2017 SUSTAINABILITY REPORT

A FUTURE worth looking FORWARD TO

Farmer Brothers®

Setting our sights. Choosing our targets. And never looking back.

We've spent years cultivating sustainability and moving major initiatives forward. In a quest to conserve the critical resources coffee depends on, we've done everything from offering technical training at origin to recycling burlap bags to building a highly efficient headquarters halfway across the country.

This year, we doubled down on our commitment to sustainability and aligned our carbon reduction goals with the latest in climate science. This requires more creative problem solving than ever, with more reliance on data and ingenuity to find ways to reduce our footprint even further. We know we can get there thanks to a visionary team, incredible partnerships, and an unwavering focus on a better future.

CEO/Director of Sustainability Letter

Setting our sights on creating a sustainable coffee culture for the future.

Over the past several years, we've watched sustainability evolve within the business community. Of course, sustainability is core to Farmer Brothers' business strategy. And that passion remains strong as we look for ways to build a sustainable coffee culture through our social, environmental, and economic development (SEED) sustainability program.

We've reflected on the qualitative and quantitative impact of our sustainability programs to consumers, local communities, growers at origin, and the planet. And we're committed to shape the future of our programs through innovation, creativity, and a metrics-driven approach to sustainability.

We're proud to say that, in 2017, Farmer Brothers' targets to reduce greenhouse gas (GHG) emissions were reviewed and approved by the Science Based Targets initiative (SBTi). It makes us the first coffee-focused company to establish third-party approved and monitored sustainability targets. In fact, our progress in addressing climate change throughout our supply chain earned us a position on the Climate A-List of the Carbon Disclosure Project (CDP). This distinct honor puts us among the top 5% of CDP member companies who are taking actions to cut emissions, mitigate climate risks, and develop a low-carbon economy.

Internally, we're advancing sustainability by moving ever closer to our goal of diverting 90% of our waste from landfills or "zero waste." By tapping into employees' innovative ideas, we're pursuing our goal of being zero waste company-wide. All three of our roasting plants and our five distribution centers have already attained zero waste this year. We've also made giant strides toward achieving our SBTi goals by utilizing telematics devices in our delivery vehicles to reduce idle time and fuel costs.

Sustainable sourcing is inherent in our culture, and we support it through regular supply-chain audits. We also work closely with our business partners to promote fair labor practices and encourage them to endorse the U.N. Global Compact principles and protection of human rights.

This year, Farmer Brothers strengthened our position as a recognized industry leader in sustainability. But recognition isn't enough. It's just a reinforcement of how our business strategy relies on a metric-driven, innovative sustainability program. In this resolve, we stand proudly alongside partners like Committee on Sustainability Assessment (COSA), World Coffee Research (WCR), and the Specialty Coffee Association (SCA).

At origin, we're partnering with COSA to gather data from farmers using offline-capable mobile tablets. By combining verified data with education, training, and tools, we're able to give back to our growers, help them improve their businesses, and preserve the resources we all depend on.

We're also continuing to evolve our long-standing commitment to growers through our Project D.I.R.E.C.T.® program. With growers in Nicaragua and Colombia, this collaborative program reinforces the need to preserve and conserve their land. Using third-party verified metrics, we help growers improve their communities and environment, one conversation at a time.

We remain committed to using our business partnerships, technology, and company culture to improve coffee communities around the globe. Our goals may evolve and our methods of achieving them may shift—but we'll hold true to our vision of creating a sustainable coffee culture for the future.

Sincerely,

MIKE KEOWN, *CEO*

MOLLY LAVERTY, *Director of Sustainability*

2017 HIGHLIGHTS

Progress measured. Momentum gained.

↓93.9%
reduction in
vehicle idling time

21.5%
progress to our commitment of
100% ethically sourced coffee
by 2025

$1,031,170
direct premiums paid
to growers through our
direct trade programs

LEADING the way

To truly lead in protecting the environment and safeguarding natural resources, we've got to see goal setting as just the beginning. This means seeking out inefficiencies wherever they may be, and finding or inventing sustainable solutions to address them. That's why we've made a commitment to use science-based targets to drive down emissions. It's why our growers are inspiring their local communities with sustainable programs that support farming families. And it's why we're looking forward to the future—knowing the groundwork we lay today will make a vital impact tomorrow.

GROWER SPOTLIGHT

“Through technical training and increased farming capacity, I can be a better grower, which leads to a better life for my family and in my community.”

EVER HINESTROZA
Coffee Grower & Promoter, Salgar Cooperative, Colombia

Sowing smarts—and sharing the benefits.

As a member of a cooperative participating in the Project D.I.R.E.C.T.® program in Colombia, Ever Hinestroza farms the land that’s been in his family for three generations.

“In an industry and a country where producers don’t always feel supported, thanks to Farmer Brothers, that’s not the case. We feel more modern. We feel more capable. And the benefits have been shared among a significant number of people in the countryside here. Those who aren’t participating ask about becoming a part of it,” says Hinestroza.

Working with Farmer Brothers, the local co-op is increasing capacity and leading in its community. They’re spearheading both technical training and sustainability efforts like building pulp-composting pits, improving fermentation tanks and pulping machines, increasing on-site food production, using soil testing kits, and adding proper agrochemical storage sheds. The result: neighbors are improving their operations alongside one another.

“I love being a coffee grower in this age—we’re more organized. The coffee is high quality. And we’re working smarter,” reports Hinestroza. “We see a future in keeping this land going—and it’s through the production of coffee.”

TARGETING THE FUTURE

Incremental change is one thing. But making a real impact requires setting real targets as well as developing a science-based understanding of what it actually takes to limit climate change. That's where the Science Based Targets initiative (SBTi) comes in.

When Farmer Brothers learned of this initiative, we were all ears: through Science Based Targets, committed companies set goals consistent with carbon reduction to prevent a global temperature increase of two degrees Celsius above pre-industrial levels, which climate scientists have established as the threshold for atmospheric stability. By becoming the first coffee-focused company to have approved Science Based Targets, we can better support our sustainability efforts—and pledge to combat climate change.

