2010, we have been working with producers where they live and work through direct trade relationships. The result is a more sustainable livelihood, and lifestyle, for producers around the world and improved opportunities to procure high-quality coffee using sustainable best practices. Through our direct trade efforts and Project D.I.R.E.C.T.® program, we are fulfilling our mission to make a difference at the ground level.

**Nurturing relationships at the source of origin**

As part of our commitment to making a difference for individual coffee producers, Farmer Brothers established a relationship with Aldea Coffee in Nicaragua in 2015, engaging 350 households to scale the benefits derived from direct trade. Aldea Coffee is a Fair Trade Certified™ organization in Nicaragua dedicated to helping households which grow coffee. They assist these farms in reaching a level of productivity which helps them get the most value out of their crop while respecting the environmental conditions in which their coffee trees thrive.

Aldea teaches the importance of agroforestry to help positively impact farms and the lives of growers for both the near and long term. The organization, with the support of Farmer Brothers, also helps women entrepreneurs with access to capital to start small businesses, such as raising poultry, opening a store or operating a bakery. This results in a multitude of benefits. When women have financial stability, they make better decisions for their households, including investing in food security. These activities also complement their household income from coffee.



*Farmer Brothers Senior Manager of Sustainability Daniel Cifuentes, Aldea Coffee General Manager Warren Armstrong and Vice President of Specialty Coffee Ivania Rivera*

**Project D.I.R.E.C.T. represents a great complement to our mission by facilitating a long-term commitment focused on quality and innovation to improve the lives of our member families."**

Warren Armstrong  
General Manager, Aldea Coffee

**2022 Direct Trade and Project D.I.R.E.C.T.® Highlights**

**3,495**

participating coffee growers.

**5,401,999**

pounds of green coffee purchased through Project D.I.R.E.C.T. and Direct Trade relationships.

**\$549,359**

paid in premiums to Project D.I.R.E.C.T. and Direct Trade coffee growers.

**12 consecutive years**

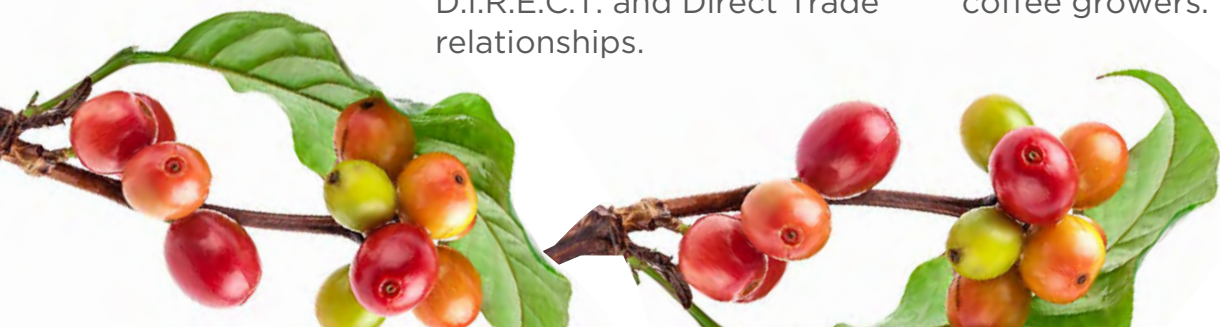
buying coffee from our Direct Trade relationships in Las Mercedes Nicaragua, and the Buena Vista farm in El Salvador.

**9 consecutive years**

buying coffee through our Project D.I.R.E.C.T. relationship in Colombia.

**5 origins**

distinctly spanning two continents.



## Project D.I.R.E.C.T.®

### COLOMBIA

Relationship established in 2013

#### BACKGROUND

**Partners:** Coocafisa and Cafenorte cooperatives. (both coops are Fair Trade certified)

**Regions:** Antioquia and Valle del Cauca

**Elevation:** 1,500 – 2,000 m

**Varieties:** Castillo, Colombia, Caturra, Chiriso

**Harvest:** October to December and March to May

**Smallholders:** 87% operate in less than 5 hectares

**Coffee Growers:** 1,236 participants; 32% women; 28% under 35 years old

**Coffee profile:** Medium-bodied with a rich taste and citrus-like acidity

#### 2022 ACCOMPLISHMENTS

**134**

eco-efficient cooking stoves will help remove a health hazard from the smoke many women have to breathe all year round.

**6,700**

fast-growing timber trees to provide wood for the stoves in the future.

**Up to 70%**

less wood required by the new stoves versus conventional stoves.

### Beyond the bean

In Colombia, as part of Project D.I.R.E.C.T.®, coffee growers have engaged in different activities which foster viable and vibrant communities. This is particularly important since coffee growing is seasonal. Farmer Brothers not only helps farmers generate a long-term assured supply of high-quality coffee, but also seeks ways to help them provide a means of sustaining their livelihoods throughout the year.

Such is the case with a group of entrepreneur growers in the municipality of Salgar who are now producing honey out of Meliponas, a genus of stingless bees. Coffee flowers are beautiful and their smell is often compared to Jasmin, which makes them very attractive to pollinators, such as bees. These growers are now replicating their experience in producing honey with other growers within the program, and have installed some hives in nearby schools to teach kids about the importance of pollination as well the critical role of bees in pollinating and growing coffee trees.



