

HARVESTING SUCCESS

We're investing
in results

Women leading
the coffee industry

Sustainable
from the start

Farm to cup

Farmer Brothers®





OUR RETURN ON INVESTMENT

A BETTER WORLD

It's only possible to stretch out under the shade tree of a peaceful coffee farm because someone from an earlier generation planted it. And while stretching out in the shade brings us peace, planting new trees brings purpose—a way to pay it forward while preserving our future.

At Farmer Brothers, after years of investing in our sustainable practices, we're continuing to sow a sustainable future right into the landscape of our business—from the way we build relationships with farmers and producers at origin to the way we trace beans of coffee, to the way we invest in growth. And we keep planting, not just to sit in the shade ourselves, but to leave behind something that will continue to grow and provide shade for future generations.

LEADING THE WAY TO CHANGE AN INDUSTRY FOR THE BETTER

At Farmer Brothers, we are guided by the belief that business can and should contribute to the sustainability of the environment, our communities, and our economies.

Doing what's right—supporting fair treatment and education of coffee growers, tackling climate change, and fostering an inclusive workplace where everyone is welcome—is a competitive advantage. And over the past five years we have purposefully taken steps to ensure our actions give everyone the opportunity to thrive and succeed, along with our business.

Our brands are leading the way in sustainability, even beyond the coffee industry. Our direct trade program has expanded to 19,187 growers in six countries; and we roasted over 12 million pounds of fully traceable green coffee during our last fiscal year. Because we've been growing our direct trade program for several years, we are able to offer our customers robust farm-level sustainability research and increased transparency, which empowers us to offer sustainably sourced coffee in a much bigger way.

We are also reaching great milestones within operations. To-date, we've achieved our zero-waste goals in all our roasting plants and distribution centers. Our branch locations are well on their way, and company-wide we divert 79% of the waste we generate away from landfills. Additionally, our disclosures to the Carbon Disclosure Project (CDP), Global Reporting Initiative (GRI), ISS Corporate Solutions (ISS), and the Science Based Targets initiative (SBTi) have garnered enthusiastic support from our customers, employees, and the investment community. This work has positioned Farmer Brothers to be a champion for sustainability among our competitors and business partners.

One company alone cannot solve the sustainability issues our industry faces. So we have been working closely with our business partners over the past several years to advocate that they comply with the UN Global Compact principles and standard sustainability practices around labor, carbon footprint, and greenhouse gas emissions. The foundational programs we have created within our supply chain will now enhance our vendor code of conduct system to improve supplier visibility and accountability in our supply chain.

We have also strengthened our relationships with industry partners like the Committee on Sustainability Assessment (COSA), World Coffee Research (WCR), and the Specialty Coffee Association (SCA). Most notably, WCR. Mike is honored to assume the position of Chairman of WCR this year.

Farmer Brothers formally started its sustainability journey over five years ago, and we have made great strides. There is still much to do. We understand the urgency of the task before us and the peril to the coffee industry if significant changes are not made.

We have a vision for the future of the coffee industry that includes sustainability in social, economic, and environmental areas. To accomplish that vision, we are holding ourselves accountable today and every day for achieving our sustainability goals and leading the industry in innovative sustainability practices and programs.

Sincerely,

MIKE KEOWN,
CEO

MOLLY LAVERTY,
Director of Sustainability



WE'VE COME SO FAR

Cultivating long-term relationships at origin requires an investment of time and talent. It also requires an investment of dollars. Here's how our financial investments have added up over the years.

EL SALVADOR

\$126,275

invested since 2010

PERU

\$105,947

invested since 2010

2018 progress

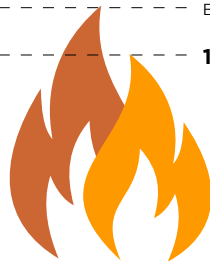
We reap what we sow—and we've found that putting our own resources into growing efforts around the world leads to better coffee, stronger communities, and a more sustainable future for our industry and the planet too.

[For more details, see our comprehensive GRI data ▶](#)