We partnered with seasoned experts from Quantis International who are trained in setting these measurable climate reduction goals. The first step was establishing our baseline carbon footprint. We then computed our carbon-footprint targets for the coming decades. And, finally, we committed that Farmer Brothers, as a company, will remain dedicated to effective emissions reductions. Every year until 2050, we're set to evaluate our corporate footprint and focus on the principal contributors to our emissions. And we'll continue to explore creative solutions to achieve our targets.

FOUR STEPS TO MEASURABLE IMPACT

The process to determine and adopt Science Based criteria

COMMIT
your company to set a science-based emission reduction target

SUBMIT
your targets for validation and approval

DEVELOP
science-based targets over the next 24 months

ANNOUNCE
your targets publicly and communicate your commitment

Becoming the first coffee-focused company to set science-based targets

REDUCTION OF GHG EMISSIONS CONSUMPTION

↓11% before 2025

↓48% before 2050

REDUCTION OF OPERATIONAL EMISSIONS

↓7% before 2025

↓31% before 2050

SCIENCE-BASED TARGETS

How Farmer Brothers will align our goals with the Paris Climate Agreement

Farmer Brothers has committed to reduce our greenhouse gas emissions for fuel and resource consumption by 11% before 2025 and by 48% before 2050. And we're committed to reduce operational emissions outside our own walls by 7% before 2025—and by 31% before 2050.

Taking charge

From the boardroom to the breakroom, Farmer Brothers' leadership knows that for sustainability measures to stick, they need to be embraced at the top—and everywhere along the line too.

"Our Science Based Targets initiative would be hard to get behind if it were just us leaders and a handful of true believers pushing it. But, fortunately, this has become integral to who we are as a company," says CEO Mike Keown.

COO Ellen Iobst agrees that change is baked into the company culture—and it's even manifested in the new headquarters building. "The new facility makes so much possible. It's a refresh of a hundred-year-old company. We can keep our legacy, while untapping our potential in a very creative and fresh environment people like working in."

The building's efficiency stands as a testament to the company's commitment to sustainability—while setting the stage for better collaboration, innovation, and galvanization around a shared mission.

GAINING PERSPECTIVE

from the Quantis International consultants who helped us frame this vision

"Coffee companies have long been focused on sustainability, but not always in a measured, scientific way. Through SBTi, Farmer Brothers is not only taking sustainability seriously, but they are doing it in an industry-credible manner. The industry is starting to look to Farmer Brothers as the leader in sustainability because they are fighting climate change in actionable ways—not just talking about it."

ANNABELLE STAMM
Senior Sustainability Consultant, Quantis International

BUILDING EXCITEMENT

from Farmer Brothers' Director of Sustainability

"We never want to see a world without coffee in it. We believe combating climate change is critical to the future of our company, the coffee industry, our growers, and our world. Setting SBTi approved targets was the logical next step in our sustainability program, and it places us among the most forward-thinking businesses making measurable contributions to incorporate sustainability within their business strategy."

MOLLY LAVERTY
Director of Sustainability, Farmer Brothers

Coffee. Culture. COMMUNITY

A more sustainable world can't be built in isolation. It takes an entire community — of partners, employees, growers, and customers — to effect change together. At Farmer Brothers, we take this to heart, nurturing relationships at home and abroad with people who value environmental stewardship as we do. We know it takes a collective commitment to limit climate change and save the coffee crops we cherish. And by banding together, we can help to build a movement with an impact that radiates beyond our office walls and around the globe.

GROWER SPOTLIGHT

"The future of coffee in our region is precarious. There's an exodus of the next generation of growers choosing to live in the cities instead. So, how do we attract them? One way is bringing in partners like Farmer Brothers and investing together in a more economically viable, forward-thinking future for coffee."

RICARDO TEIXEIRA
Exporter, Andradas, Sul de Minas, Brazil

A better future. Rooted in trust.

Ricardo Teixeira, an exporter in Brazil, explains his biggest challenge in working with Brazilian coffee growers: earning their trust.

"Many coffee programs are disguised as mutually beneficial, and growers don't want to buy into one more that feels exploitative. So, our challenge is to earn their trust," he says.

From his position at the center of the relationship between Farmer Brothers and growers, Teixeira partners with local growers, helping them connect with Farmer Brothers and negotiate a competitive price for their coffee.

"I appreciate Farmer Brothers' Project D.I.R.E.C.T.® approach — it means Farmer Brothers wants a dialogue with the growers. They don't just say, 'Find a coffee with these specifications,' but rather, we have a discussion so we can meet both parties' needs," explains Teixeira.

Since Brazilian coffee usually sells at a relatively low price, it's especially necessary for Brazilian coffee growers to minimize their costs and operate efficiently and sustainably to preserve the land they depend on. And thanks to the sheer volume of Brazilian coffee production, programs that boost sustainability and efficiency in that area have an amplified impact.

"It's the path to a real future for coffee — building sustainability into the part of the supply chain where the most coffee is being produced and sold," says Teixeira. It adds up to a positive difference — on the ground in Brazil and beyond.

IF YOU BUILD IT, THE COMMUNITY WILL COME.

This year, we've seen the power of place—the impact an efficient new facility can have on a company's operations and culture. We knew that building a LEED-certified headquarters would be a boon to our sustainability efforts. But we couldn't have foreseen the extent to which the building would be a refresh for the whole company—an affirmation of the commitments we intend to achieve together in the coming years.

Employees in our new building have embraced breakrooms without throwaway paper plates, cups, or plasticware. They've connected in our common areas that encourage collaboration and idea sharing. And they've rallied around the challenge of solving inefficiencies—making things work better than they ever have.

Our employees take the sustainability culture home and seed it in our community. Local partners are stepping up and asking how they can get involved. And every day, we're living our values of sustainability and zero waste.