*Producer Rafael Herrera explaining to a group of promoters how to collect honey and multiply the hive in the village of Yarumal, Salgar, Antioquia, Colombia.*

## Project D.I.R.E.C.T.®

### NICARAGUA

Relationship established in 2015

#### BACKGROUND

**Partners:** Aldea Coffee, a Fair Trade certified association

**Regions:** Jinotega and Santa Maria de Pantasma, Jinotega

**Elevation:** 1,200 – 1,450 m

**Varieties:** Catuai, Caturra, Catimor

**Harvest:** November to February

**Smallholders:** 71% operate in less than 5 hectares

**Coffee Growers:** 320 participants; 18% women; 14% under 35 years old

**Coffee profile:** Moderate acidity, attractive bittersweet flavors, medium body

#### 2022 ACCOMPLISHMENTS

**58.5**

Manzanas (approx. 100 acres) of agroforestry coffee plots established

**15**

new young promoters (50% women) to support two agronomists in the program

**316**

coffee growers trained

**136**

farms received soil analysis

## Growing a sustainable future

At the age of 18, Marvin Gutierrez moved with his mother and two older sisters to the rural area of *Santa Maria de Pantasma*, where they acquired a farm with three Manzanas (about five acres) planted in coffee, and joined Aldea Coffee to sell their coffee. As participants of Farmer Brothers' Project D.I.R.E.C.T.®, Marvin and his family now have 12 Manzanas in coffee (about 20 acres), have acquired a pickup truck and have made improvements on the farm, such as rebuilding the wet-mill.



They also implemented agroforestry plots on their farm, and in 2022 received 564 timber and fruit trees to plant in the three Manzanas lot they originally bought. Marvin, who has no intention of returning to the city, looks at the trees as the biggest investment in his family's future. Wood is used for almost everything around the farm, from cooking to construction, as well as additional income (Marvin calls it his retirement plan).

*Marvin kneeling near a Caoba (Mahogany) tree, planted among coffee trees. Trees, such as the Caoba, as well as orange, lemon trees and other species, help coffee crops thrive by providing much-needed shade and also by providing a natural fertilizer through the organic matter produced by their fallen leaves and limbs.*



## Project D.I.R.E.C.T.®

### BRAZIL

Relationship established in 2018

#### BACKGROUND

**Partners:** Falcafé

**Regions:** Adradas and Ouro Fino, Sul de Minas, Minas Gerais

**Elevation:** 950 – 1,200 m

**Varieties:** Catuai, Obata, Catucaí, Mondo Novo

**Harvest:** April to July

**Smallholders:** 49% operate in less than 5 hectares

**Coffee Growers:** 129 participants; 9% women; 35% under 35 years old

**Coffee profile:** Nutty, milk chocolate, dried fruit notes, creamy body

#### 2022 ACCOMPLISHMENTS

**101**

soil analyses performed to offer better solutions for farm management.

**154**

technical visits with producers to consult on topics, including human resources, the environment, farm management, worker safety, quality control and coffee sales.

**53**

producers received personal protection equipment (PPE) training with four PPE kits supplied to those needing them.

## Improved

organization of the farms while complying with strict Brazilian laws to work through challenges of rising fertilizer costs.

### Building a foundation of trust

The program has offered unbiased training and technical assistance to all producers for the last four years, which has helped us to build trust among producers, who recognize this service as something that was missing in the area. Previous to the program, agrochemical companies were the only ones offering to visit the farms to provide advice, but only in exchange for buying their products.



Producer Aduino Coelho and son from Andradas, Minas Gerais. Aduino was the first producer to ever sell coffee to the Project D.I.R.E.C.T.® program.

## Direct Trade

### RWANDA

Relationship established in 2017

#### BACKGROUND

**Partners:** Ishema Washing Station and Rwanda Trading Company

**Region:** Eastern province, Ngoma district

**Elevation:** 1,350 – 1,850 m

**Varieties:** Jackson “red” Bourbon

**Harvest:** March to June

**Smallholders:** 100% operate in less than 5 hectares

**Coffee Growers:** 1,355 participants; 37% women

**Coffee profile:** Medium acidity, citrus, red fruits notes, creamy body

#### 2022 ACCOMPLISHMENTS

**63,000**

coffee seedlings provided to coffee growers

## Demonstration farm

was established at the coffee washing station

**15**

women trained at the training center on basket weaving and handcrafts

## Drying beds

at the washing station were repaired

## Impacting lives in Rwanda

Through the Direct Trade program in Rwanda, 63,000 new coffee seedlings were delivered and a demonstration farm was established in a plot of land next to the washing station. This new space will serve as an educational hub for the technical aspects of coffee production.

Adding another feather to her cap, the program head, Joy Tushabe, was recognized for her community work by Rwanda Trading Company (RTC). She was the only female leader recognized, among a group of six leaders.

In 2022, the training center expanded its service to include training for the new cohort of 15 young women who are learning new skills in basket weaving and bead threading. Joy hired two instructors highly skilled in the craft to train the young women and share their knowledge.