REDUCED NATURAL GAS INTENSITY

kWh/roasted kg coffee

2014 ----- BASELINE
2018 ----- **1.96 kWh**



REDUCED ON-ROAD FUEL CONSUMPTION

gallons/roasted kg

2014 ----- BASELINE
2018 ----- **0.056 gallons**



NICARAGUA

\$1,127,694

invested since 2010

COLOMBIA

\$2,589,571

invested since 2010

TOTAL INVESTMENTS

\$4.1
MILLION

RWANDA

\$19,948

invested since 2016

BRAZIL

\$8,325

invested since 2018

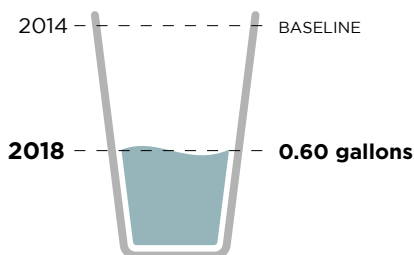
TANZANIA

\$91,748

invested since 2011

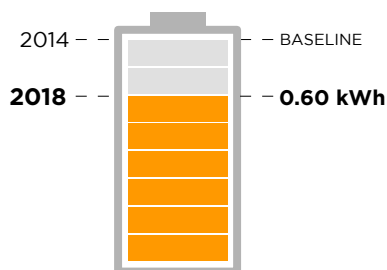
REDUCED WATER INTENSITY

gallons/roasted kg coffee



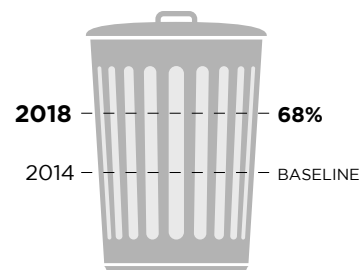
REDUCED ELECTRICITY INTENSITY

kWh/roasted kg coffee



INCREASED WASTE DIVERSION

% waste diverted from landfill





MAKING A DIRECT IMPACT



Tucked into the mountainside of the rural district of Ventiadero in Salgar, Colombia, lies the farm of Bertina Salazar — “La Esmeralda,” The Emerald. Each day, Bertina ascends into the clouds along the steep, narrow pathways to reach her coffee plants — walking stick in her right hand, her left hand steadying the picking bucket that’s strapped around her waist. This land, this coffee farm, is all she knows. And for years, her knowledge of how to manage it was based on tradition.

Sustainability at origins like Salgar, Colombia, means not only sustaining coffee plants, but also the farmers and their families. Our commitment to sustainably grown coffee and the growers who provide it was first established through our direct trade program. Known today as Project D.I.R.E.C.T.™, we’re continuing to forge long-lasting relationships built on trust with promoters and growers through on-the-ground technical assistance, education, training, and investments in local communities.

- D** Direct partnerships with coffee-growing communities
- I** Invest in coffee growers and their farms
- R** Report on critical social, environmental, and economic data
- E** Economic impact for our coffee-growing partners
- C** Community partnerships for decision making that benefits all members of the supply chain
- T** Training on good agricultural, social, and economic practices

CONNECTION POINTS: IT STARTS WITH PEOPLE

For Farmer Brothers employees Daniel Cifuentes and Christian Rotsko, origin trips are an opportunity to nurture relationships. "It's about getting to know the people," says Rotsko. "So we play soccer, share a meal, or just small talk while we are helping dry the coffee. Farmer Brothers empowers us to do our job this way. It's a lot of just listening—and as a result, we establish cultural relativity and gain a better understanding of what's needed. In Rwanda, it was a washing station. In Colombia, it was solar dryers." Beyond coffee farming needs, the conversations have spurred ideas about local investments like a beekeeping operation and a recycling program.

Back in his office in Northlake, Texas, Cifuentes texts and chats with growers and promoters through the social platform WhatsApp, following up on the slew of conversations and questions that were initiated during his trips. He understands that this commitment to relationships is a commitment to the future of coffeelands. Sustaining growers, their families, and their farms requires an emphasis on building durable infrastructure so that as a company we can confidently deliver sustainably sourced coffee to our customers.



Being a promoter gives me the opportunity to share my experience with many coffee growers. The idea is to share everything we have learned so we can all become productive coffee growers.

—Edier Castro, Huarango, El Valle, Colombia

2018 DIRECT TRADE COFFEE

7 origin countries

El Salvador, Nicaragua, Colombia, Peru,
Brazil, Rwanda, Tanzania

8.4M

lbs of coffee
purchased

19,187

participating
producers

\$907k

direct trade
premiums

A GROWTH MINDSET

Understanding needs at origin hasn't always come easy. "When we started in Salgar, food security was such a problem. And the training was only focused around how to produce more coffee, which caused farmers to stop thinking about how to grow crops," says Angela Pelaez, sustainability manager at RGC Coffee. That's why Project D.I.R.E.C.T.™ aims to educate promoters and farmers about growing both coffee and food for their tables, while ultimately growing their business. Record keeping on the farm promotes a better bottom line. Participation in the co-op leads to better pay. Analysis of soil contributes to healthier crops. Armed with knowledge, farmers can have a better livelihood and better future.

Working with organizations like CRECE, a coffee research organization in Colombia, we're using data to fully understand social and economic issues at origin and develop initiatives to directly address them. "Training was the program's entry point into these communities," says Carlos Garcia, a CRECE researcher. "Now that we've earned trust, we can make an impact community-wide."

Using lessons learned in Colombia, we've grown and replicated our efforts in other communities and origins. Similarly, in Nicaragua, we start with the monitoring process, look at key performance indicators like productivity, net income, and environmental impact, and then make adjustments based on what's working. "The crux of Farmer Brothers' success here is a commitment in the field, building a trust relationship," says Jessica Mullan, senior measurement systems manager for the Committee on Sustainability Assessment. "I've seen examples where investment in training has been huge but adoption has been low because there is no trust or follow-through. That is not the case with the Farmer Brothers program."