> "Until we moved to this new building, there wasn't much cross-functionality between my role as a roaster and the larger sustainability efforts. This wasn't intentional—we were simply siloed in different areas. But this building was designed with integration in mind. I'm finding our department talking to other teams more—which leads to us coming up with new ideas and efficiencies together. It's great for our collective psyche."
>
> **MATTHEW HANIEF**
> *Product Development, Farmer Brothers*

"This year, we've made incredible gains in our waste reduction—including in our overall waste beyond this facility. Our Science Based Targets are giving people something to aim for. And now that we have a goal that we need to achieve, it becomes a race to see who can get there first. We're working to get all of our facilities to the point of generating zero waste."

ELLEN IOBST
Chief Operating Officer, Farmer Brothers

NEXT TO NONE: WHAT "ZERO WASTE" MEANS FOR OUR FACILITIES

We've publicly affirmed our goal of diverting 90% of all our facilities' trash, never letting it see a landfill. Because we know we can do something better with it, such as:

Reduce the waste we create through measures like optimizing our manufacturing processes, managing inventory better, and ditching paper cups and plates in our offices.

Reuse the waste we create by finding creative ways to refurbish things we used to throw away. For example, we can repair thousands of brewers every year rather than tossing them when they're out of commission.

Recycle the waste we create whenever reduction or reuse isn't an option. When we use items like plastics, paper, packaging, or even equipment parts, we'll make the effort to recycle them so they remain in use—and out of the landfill.

Reap the rewards at all three of our roasting facilities and all five of our distribution centers.

Building a better community starts within.

While Farmer Brothers works hard to create an impact on a global scale — helping growers, partners, employees, the planet, and our industry as a whole — we can't ignore community needs in our own corner of the world. It starts with making sure families have enough to eat. Farmer Brothers strives to donate anything nearing expiration to local food banks, who can distribute the donations. The company also sponsors a local bike ride to raise money for the food bank.

"Meanwhile, overseas, we also focus on addressing food scarcity issues," says Sustainable Systems Manager Nick McCulloch. "Through the Coalition for Coffee Communities (CCC), we're collectively investing in entire regions' food security in places like Nicaragua."

Amid all of Farmer Brothers' outreach efforts, sustainability never slips far from the conversation. Community stewardship is one way that we're minimizing our carbon footprint and maximizing our positive impact on people and places.

> "It was important to have Farmer Brothers' leadership team fully on board in undertaking such a complex initiative with a very public commitment. And we found that not only was the team already very engaged with the topic of sustainability, they also understood its business value. Without hesitation, all hands went up on this initiative."
>
> **ANNABELLE STAMM**
> *Senior Sustainability Consultant, Quantis International*

Digging into waste reduction with Cowboy Composting

It's not every day that, right in your own back yard, you find a symphony music director who's also brought composting to an entire community. But that's exactly what happened when Farmer Brothers moved into its new facility and we sought a great local composting partner. Luckily for us, Miguel Harth-Bedoya's Cowboy Composting company was just taking root, right here in Fort Worth, Texas.

"There was an appetite for sustainability options in Fort Worth, and other companies weren't servicing those needs. That's why I took matters into my own hands and founded Cowboy Compost. It was a bold move, but we couldn't just sit back and wait for it to happen. I said, 'Until someone proves me wrong, I'm going to keep pursuing this,'" says Harth-Bedoya.

Fortunately, while Cowboy Compost was making its first rounds collecting compostable waste buckets from Fort Worth-area households, the company connected with Farmer Brothers. A beautiful, sustainable relationship resulted. The two companies have put down roots while partnering together to divert over 85,000 pounds of waste from local landfills between January and December of 2017. Any organic waste at Farmer Brothers' headquarters—from breakroom leftovers to coffee chaff to expired coffee beans—now becomes part of the local ecoscape, in the form of nutritious soil the community can use in their gardens.

> "Interestingly, waste is a great equalizer: every person in the world puts things in garbage cans. We all create waste. And, therefore, we all have an equal responsibility to take care of our environment. We may be different in our religions or politics, but this is one thing we all have in common."
>
> **MIGUEL HARTH-BEDOYA**
> *Co-founder, Cowboy Compost*

INVESTING IN THE NEXT GENERATION OF STEWARDSHIP

While growers at origin are working hard to raise the next generation of coffee growers, Farmer Brothers is on a similar mission: investing in the next generation of sustainability leaders. Through a new internship program, we're engaging with budding thought-leaders, sharing knowledge, and welcoming fresh ideas. Our first-ever sustainability intern, Victoria, has undertaken a behemoth task: vastly increasing our level of participation in the Global Reporting Initiative (GRI).

"The GRI is the preeminent standard in corporate sustainability reporting," explains Nick McCulloch, Sustainable Systems manager. While corporations can self-report on a baseline set of issues and still receive credit for participating, this year with Victoria's help, Farmer Brothers will report on every single GRI metric. This nearly quadruples the amount of data collection involved—a level of self-reporting that fewer than 100 companies worldwide have achieved.

Not only is this an accomplishment for Farmer Brothers, but it offers valuable visibility into our own use of energy and resources, informing future problem-solving efforts.

Operation PRESERVATION

Our sustainability journey takes us beyond the targets defining our long-term goals. It takes us from conference rooms to server rooms, and from soil testing kits to diesel engine monitoring systems. It takes us from virtual data feeds to composting pits — and everywhere in between. Attaining our goals is no walk in the park, but we can't think of anything more worthwhile than helping to save the planet we all love and the coffee we drink.

"Now that the program is in my community, I've watched how the change takes place. You can see the results. You can see what it contributes and the assistance it gives us."

DORA LILIANA MEJIA SEPULVEDA
Coffee Grower & Promoter, El Cairo, Colombia

GROWER SPOTLIGHT

“Previously, we had a mindset that allowed for pollution, but now we’re seeing how much of an impact preservation measures can make—and other growers are asking how they can get involved.”

JAIME QUEZADA
Coffee Grower & Promoter, Jinotega, Nicaragua

Changing a landscape, one conversation at a time.

Now, in his role as a promoter, Jaime Quezada serves as a key point of contact for local growers, connecting them with Farmer Brothers projects and practices in Nicaragua.

“It’s both fun and a great responsibility to teach coffee growers—and I have to understand myself what it is to implement and test these practices on my own farm before I go on to teach others,” says Quezada.