*Coffee being washed at Ishema washing station which also serves as a source of education for teaching young people about coffee growing and processing.*

## Direct Trade

### PERU

Relationship established in 2016

#### BACKGROUND

**Partners:** Cooperativa Agraria Unión y Fe La Coipa, Fair Trade Organic certified cooperative

**Region:** Cajamarca, San Ignacio

**Elevation:** 1,300 – 2,050 m

**Varieties:** Bourbon, Caturra, Pache, Tipica, Catimor

**Harvest:** June to October

**Smallholders:** 98% operate in less than 5 hectares

**Coffee Growers:** 299 participants; 31% women; 55% under 35 years old

**Coffee profile:** Medium-high acidity, sweet herb and berry notes, medium body

#### 2022 ACCOMPLISHMENTS

Inflation and the current socio-political situation in Peru have led to an increase in prices for food and inputs for coffee growers. In the last three years, Union y Fe has focused on promoting food security through the establishment of community food gardens, which support the 26 communities it serves. There has also been an effort to promote diversification within the farms and some households have started raising cattle for milk and cheese production. The premium from the Direct Trade program has helped to promote those initiatives.

## Direct Trade

### LAS MERCEDES, NICARAGUA

Relationship established in 2010

#### BACKGROUND

**Partners:** Aldea Coffee, a Fair Trade certified association

**Region:** Las Mercedes, Jinotega

**Elevation:** 1,200 – 1,450 m

**Varieties:** Caturra, Tabi, Bourbon and Catuai

**Harvest:** November to February

**Smallholders:** 100% operate in less than 5 hectares

**Coffee Growers:** 23 participants, 33% are women

**Coffee profile:** Medium acidity and sweetness, medium body, with nut and cocoa aroma when roasted

#### 2022 ACCOMPLISHMENTS

For more than 10 years we have sourced coffee from the same group of producers and we have visited periodically to witness what impact this relationship has brought to the households. Visit after visit, we hear the greatest impact has been the households' ability to save money or make investments which allows them to be prepared for "*el tiempo del silencio*" (the silent time), which is the off-season period where most producers have to go into debt to buy essentials and invest in their farms. Due in part to the efforts of our Direct Trade project, we are beginning to witness some positive long-term effects (over the course of 12 consecutive harvests), which have helped the producers from Las Mercedes during this off season.

## Direct Trade

### EL SALVADOR

Relationship established in 2010

After 10 consecutive years of buying coffee from the Buena Vista farm, a combination of factors didn't allow us to buy coffee from them in 2022, but we are buying it again in 2023.

#### BACKGROUND

**Partners:** Miguel Menendez – Finca Buena Vista

**Region:** Apaneca – Llamatepec

**Elevation:** 1,300 – 1,500 m

**Varieties:** Pacamara, Tabí and Bourbon

**Harvest:** December – March

**Coffee community:** 400+ workers supported; 80% are women

**Coffee profile:** Medium acidity and sweetness; medium body, with nut and cocoa aroma when roasted

#### ACCOMPLISHMENTS

The farms and the mill continue to provide a reliable, year-round source of employment for 120 families, plus another 300+ families during harvesting season. We believe this has a huge impact that brings social stability. Unfortunately, the effects of criminal activity have been felt on Miguel's farms, where some of the bee hives established in 2020 have already been stolen. Despite the challenges, we celebrate Miguel's devotion and passion for coffee, which is why we continue partnering to boost their sustainability efforts and impact the communities surrounding the farms through the provision of electricity, employment, road maintenance, and water protection. We consider this partnership an essential part of our Direct Trade offer.

# COMPREHENSIVE GRI DATA

## COMPREHENSIVE GRI DATA

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*Dorian Penagos intercroops food crops among coffee trees, as part of the food security project in Salgar, Antioquia, Colombia.*

# Economic

## 201- Economic Performance

[Economic Performance issue brief](#)

### 201-1 Direct economic value generated and distributed

Direct economic value generated (USD)	\$479,342,811.40
Net sales	\$469,193,279.61
Sales of assets	\$10,149,531.79
Economic value distributed	\$494,918,575.86
Operating costs	\$387,108,211.01
Employee wages and benefits	\$96,712,989.92
Payments to providers of capital	\$7,503,000.00
Payments to governments by country (includes all taxes and penalties)	\$3,552,947.56
Community investments	\$41,427.37
Economic value retained	\$(15,575,764.46)

### 201-2 Financial implications and other risks and opportunities due to climate change

Farmer Brothers prioritizes risks identified from climate change by assessing what factors will have the largest impact on our company in the short-, medium- and long-term.

At any given time, Farmer Brothers' sustainability department are actively investigating and evaluating climate-related risks, which first must be quantified by its environmental (e.g. carbon reduction) and financial impact on our operations. The sustainability team engages cross departmentally with our transportation, operations, legal, sales organizations and others to prioritize environmental and climate-related risks to our company. These risks and opportunities are then pursued by the sustainability team. Physical risks and opportunities are considered for their immediate impact. Transitional risks and opportunities are considered for their long-term benefit.

Decisions on longer-term projects, such as reforestation projects at origin, or branch relocations, incorporate more data analysis of historical trends (climate projections, water risk, legal risk, impact on operations, etc.) in determining estimated financial, social and economic returns. Analysis of this information is discussed and decided on cross-functionally. Conclusions, case studies and proposals are then shared with the Farmer Brothers' executive team and, in certain cases, with our board of directors for approval.