By helping fellow coffee producers conserve their land and resources in addition to growing quality coffee, Quezada is seeing a visible change in his community.

“Today, we’re working consciously,” he explains. “We’ve made changes through small meetings and one-on-one conversations with fellow producers. We’re motivating people to conserve the land and are already seeing the benefits of those actions—and the coffee product is improving too.”

He reports his local farming community is most proud of the program’s reforestation efforts along their streams. Coffee growers are seeing both the beauty and impact of these efforts—and they’re asking how they can get involved too.

“Previously, we had a mindset that allowed for pollution, but now we’re seeing how much of an impact preservation measures can make—and other growers are asking how they can get involved,” reports Quezada.

He and his fellow growers are witnessing a widespread shift in attitudes when it comes to production practices. “Rather than just focusing on producing a lot of coffee, we’re aiming for quality—of coffee, of life, of the environment. And we feel it’s possible. It’s not easy. It’s not simple. But with a lot of work, motivation, and new insights, I think we’ll do it,” he says.

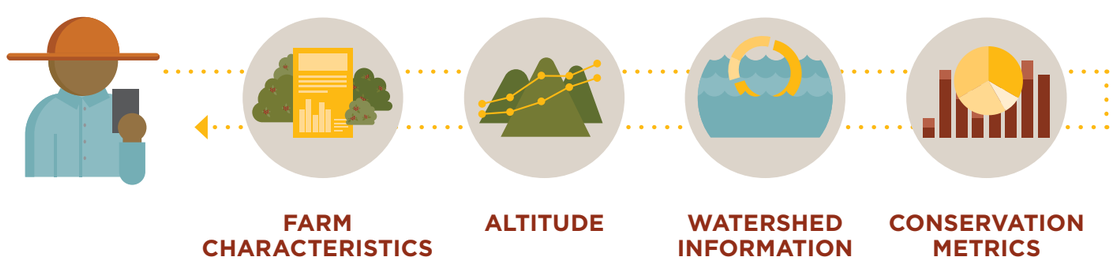
USING TODAY'S DATA TO SHAPE TOMORROW.

Sweeping changes start at ground level—and thanks to mobile technology and data collection, we can access the voices of farmers around the world. Farmer Brothers has partnered with the Committee on Sustainability Assessment (COSA) to gather data from farmers using offline-capable mobile tablets. Their information is then overlaid onto maps, showing farm characteristics, conservation metrics, watershed information, altitude, and other key data that can inform smarter sustainability efforts.

"We're not just taking information from the farmers," explains Saurin Nanavati of COSA. "We're using it to give something useful back to them. We're analyzing data to give voice to farmers' needs, but it's also showing us what the environment, the soil, and the rivers are saying too. It lets us understand how we can be most useful—through training, credits, information, or even just access to fertilizers."

Today, we have a better handle on how to help farmers operate sustainably—as well as how to help them improve their businesses and preserve the resources we all depend upon.

COSA gathers and analyzes data from farmers then shares the information back to improve their farming practices.



"We're working to improve both the land and our coffee quality because we know they go hand in hand. We're building a world with better practices, reforestation, better worker conditions, and like-minded people holistically protecting the environment and each other. We carry this into our day-to-day lives as well as our farming practices."

MAYERLI GONZALEZ
Coffee Grower & Promoter, Jinotega, Nicaragua

Conserving resources, mile by mile.

At its core, sustainability is one big exercise in logistics. Charting the course to reach Science Based Targets takes plenty of trial and error, creative problem-solving, and results-driven thinking. And it takes an entire team to generate ideas and champion the best ones.

Trimming our transportation footprint — while still delivering our coffee around the country — will go a long way toward our greater goals. This year, as we explored ways to make our trucks more fuel-efficient, an amazing tool was utilized: telematics.

By installing telematics monitoring devices in our delivery trucks, we can see every contributing factor of our transportation-related carbon footprint. We can help drivers minimize idling, drive at the fuel-efficient speeds, accelerate efficiently, and maintain their engines for optimal efficiency. In the first few months, Farmer Brothers delivery vehicles have reduced idling by 93.9%, cut rapid acceleration by 50%, and reduced fuel expenditures by 10%.

It's savings we can all consider a win because to preserve our planet and coffee's future, we're taking it one mile at a time.

> "We've encouraged employees to share their ideas, and we give them a try. There's a lot of trial and error and collaboration — the direction isn't all from the top down."
>
> **DARREN CRAWFORD**
> *Fleet Manager, Farmer Brothers*

Telematics monitoring devices help trim our transportation footprint through:

93.9% vehicle idling

50% rapid acceleration

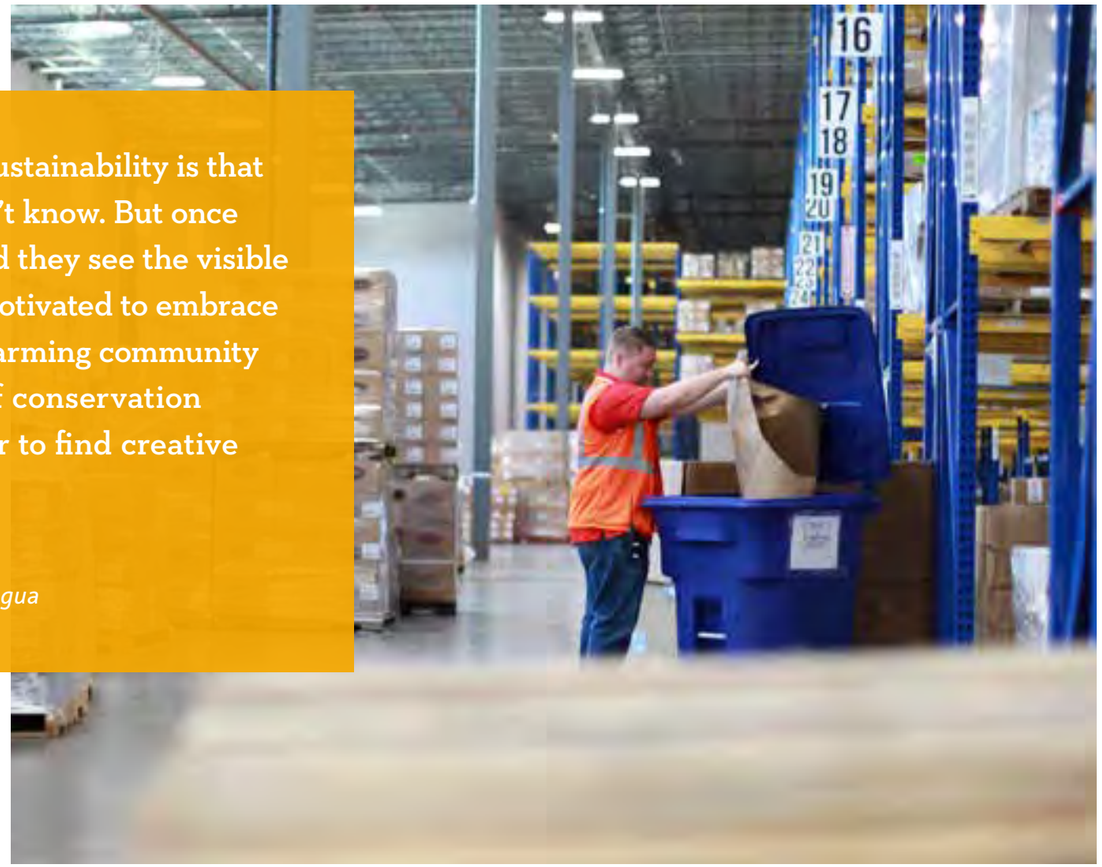
10% fuel expenditures

Going all in.

With sustainability coded into our company DNA, we knew our new office should have more than the usual scattering of blue recycling bins. That's why we built a more proactive and comprehensive recycling program right into our day-to-day operations.

"Recycling is a tangible, visible way to reduce waste," says COO Ellen Iobst. "We make a psychological connection to conservation when we put our waste somewhere other than the bin destined for the landfill. And people feel great when they achieve this."

Employees at our headquarters have received training in what exactly goes in the composting bin, recycling bin, and waste bin — and they're making significant gains in diverting waste from landfills. They're getting creative beyond the breakroom too — Ron King, distribution manager, found a way to substitute single-use foam in shipping boxes with crimped paper instead, which can be reused or recycled.

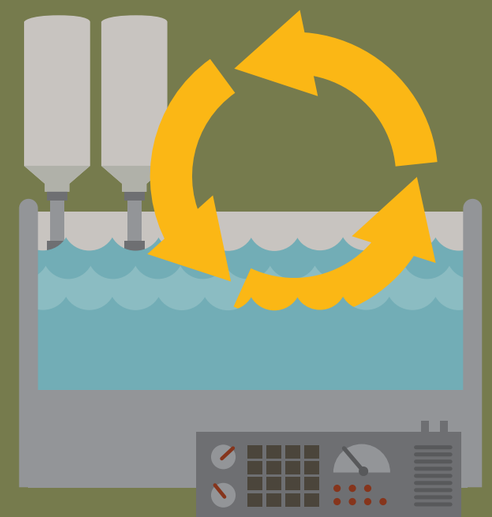


"We see the biggest challenge to sustainability is that people don't know what they don't know. But once you teach and empower them and they see the visible results of conservation, they're motivated to embrace change. Now that people in our farming community have seen the positive impact of conservation practices, we're rallying together to find creative solutions for sustainability."

JAIME QUEZADA
Coffee Grower & Promoter, Jinotega, Nicaragua

A LEAN, MEAN, EFFICIENCY MACHINE

When we refurbish our coffee brewing equipment, there's a lot of rust and calcium buildup to remove — and the refurbishing process requires a large amount of water to rinse and clean. Watching that water wash down the drain, Distribution Manager Ron King turned an eye toward conservation and developed a solution. He invented a system of water tanks and pumps to recapture and reuse the water in the refurbishing process. We now need a fraction of the water we previously used — thanks to employees like King proactively tapping opportunities to save resources, save costs, and save the planet all at the same time.



DATA DASHBOARD

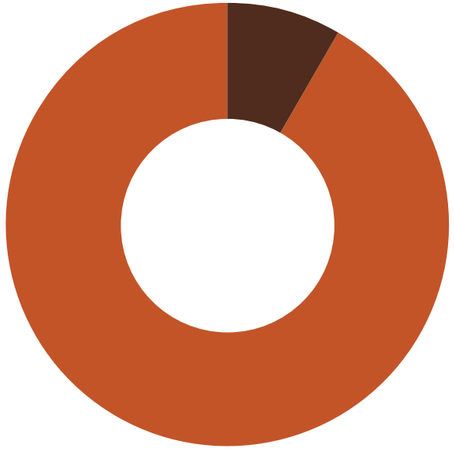
Economic

By measuring the financial impact of our sustainability work, we're able to build a company that is economically sound and able to invest in the future.

For more Economic disclosures, see Our Comprehensive GRI Data.

Direct Economic Value Generated

$587.8M

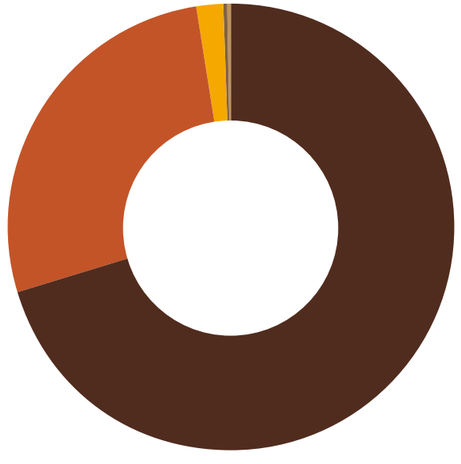


$49.2M Sales of Assets

$539.5M Net Sales

Economic Value Distributed

$501.5M



$352.8M Operating Costs

$136.9M Employee Wages & Benefits

$9.5M Payments to Governments by Country (includes all taxes and penalties)

$2.2M Payments to Providers of Capital

$145K Community Investments

Economic Value Retained

$86.3M

Farmer Brothers is a national coffee roaster, wholesaler, and distributor of coffee, tea, and culinary products with a national footprint of 114 branches across the contiguous United States. For this reason, we measure economic value generated and distributed (EVG&D) at a national/country, rather than regional, level.