For more detailed information on our climate-related risks and opportunities, please view our [2022 CDP submission](#).

201-3 Defined benefit plan obligations and other retirement plans

Estimated value of plan's liabilities	\$106,500,000
Value of separate fund to pay plan's liabilities	The fair value of plan assets as of June 30, 2022 was \$78,100,000.00, based on U.S. GAAP.
Strategy and timescale	We fund the plans based on U.S. funding requirements. Investments are based on a glide path which adjusts asset allocation according to the funded status of the plan.
Percentage of salary contributed by employer	Employer contribution for the reporting period was \$1,312,344.00
Level of employee participation	97.5% of employees participated in retirement and/or defined contribution plans.

201-4 Financial assistance received from government

Farmer Brothers received approximately \$250,000 in abatement on real and business personal property taxes. In addition, the CARES Act allowed Farmer Brothers to defer payments for the employer share of FICA tax and certain pension contributions. The company did not receive any other financial assistance from any government during the reporting period. To our knowledge, no government is a shareholder of Farmer Brothers stocks. As we are a publicly traded company, it is possible a government could be a beneficiary owner of Farmer Brothers street name securities, and we would not have awareness of this.

204- Procurement practices

[Procurement Practices issue brief](#)

204-1 Proportion of spending on local suppliers

20% of our suppliers were categorized as local suppliers, whom we define as suppliers operating within the same region as our manufacturing facilities and distribution centers. In the case of Farmer Brothers, this includes the Pacific Northwest, Greater New York City, Greater Chicago, North Texas, and Southern California.

## Environment

301- Materials

[Products and Services and Waste issue briefs](#)

301-1 Materials used by weight and volume

Material	Weight (kg)
Coffee	73,501,351
Tea	1,474,419
Juice	1,224,913
Culinary	10,249,296
Hot cocoa	1,767,718

Material	Weight (kg)
Non-food	341,008
Spice	1,734,351
Corrugated carboard	1,824,543
LDPE	199,987
Paper	63,878
PET	9,453,012
PP	201

\*All materials were sourced externally and all measurements are direct measurements

### 301-2 Recycled input materials used

Farmer Brothers' currently tracks the recycled input material from one of our suppliers, totaling 47% of recycled content.

### 301-3 Reclaimed products and their packaging materials

Since our primary business is coffee, we're also able to provide many of our customers with coffee brewing equipment. Since this is a significant part of our business, we've created our Revive Service program, which is designed to prolong the life of these brewing machines and cut down on waste. During the reporting period, Farmer Brothers reclaimed and refurbished approximately 8,032 pieces of commercial beverage equipment, totaling roughly 262 tons in weight.

## 302- Energy [Energy and Climate Change issue brief](#)

### 302-1 Energy consumption within the organization

Category	Consumption
<b>Total fuel consumption from non-renewable sources (TJ)</b>	<b>282.32</b>
On-road gas (kWh)	28,105,524.47
On-road diesel (kWh)	21,067,468.73
Electricity not offset by renewable energy (TJ)	0
On-site fuel (kWh)	29,250,414.8
<b>Total fuel consumption from renewable sources (TJ)</b>	<b>68</b>
CNG (kWh)	139,870
Electricity offset by renewable energy (kWh)	18,719,977

Category	Consumption
Energy sold	Farmer Brothers did not sell energy during the reporting period.
Total energy consumption within the organization (TJ)	350.22
Standards and methodologies	All fuel volumes were taken from direct measurements (fuel purchase data), with the exception of propane; propane volume was based on an average price of \$2.96*. We purchase renewable energy credits for all electricity consumed.

302-2 Energy consumption outside of the organization

Category	Energy (TJ)
Category 1- Purchased goods and services	2,978.41
Category 4- Upstream transportation	559.47
Category 5- Waste generated in operations	1.09
Category 6- Business travel	2.34
Category 7- Employee commuting	64.52
Category 9- Downstream transportation	837.43
Category 11- Use of sold products	475.21
Category 12- End-of-life treatment of sold products	11.92

302-3 Energy intensity

Farmer Brothers uses several different energy intensity metrics to evaluate energy efficiency performance in manufacturing, sales and last-mile distribution. Each metric shares the same denominator, roasted kilogram (kg) of coffee, as we feel it is the best indicator of overall economic productivity.

Category	Intensity
On-site fuel (kWh)/roasted kg	0.84
Electricity (kWh)/roasted kg	0.54
On-road fuel (liters)/roasted kg	0.01

302-4 Reduction of energy consumption

Farmer Brothers absolute energy consumption did not have a significant change in usage during the reporting period, compared to the previous year. This includes all types of energy both inside and outside the organization. The energy calculations are sourced from direct measurements and calculated using the WRI GHG Emission Factors Compilation, Emission Factors from Cross Sector Tools.

\*Average price of propane is taken from the [U.S. Energy Information Administration website](https://www.eia.gov)



302-5 Reduction in energy requirements of products and services

See Farmer Brothers [2022 CDP climate response](#).

303- Water

[Water and Effluents issue brief](#)

303-1 Interactions with water as a shared resource

Farmer Brothers withdraws, consumes and discharges water only in its direct operations. Our organization's water withdraw, consumption and discharge have no significant impacts on water bodies.