Proportion of Spending on Local Suppliers

10%

We define "local suppliers" as those operating within the same region as our manufacturing facilities. In the case of Farmer Brothers, this includes the Pacific Northwest and the State of Texas.

Environmental

To reduce our carbon footprint and attain zero waste, we set goals and continue to measure ourselves against them.

For more Environmental Disclosures, see Our Comprehensive GRI Data.

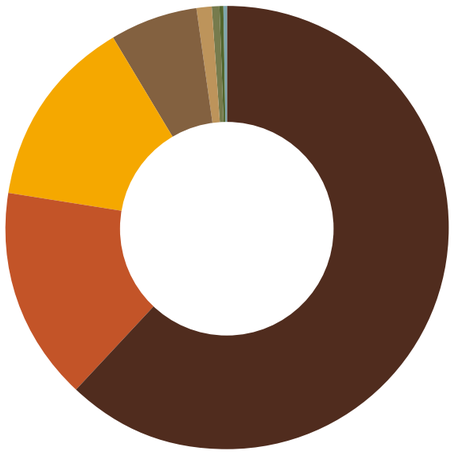
Energy Consumption Within the Organization[1]

499 TERAJOULES (TJ)

- **157.5TJ** On-Road Gas
- **137.2TJ** On-Road Diesel
- **121.4TJ** On-Site Fuel
- **83.0TJ** Electricity Totals

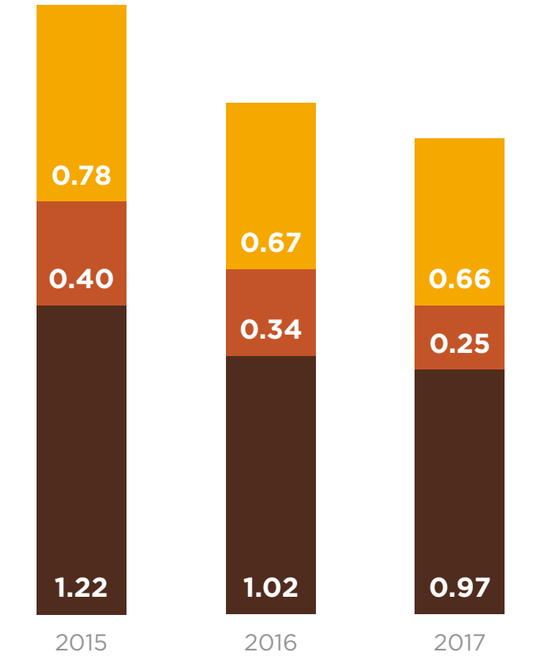
Energy Consumption Outside the Organization[2]

4,515 TERAJOULES (TJ)



- **2,813TJ** Purchased Goods and Services
- **693TJ** Downstream Transportation
- **634TJ** Use of Solid Products
- **282TJ** Upstream Transport
- **62TJ** Employee Commuting
- **20TJ** End-of-Life Treatment
- **10TJ** Business Travel
- **1TJ** Waste Generated

Energy Intensity Inside the Organization



- On-Site Fuel (kWh/kg roasted)
- On-Road Fuel (liters/kg roasted)
- Electricity (kWh/kg roasted)

Social

Tracking the success of initiatives that support our people and the places they work provides for a happy and healthy workforce for years to come.

For more Social Disclosures, see Our Comprehensive GRI Data.

Workers with high incidence or high risk of diseases related to their occupation

There were no incidences of disease or risk of disease related to Farmer Brothers occupations during the reporting year. Health and Safety topics are not covered in our formal agreements with trade unions.

Health and safety topics covered in formal agreements with trade unions

There were no incidences of disease or risk of disease related to Farmer Brothers occupations during the reporting year. Health and Safety topics are not covered in our formal agreements with trade unions.

Employee training on human rights policies or procedures

2,075

coffee growers who participate in our Project D.I.R.E.C.T.® program received on average 8 hours of training on topics related to human rights. These growers are located in Colombia and Nicaragua; none are employees of Farmer Brothers.

Operations that have been subject to human rights reviews or impact assessments

Farmer Brothers direct operations are strictly domestic and have not been subject to formal human rights assessments. However, as we continue to expand traceability and transparency into our suppliers, we have conducted human rights assessments of our Project D.I.R.E.C.T.® programs in Colombia and Nicaragua with the help of the Committee on Sustainability Assessment (COSA).

Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening

102

suppliers surveyed

98%

commitment to uphold U.N. Global Compact

78%

response rate

Currently our human rights screening is focused on supplier relationships. We intend to eventually expand the breadth of our human rights assessments to include a greater number of business partners.

GRI

INDICATOR AND INDICATOR DESCRIPTION		LOCATION
General Standard Disclosures		
Organizational Profile		
102-1	Name of the organization	General Standard Disclosures
102-2	Activities, brands, products, and services	General Standard Disclosures
102-3	Location of headquarters	General Standard Disclosures
102-4	Location of operations	General Standard Disclosures
102-5	Ownership and legal form	General Standard Disclosures
102-6	Markets served	General Standard Disclosures
102-7	Scale of the organization	General Standard Disclosures
102-8	Information on employees and other workers	General Standard Disclosures
102-9	Supply chain	General Standard Disclosures
102-10	Significant changes to the organization and its supply chain	General Standard Disclosures
102-11	Precautionary principle or approach	General Standard Disclosures
Strategy		
102-12	External initiatives	General Standard Disclosures
102-13	Membership of associations	General Standard Disclosures
102-14	Statement from senior decision-maker	General Standard Disclosures
102-15	Key impacts, risks, and opportunities	General Standard Disclosures
Ethics and Integrity		
102-16	Values, principles, standards, and norms of behavior	General Standard Disclosures
102-17	Mechanisms for advice and concerns about ethics	General Standard Disclosures

INDICATOR AND INDICATOR DESCRIPTION		LOCATION
Governance		
102-18	Governance structure	General Standard Disclosures
102-19	Delegating authority	General Standard Disclosures
102-20	Executive-level responsibility for economic, environmental, and social topics	General Standard Disclosures
102-21	Consulting stakeholders on economic, environmental, and social topics	General Standard Disclosures
102-22	Composition of the highest governance body and its committees	General Standard Disclosures
102-23	Chair of the highest governance body	General Standard Disclosures
102-24	Nominating and selecting the highest governance body	General Standard Disclosures
102-25	Conflicts of interest	General Standard Disclosures
102-26	Role of highest governance body in setting purpose, values, and strategy	General Standard Disclosures
102-27	Collective knowledge of highest governance body	General Standard Disclosures
102-28	Evaluating the highest governance body's performance	General Standard Disclosures
102-29	Identifying and managing economic, environmental, and social impacts	General Standard Disclosures
102-30	Effectiveness of risk management processes	General Standard Disclosures
102-31	Review of economic, environmental, and social topics	General Standard Disclosures
102-32	Highest governance body's role in sustainability reporting	General Standard Disclosures
102-33	Communicating critical concerns	General Standard Disclosures
102-34	Nature and total number of critical concerns	General Standard Disclosures
102-35	Remuneration policies	General Standard Disclosures
102-36	Process for determining remuneration	General Standard Disclosures
102-37	Stakeholders' involvement in remuneration	General Standard Disclosures
102-38	Annual total compensation ratio	General Standard Disclosures
102-39	Percentage increase in annual total compensation ratio	General Standard Disclosures
Stakeholder Engagement		
102-40	List of stakeholder groups	General Standard Disclosures
102-41	Collective bargaining agreements	General Standard Disclosures

INDICATOR AND INDICATOR DESCRIPTION		LOCATION
102-42	Identifying and selecting stakeholders	General Standard Disclosures
102-43	Approach to stakeholder engagement	General Standard Disclosures
102-44	Key topics and concerns raised	General Standard Disclosures
Reporting Practice		
102-45	Entities included in the consolidated financial statements	General Standard Disclosures
102-46	Defining report content and topic boundaries	General Standard Disclosures
102-47	List of material topics	General Standard Disclosures
102-48	Restatements of information	General Standard Disclosures
102-49	Changes in reporting	General Standard Disclosures
102-50	Reporting period	General Standard Disclosures
102-51	Date of most recent report	General Standard Disclosures
102-52	Reporting cycle	General Standard Disclosures
102-53	Contact point for questions regarding the report	General Standard Disclosures
102-54	Claims of reporting in accordance with the GRI standards	General Standard Disclosures
102-55	GRI content index	General Standard Disclosures
102-56	External assurance	General Standard Disclosures
Management Approach		
103-1	Explanation of the material topic and its boundary	General Standard Disclosures
103-2	The management approach and its components	General Standard Disclosures
103-3	Evaluation of the management approach	General Standard Disclosures
Economic Performance		
103-1	Explanation of the material topic and its boundary	Economic Performance
103-2	The management approach and its components	Economic Performance
103-3	Evaluation of the management approach	Economic Performance
201-1	Direct economic value generated and distributed	Comprehensive GRI Data, p.2
201-2	Financial implications and other risks and opportunities due to climate change	Comprehensive GRI Data, p.2-3
201-3	Defined benefit plan obligations and other retirement plans	Comprehensive GRI Data, p.4

INDICATOR AND INDICATOR DESCRIPTION		LOCATION
201-4	Financial assistance received from government	Comprehensive GRI Data, p.4
Procurement Practices		
103-1	Explanation of the material topic and its boundary	Procurement Practices
103-2	The management approach and its components	Procurement Practices
103-3	Evaluation of the management approach	Procurement Practices
204-1	Procurement practices	Comprehensive GRI Data, p.4
Materials		
103-1	Explanation of the material topic and its boundary	Waste and Effluents Products and Services
103-2	The management approach and its components	Waste and Effluents Products and Services
103-3	Evaluation of the management approach	Waste and Effluents Products and Services
301-1	Materials used by weight and volume	Comprehensive GRI Data, p.4
301-2	Recycled input materials used	Comprehensive GRI Data, p.4
301-3	Reclaimed products and their packaging materials	Comprehensive GRI Data, p.4
Energy		
103-1	Explanation of the material topic and its boundary	Energy and Climate Change
103-2	The management approach and its components	Energy and Climate Change
103-3	Evaluation of the management approach	Energy and Climate Change
302-1	Energy consumption within the organization	Comprehensive GRI Data, p.5-6
302-2	Energy consumption outside of the organization	Comprehensive GRI Data, p.6
302-3	Energy intensity	Comprehensive GRI Data, p.6
302-4	Reduction of energy consumption	Comprehensive GRI Data, p.6
302-5	Reductions in energy requirements of products and services	Comprehensive GRI Data, p.6
Water		
103-1	Explanation of the material topic and its boundary	Water
103-2	The management approach and its components	Water

INDICATOR AND INDICATOR DESCRIPTION		LOCATION
103-3	Evaluation of the management approach	Water
303-1	Water withdrawal by source	Comprehensive GRI Data, p.7
303-2	Water sources significantly affected by withdrawal of water	Comprehensive GRI Data, p.7
303-3	Water recycled and reused	Comprehensive GRI Data, p.7
Biodiversity		
103-1	Explanation of the material topic and its boundary	Biodiversity
103-2	The management approach and its components	Biodiversity
103-3	Evaluation of the management approach	Biodiversity
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Comprehensive GRI Data, p.7
304-2	Significant impacts of activities, products, and services on biodiversity	Comprehensive GRI Data, p.7
304-3	Habitats protected or restored	Comprehensive GRI Data, p.9
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	Comprehensive GRI Data, p.8
Emissions		
103-1	Explanation of the material topic and its boundary	Energy and Climate Change
103-2	The management approach and its components	Energy and Climate Change
103-3	Evaluation of the management approach	Energy and Climate Change
305-1	Direct (Scope 1) GHG emissions	Comprehensive GRI Data, p.9
305-2	Energy indirect (Scope 2) GHG emissions	Comprehensive GRI Data, p.9
305-3	Other indirect (Scope 3) GHG emissions	Comprehensive GRI Data, p.9
305-4	GHG emissions intensity	Comprehensive GRI Data, p.9
305-5	Reduction of GHG emissions	Comprehensive GRI Data, p.10
305-6	Emissions of ozone-depleting substances (ODS)	Comprehensive GRI Data, p.10
305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	Comprehensive GRI Data, p.10
Effluents and Waste		
103-1	Explanation of the material topic and its boundary	Effluents and Waste
103-2	The management approach and its components	Effluents and Waste
103-3	Evaluation of the management approach	Effluents and Waste