Water is an intergral part in both the cultivation and brewing of coffee, both of which occur outside of our direct operations. We work with stakeholders, such as those involved in Project D.I.R.E.C.T.®, to identify and mitigate water-related impacts. Our current and on-going water protection projects include work on innovations in coffee processing at wet mills to reduce water use, coffee pulp composting to reduce freshwater contamination and strategic landscaping to address runoff.

303-2 Management of water discharge-related impacts

Farmer Brothers does not operate facilities in locations without local discharge requirements. All water discharge is in compliance with municipal requirements. We do not have any internally developed water quality standards or guidelines, and no sector specific standards were considered.

303-3 Water withdrawal by source

Total withdrawn (ML)	55.55
Total withdrawn in areas of high water stress (ML)*	15.92

303-4 Water discharge

\*Using the same ratio of .56 discharge from our FY18 baseline.

Northlake, Texas (ML)	8.99
Portland, Oregon (ML)	3.08
Company total (ML)	31.11
Total in areas of high water stress (ML)	8.92

\*According to WRI's Aqueduct Water Risk Atlas

303-5 Water consumption

Company total (ML)	24.44
Total in areas of high water stress (ML)	7.01

304- Biodiversity

[Biodiversity issue brief](#)

304-1 Operational sites owned, leased, managed in or adjacent to protected areas and areas of high biodiversity value outside protected areas

Farmer Brothers' 10,000-square-foot Denver distribution facility is located adjacent to the Rocky Mountain Arsenal, a terrestrial National Wildlife Refuge (IUCN Category IV).

304-2 Significant impacts of activities, products, and services on biodiversity

Farmer Brothers business practices are guided by a commitment to protecting and maintaining biodiversity. All of our facilities operate in accordance with established air quality, water quality, solid waste and hazardous materials regulations.

304-3 Habitats protected or restored

Coffee type	Country	Volume bought (Lbs. green coffee)	Lbs. to Kg. (1 lb = 0,454 Kg)	Yield (Kg. green/hectare)	Area (hectares)	Area (Km2) 100 Ha = 1 Km2	Prinicpal natural areas	Habitat
DT*	Colombia	4,880,210	2,215,615	1,516	1,461	14.6	Tatama and Las Orquideas Natural Parks	Humid tropical forest
DT	Nicaragua	1,131,191	513,561	1,305	394	3.9	Natural Reserve Bosawas	Tropical forest
DT	Brazil	169,329	76,875	1,263	61	0.6		
RFA**	Brazil	4,467,476	2,028,234	1,440	1,408	14.1	Serra da Canastra National Park	Tropical savannah (Cerrado)
RFA	Colombia	4,161,959	1,889,529	1,268	1,490	14.9		Tropical forest
RFA	Congo	42,328	19,217	393	49	0.5		

\*DT = Direct Trade

\*\*RFA = Rainforest Alliance

Coffee type	Country	Volume bought (Lbs. green coffee)	Lbs. to Kg. (1 lb = 0,454 Kg)	Yield (Kg green/hectare)	Area (hectares)	Area (Km2) 100 Ha = 1 Km2	Prinicpal natural areas	Habitat
RFA	Costa Rica	546,079	247,920	1,642	12	0.1	Los Quetzales National Park	Tropical forest, cloud forest
RFA	El Salvador	42,328	19,217	720	27	0.3		
RFA	Ethiopia	126,985	57,651	378	656	6.6	Menagesha National Forest	
RFA	Guatemala	746,954	339,117	1,540	220	2.2		
RFA	Honduras	1,167,193	529,906	1,108	478	4.8	Pico Bonito National Park	Tropical forest, cloud forest
RFA	Indonesia	281,388	127,750	600	213	2.1		Rainforest, tropical forest
RFA	Mexico	445,087	202,069	1,300	155	1.6		
RFA	Nicaragua	421,576	191,396	800	239	2.4	Natural Reserve Bosawas	Tropical forest
RFA	Peru	1,239,400	562,687	985	571	5.7		
RFA	Rwanda	42,328	19,217	426	45	0.5	Akagera National Park	African Savannah
RFA	Uganda	255,821	116,143	578	201	2.0	Queen Elizabeth National Park	African Savannah
RFA	Vietnam	171,187	77,719	2,400	32	0.3		