INDICATOR AND INDICATOR DESCRIPTION		LOCATION
306-1	Water discharge by quality and destination	Comprehensive GRI Data, p.9
306-2	Waste by type and disposal method	Comprehensive GRI Data, p.9
306-3	Significant spills	Comprehensive GRI Data, p.10
306-4	Transport of hazardous waste	Comprehensive GRI Data, p.10
306-5	Water bodies affected by water discharges and/or runoff	Comprehensive GRI Data, p.10
Environmental Compliance		
103-1	Explanation of the material topic and its boundary	Compliance
103-2	The management approach and its components	Compliance
103-3	Evaluation of the management approach	Compliance
307-1	Non-compliance with environmental laws and regulations	Comprehensive GRI Data, p.10
Supplier Environmental Assessment		
103-1	Explanation of the material topic and its boundary	Procurement Practices
103-2	The management approach and its components	Procurement Practices
103-3	Evaluation of the management approach	Procurement Practices
308-1	New suppliers that were screened using environmental criteria	Comprehensive GRI Data, p.10
308-2	Negative environmental impacts in the supply chain and actions taken	Comprehensive GRI Data, p.10
Occupational Health and Safety		
103-1	Explanation of the material topic and its boundary	Operational Health and Safety
103-2	The management approach and its components	Operational Health and Safety
103-3	Evaluation of the management approach	Operational Health and Safety
403-1	Workers representation in formal joint management–worker health and safety committees	Comprehensive GRI Data, p.10
403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	Comprehensive GRI Data, p.11-12
403-3	Workers with high incidence or high risk of diseases related to their occupation	Comprehensive GRI Data, p.12
403-4	Health and safety topics covered in formal agreements with trade unions	Comprehensive GRI Data, p.12
Human Rights Assessment		
103-1	Explanation of the material topic and its boundary	Human Rights and Labor Practices
103-2	The management approach and its components	Human Rights and Labor Practices

INDICATOR AND INDICATOR DESCRIPTION		LOCATION
103-3	Evaluation of the management approach	Human Rights and Labor Practices
412-1	Operations that have been subject to human rights reviews or impact assessments	Comprehensive GRI Data, p.13
412-2	Employee training on human rights policies or procedures	Comprehensive GRI Data, p.13
412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	Comprehensive GRI Data, p.13
Local Communities		
103-1	Explanation of the material topic and its boundary	Communities
103-2	The management approach and its components	Communities
103-3	Evaluation of the management approach	Communities
413-1	Operations with local community engagement, impact assessments, and development programs	Comprehensive GRI Data, p.13
413-2	Operations with significant actual and potential negative impacts on local communities	Comprehensive GRI Data, p.13
Supplier Social Assessment		
103-1	Explanation of the material topic and its boundary	Human Rights and Labor Practices
103-2	The management approach and its components	Human Rights and Labor Practices
103-3	Evaluation of the management approach	Human Rights and Labor Practices
414-1	New suppliers that were screened using social criteria	Comprehensive GRI Data, p.13
414-2	Negative social impacts in the supply chain and actions taken	Comprehensive GRI Data, p.13
Customer Health and Safety		
103-1	Explanation of the material topic and its boundary	Health and Safety
103-2	The management approach and its components	Health and Safety
103-3	Evaluation of the management approach	Health and Safety
416-1	Assessment of the health and safety impacts of product and service categories	Comprehensive GRI Data, p.14
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Comprehensive GRI Data, p.14
Socioeconomic Compliance		
103-1	Explanation of the material topic and its boundary	Compliance
103-2	The management approach and its components	Compliance
103-3	Evaluation of the management approach	Compliance
419-1	Non-compliance with laws and regulations in the social and economic area	Comprehensive GRI Data, p.14

Endnotes

1. 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 kg of coffee, as we feel it is the best indicator of overall economic productivity.

2. Farmer Brothers' Scope 3 consumption and emissions data was produced using direct measurements as well as secondary sources, including:
   - Greenhouse Gas (GHG) Protocol. Emission Factors from Cross-Sector Tools. Table 10. CO_2 Emission Factors by Fuel (Version April 2014). http://www.ghgprotocol.org/calculation-tools/all-tools.
   - IPCC Intergovernmental Panel on Climate Change's Fourth Assessment Report (2007). http://www.ipcc.ch/publications_and_data/ar4/wg1/en/ch2s2-10-2.html.
   - Quantis internal database. Calculated with IMPACT 2002+ v2.2 using life cycle inventory (LCI) data developed by Quantis and representing the Brazil context. Detailed reports are available upon request.
   - Swiss Center for Life Cycle Inventories (SCLCI) ecoinvent database v2.2. (2010). http://www.ecoinvent.org/home/.
   - US EPA eGRID 9th edition (2017). Version 1.0. State file. (Year 2014 data). "State annual CO_2 equivalent total output emission rate (lb/MWh)". http://www.epa.gov/cleanenergy/energy-resources/egrid/.
   - US Input Output Database (v2002). System Expansion. As provided in SimaPro v 8.03. http://www.eiolca.net/.
   - DEFRA. https://www.gov.uk/government/collections/government-conversion-factors-for-company-reporting.

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

Recycling our internal resources. Facilities photos provided by Layla Torkzadeh, National Account Specialist, Farmer Brothers.

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