304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations

IUCN Red List - Countries FY22	Animals					Plants				
	CR	EN	VU	NT	LC	CR	EN	VU	NT	LC
Brazil	240	326	448	355	7,631	247	620	500	231	4,818
Burundi	7	20	34	36	1,172	24	76	79	28	727
Colombia	124	255	384	277	5,781	271	486	330	161	4,487
Congo, The Democratic Republic of the	41	98	173	112	4,099	44	186	244	115	2,053
Costa Rica	41	94	167	117	3,523	25	183	170	180	2,284
El Salvador	9	29	64	47	1,638	5	34	53	38	962
Ethiopia	19	46	63	52	1,657	14	45	51	34	969
Guatemala	48	103	140	83	2,883	64	219	151	82	1,737
Hawaii										
Honduras	68	93	121	91	3,101	47	110	69	64	1,626
India	115	286	426	359	4,598	148	246	189	90	1,858
Indonesia	193	371	676	679	6,718	209	366	454	304	2,822
Jamaica	25	51	59	43	1,355	42	55	119	78	579
Kenya	57	83	173	188	3,744	32	184	218	96	1,489
Mexico	214	361	379	241	5,101	250	859	549	221	3,326
Nicaragua	27	41	108	84	3,008	9	94	66	73	1,708
Panama	56	95	141	129	3,646	19	118	145	108	2,327
Papua New Guinea	65	98	318	293	4,289	156	318	207	182	2,088
Peru	56	159	213	199	4,241	68	198	345	81	3,193
Rwanda	12	20	31	34	1,165	6	62	86	27	712
Tanzania, United Republic of	128	173	274	236	4,380	149	524	463	142	2,036
Timor-Leste	7	21	28	39	1,478	2	3	3	2	227
Uganda	48	43	87	68	2,162	12	60	111	48	1,230
Venezuela	111	170	230	208	4,303	81	170	241	83	3,213
Vietnam	93	206	317	262	3,577	75	118	141	59	1,512

305- Emissions

[Energy and Climate Change issue brief](#)

Category	Emissions (kg CO <sub>2</sub> -eq)					
305-1 Energy direct (Scope 1) GHG emissions	18,893					
305-2 Energy indirect (Scope 2) GHG emissions	0					
305-3 Other indirect (Scope 3) GHG emissions	491,311					
Category	Emissions					
305-4 GHG emissions intensity	15.3 kg CO <sub>2</sub> eq/kg of green coffee purchased					
305-5 Reduction of GHG emissions**	188,786 Metric Tons CO <sub>2</sub> eq					
305-6 Emissions of ozone-depleting substances (ODS)	1.23 kg CFC11 eq*					
305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions						
	Carbon monoxide (CO)	Lead (Pb)	Nitrogen oxides (NOx)	Ozone	Particulate matter (PM <2.5 um)	Sulfur dioxide (SOX or SO2)
Mobile (pounds)	44,822	0	8,318	0	140	166
Stationary (pounds)	32,720	0	19,866	0	2,271	210
Total (pounds)	69,995	0	26,885	0	4,379	349

\*Previously reported in kg CO<sub>2</sub> eq. Ozone depletion factors are from WMO (World Meteorological Organization), 2011: Scientific Assessment of Ozone Depletion: 2010.

Available at: <https://www.epa.gov/ozone-layer-protection/ozone-depleting-substances> and <https://agupubs.onlinelibrary.wiley.com/doi/full/10.1002/2015GL065856>

\*\*Emissions reduction from a 2018 base year

306-Waste

[Waste issue brief](#)

306-1 Waste generation and significant waste related impacts

We have been and will continue to be dedicated in our work toward achieving zero waste across our operations; whenever and wherever recycling is available (roughly 95% of our locations). It is given priority as a disposal method. At our larger facilities, where organic byproducts result from our roasting operations, we incorporate organics recycling to dispose of our streams in the most responsible manner available. Along with this, any waste generated from packaging material is separated and recycled appropriately based on our incorporated practices along the production line.

306-2 Waste by type and disposal method

All of our production employees are trained to implement zero waste practices when disposing of various materials — this includes sending wooden pallets to be repaired or recycled, composting all organic material, refurbishing machinery and equipment, and recycling all parts of our packaging materials when possible. We have partnered with Rubicon and RoadRunner recycling to manage all our waste accounts and use their data tracking tools to monitor waste generation at all sites, as well as perform waste audits to identify areas of improvement.

306-3 Waste generated

All of our waste data is compiled into a masterlist, which is generated from information gathered using our waste broker’s data collection tools, as well as receiving monthly reports for various waste streams. We did not record any significant spills.

Reuse (t)	1615
Recycle (t)	2364
Compost (t)	1734
Landfill (t)	1498
Hazardous waste (t)	4

306-4 Waste diverted from landfill

Non hazardous material diverted from landfill

Reuse (t)	1615
Recycle (t)	2364
Compost (t)	1734

Hazardous waste diverted from landfill

Hazardous waste fuel blended for energy recovery (t)	4
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306-5 Waste directed to disposal

Non hazardous- landfill (t)	1,498
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308-Supplier Environmental Assessment

[Procurement Practices issue brief](#)

308-1 New suppliers that were screened using environmental criteria

100% of new suppliers have signed a standard of agreement where environmental and social criteria are addressed.

308-2 Negative environmental impacts in the supply chain and actions taken

All of our coffee suppliers (35) have signed a standard of agreement where environmental impacts are addressed.

32% of our allied suppliers (64 of 196) have signed a standard of agreement where environmental impacts are addressed.

## Social

401- Employment

[Human Rights and Labor Practices issue brief](#)

401-1 New employee hires and employee turnover

New hires by age group	Under 30	30 - 50	50+
	117	204	139
Terminations by age group	Under 30	30 - 50	50+
	99	175	142

401-2 Benefits provided to full-time employees who are not provided to temporary or part-time employees

All of the following benefits are provided to only full-time employees :

- Life Insurance
- Health care
- Disability and invalidity coverage (short-term disability)
- Parental leave
- Retirement provision
- Stock ownership

These do not vary by location as all employees receive the same company benefits, regardless of location.

401-3 Parental leave

Total number of employees entitled to parental leave, by gender	Regardless of gender, all team members with six months or more of tenure are entitled to the same parental leave benefits.	
Total number of employees who took parental leave, by gender	Males	Females
	24	16
Total number of employees who returned to work in the reporting period after parental leave ended, by gender	Males	Females
	23	15
Total number of employees who returned to work after parental leave ended who were still employed 12 months after their return to work, by gender	Males	Females
	17	11
Return to work and retention rates of employees who took parental leave, by gender	RTW Males	RTW Females
	99.96%	99.96%
Retention rate	Males	Females
	71%	69%

403- Occupational health and safety

[Occupational Health and Safety issue brief](#)

403-1 Occupational health and safety management system

An occupational health and safety management system with recognized risk management practices, including health and safety policies and objectives, is used at Farmer Brothers, covering Farmer Brothers employees and temporary employees. Farmer Brothers complies with all regulatory requirements promulgated by the Occupational Health and Safety Administration (OSHA).

403-2 Hazard identification, risk assessment and incident investigation

Channels of communication exist both between safety committees or directly with Risk Management department or immediate supervisors, allowing Farmer Brothers employees to report work-related hazards and hazardous situations. Incidents are documented and are classified as OSHA recordable or non-recordable. For each incident that occurs, a report is generated, and appropriate and remedial action is taken.

403-3 Occupational health services

Whenever there is an occupational health service required, workers involved in workplace incidents are attended to by health care professionals with recognized qualifications and accreditations. Farmer Brothers does not provide occupational health services to contract workers, but requires any on-site contractors to offer workers-compensation coverage to those employees.



#### 403-4 Worker participation, consultation and communication on occupational health and safety

Farmer Brothers requires monthly safety training for employees at our manufacturing and distribution facilities. This training allows employees an opportunity to voice their concerns and for us to hear those concerns. After each training session, we use a learning management system to send out a quiz to ensure training is effective. Safety training is required for both employees and temporary workers. Contractors do not participate in Farmer Brothers' health and safety committees.

#### 403-5 Worker training on occupational health and safety

Farmer Brothers' Risk Management team provides monthly safety trainings on topics, such as PPE, fire extinguisher use, emergency action plan, walking-working surfaces, forklift certification, active-shooter training, lock-out-tag-out program, slips, trips and falls, etc. Training is performed in-person or online with the learning management system. Safety training is provided free of charge and generally mandatory.

#### 403-6 Promotion of worker health

All full-time Farmer Brothers employees have access to subsidized health insurance. Additionally, Farmer Brothers offers financial contributions to employees through health savings accounts. Farmer Brothers promotes voluntary health programs and services through dietary advice, flu shots and an on-site gym for employees at our corporate headquarters.

#### 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships

Coffee from Project D.I.R.E.C.T.® is audited for compliance under a code of conduct, which includes provisions for worker safety. Farmers are audited annually for compliance. Additionally, Fair Trade™ certified coffees are audited for compliance with worker safety standards. All of Farmer Brothers suppliers are asked to abide by our supplier standards of engagement. We seek suppliers who operate in compliance with all applicable environmental laws and work to minimize their use of natural resources and any negative impact their operations have on the environment. Procedures for waste management, handling and disposal of chemicals and other hazardous materials, emissions and effluent treatment must meet or exceed minimum legal requirements. All employees should have access to clean drinking water while at work.

#### 403-8 Workers covered by an occupational health and safety management system

Farmer Brothers' occupational health and safety management system covers all Farmer Brothers employees, including temporary workers, but does not cover contractors. Contractors being defined as workers who are not employees, but whose workplace is controlled by the organization.

Farmer Brother's occupational health and safety practices are internally audited at all locations and therefore all Farmer Brothers employees. External audits have been conducted at both current manufacturing facilities. In total, 243 employees, or 22% of Farmer Brothers' total workforce, work at these locations.

#### 403-9 Work-related injuries

During the reporting period, no employee, temporary worker or contractor fatalities were recorded, and zero incidences of high-consequence, work-related injury was recorded, impacting a Farmer Brothers employee. Also, during the reporting period, 32 OSHA recordable work-related injuries occurred (OSHA generally defines a recordable case as any injury or illness which requires medical treatment beyond first aid). The most common types of injuries are related to lifting; slips, trips, and falls; transportation accidents; and pushing and pulling injuries.

403-10 Work-related ill health

In the reporting year, there were zero fatalities as a result of work-related ill health and zero cases of recordable injuries related to worker ill-health. Hearing loss is a concern for Farmer Brothers production employees. Hearing protection is required for all employees working on the manufacturing floor. There were no reported cases of hearing loss during the reporting period. No Farmer Brothers workers have been excluded from this disclosure. All data was compiled using OSHA trend analysis reports.

404- Training and education

404-1 Training and education

Average hours of training, by gender	There is no distinction between the training provided by gender. All team members are provided with the same training opportunities.					
Average hours of training, by employee category	Hourly	Lead	Professional	Manager	Director	Vice president
	21.5	14.8	15.9	20.7	16.9	17.7

404-2 Programs for upgrading employee skills and transition assistance programs

We provided education around functional and leadership capabilities in 2022, enhancing and developing skills to help team members be effective at their current roles, as well as develop leader's abilities to develop their teams. Our programs focused on promoting diversity, equity and inclusion, as well as technical training around safety, quality and best manufacturing practices, all in hopes to create a world-class learning culture. The company currently does not offer transition assistance programs.

404-3 Percentage of employees receiving regular performance and career development reviews

Regardless of gender, all non-union, full-time team members receive annual performance reviews and evaluations.

405- Diversity and equal opportunity

[Human Rights and Labor Practices issue brief](#)

405-1 Diversity of governance bodies and employees

Percentage of individuals within Farmer Brothers, by gender	Female	Male	Unspecified	Non-binary
	21%	71%	8%	0.08%
Number of individuals within the Farmer Brothers' senior leadership team, by gender	Female	Male	Unspecified	Non-binary
	5	11	0	0
Number of individuals within the Farmer Brothers' senior leadership team, by age group	Under 30	30-50	50+	
	0	6	10	

Among these groups, 3% of employees were accounted for as having a disability and 1% as being a veteran.

405-2 Ratio of basic salary and remuneration of women to men

Compensation ratio by gender, employee category and significant location of operation.

	Portland Plant		DFW Support Center		
	Male	Female	Male	Female	
Supervisors	\$0.90	\$1.00	\$1.03	\$1.00	
Managers	Male	Female	Male	Female	Unspecified
	\$1.00	N/A*	\$1.05	\$1.00	\$1.25
Directors	Male	Female	Male	Female	
	\$1.16	\$1.00	\$1.03	\$1.00	

406- Non-discrimination

[Human Rights and Labor Practices issue brief](#)

406-1 Incidents of discrimination and corrective actions taken

Total number of incidents of discrimination during the reporting period:

During our fiscal year 2022, one allegation of discrimination took place.

Remediation plans which have been implemented, with results reviewed through routine internal management review processes:

Documented coaching with alleged wrongdoer on being aware of how certain phrases can impact people from different cultures.

408- Child labor

[Human Rights and Labor Practices issue brief](#)

408-1 Operations and suppliers at significant risk for incidents of child labor

All suppliers who engage in business with Farmer Brothers are required to sign a standard of engagement where they commit to comply with all applicable laws and regulations in each of the countries in which it operates, including the prohibition of child labor.

409- Forced or compulsory labor

[Human Rights and Labor Practices issue brief](#)

409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor

All suppliers who violate Article 149 of Brazil Criminal's code (a.k.a. "Dirty List") or any other publicly available national government list of registry that documents forced labor violations by an employer.

\*There are no female managers at this location to provide an accurate compensation ratio.

413- Local communities

[Local Communities issue brief](#)

413-1 Operations with local community engagement, impact assessments and development programs

8.5% of our coffee was sourced through our Project D.I.R.E.C.T.® sourcing model, which includes implemented local community engagement, impact assessments and development programs, including the use of data driven impact assessments of gender, environmental and social improvements, as well as local community developments plans, which are co-designed with our growing partners and communities.

413-2 Operations with significant actual and potential negative impacts on local communities

Our direct operations in the United States do not present any significant potential negative impacts on local communities. 41% of our coffees are sourced from supply chains, which we have assessed to have no risk of significant potential negative impacts on local communities.

Supplier social assessment

[Human Rights and Labor Practices issue brief](#)

414-1 New suppliers who were screened using social criteria

100% of new suppliers have signed a standard of agreement where environmental and social criteria are addressed.

414-2 Negative social impacts in the supply chain and actions taken

All of our coffee suppliers (35) have signed a standard of agreement where social impacts are addressed.

32% of our allied suppliers (64) have signed a standard of agreement where environmental impacts are addressed.

415- Public policy

[Economic Performance issue brief](#)

415-1 Political contributions

Farmer Brothers did not provide any form of political contribution.

#### 416-Customer health and safety

[Occupational Health and Safety issue brief](#)

##### 416-1 Assessment of the health and safety impacts of product and service categories

Health and safety impacts are assessed for all our product and service categories. The Farmer Brothers Food Safety and Quality Management System includes written prerequisite programs, documented hazard and risk assessment for all products, controlled documents and specifications, documented regulatory review and a food safety plan. The Food Safety and Quality system is reviewed annually using internal audits and our safe quality food management review.

During the reporting year, Farmer Brothers continued to address the health and safety impacts of the COVID-19 variants and worked diligently to adhere to the updated CDC recommendations and guidance. Our manufacturing and delivery teams continued to implement the highest of standards with regards to cleaning and sanitizing, and monitoring good hygiene and health protocols. Farmer Brothers has encouraged remote work to further reduce density in the workplace, thereby reducing the risk of potential variant exposure to our team and customers.

##### 416-2 Incidents of non-compliance concerning the health and safety impacts of products and services

During the reporting period, Farmer Brothers did not have any incidences of non-compliance with regulations resulting in a fine, penalty or warning concerning the health and safety impacts of products and services.



Farmer Brothers®

*View of the Palo Blanco and Las Mercedes villages in Jinotega  
Nicaragua, home of Farmer Brothers' oldest Direct Trade relationship.*

Report designed and developed by OBATA

## GRI ISSUE BRIEFS

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- [Energy and Climate Change](#)
- [Human Rights and Labor Practices](#)
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