At Farmer Brothers, we believe that protecting our resources starts with people. If Project D.I.R.E.C.T.™ has helped just one farming family, then that's a success. Fortunately, the positive impact has been contagious, spreading from farm to farm, across communities and co-ops, improving social and environmental practices while producing sustainably sourced coffee. The hard work continues, and we're more motivated than ever to press on.

Six years of investments in a better future

Together, we dig in—and grow better coffee and stronger communities.

2012



2013



PERU

Peru Program farmers made investments in higher quality coffee varietals and coffee processing infrastructure, as well as in their children's higher education.

NICARAGUA

Original Las Mercedes farmers improved coffee processing infrastructure, expanded their homes, installed concrete floors and indoor bathrooms, and purchased land to expand coffee plantations.

EL SALVADOR

Coffee leaf rust hit hard, and our direct trade partners committed to replant and renovate their coffee trees to keep their farms healthy and strong. Through the crisis, they maintained fair wages and full-time employee bonuses.



2014



TANZANIA

Here, direct trade premiums went toward investments in housing for agricultural workers—strengthening foundations, repairing roofs, installing mosquito netting, and building new hygienic latrines. A large water reservoir was built to help irrigate coffee trees using rainwater.

NICARAGUA

We expanded our direct trade offering to include coffee harvested on farms owned exclusively by women. The premiums went to a legal fund that supported women as they pursued legal titles to their land, secured loans, invested, and become more financially empowered.

COLOMBIA

Project D.I.R.E.C.T.™ launched in Colombia in the departments of Antioquia and Norte del Valle. Baseline studies assessed the overall sustainability status of producers supplying coffee to Farmer Brothers.

2015



EL SALVADOR

Finally recovering from the coffee leaf rust epidemic, farmers replanted over 70% of the crop, invested in infrastructure drastically reducing the water required to process coffee, and installed electrical lines up the mountain to support their farms and surrounding communities.

COLOMBIA

We observed a large decrease in agrochemicals used (5%) and an increase in productivity (12%) on the farms. With better soil testing and agrochemical application, we saw a 6% increase in coffee plant renovation with rust-resistant varietals.

NICARAGUA

We conducted baseline measurements in Nicaragua, expanding our Project D.I.R.E.C.T.™ model to the departments of Jinotega and Santa Maria del Pantasma. Our studies assessed the overall sustainability status of producers supplying coffee to Farmer Brothers.

DIRECT TRADE INITIATIVES



Improved Food Security



Healthier Crops Through Renovation



Soil & Water Conservation



Increased Coffee Quality



Investments in the Community

2018



COLOMBIA



Food insecurity among our producers decreased drastically as 95% planted home gardens for affordable food. Water conservation increased, while 50% of producers planted new shade trees and more producers composted their coffee pulp to produce organic fertilizer.

NICARAGUA

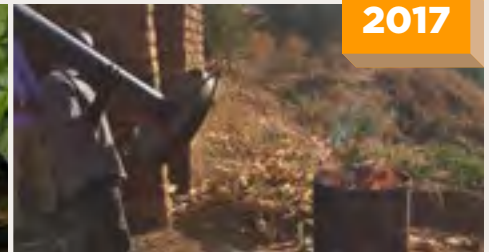


We established six community nurseries and delivered 38,000 native trees for shade to producers. Food insecurity was eliminated in our producer group for the second year in a row, with 87 home gardens planted; 85 women also received training to support them in establishing businesses.

RWANDA



We continued support of the Next Gen program for youth and forged a new relationship with Ishema washing station, whose initiatives economically empower women—helping them work together and support each others' coffee plot fertilization, pruning, and harvesting.



2017

PERU



A new relationship in San Ignacio Peru provided funding for coffee drying infrastructure. Durable solar dryers help achieve consistent quality and improve drying conditions for the community, helping to garner higher prices.

COLOMBIA



A new renovation included 300,000 new coffee plantlets. Over 80% of producers maintained food gardens, reducing food insecurity levels drastically among our producers. All farms received safety kits to improve worker safety and reduce hazards—while 43 new solar dryers improved coffee quality.

TANZANIA



We invested in kilns to create biochar, an organic charcoal that improves soil quality. Biochar is made with organic materials and improves soil health for generations by allowing the soil to retain water and nutrients.

2016



COLOMBIA



We funded 250 food gardens and constructed 80 pulp pits to reduce water contamination and create organic compost for use on the farm.

NICARAGUA



We trained 40 promoters to act as agricultural extensionists. We delivered water filters to provide access to healthy drinking water on the farm, and constructed agrochemical storage cabinets for worker and environmental safety.

RWANDA



We invested in a youth curriculum to implement good environmental practices. The Next Gen program focuses on creating tutoring programs to encourage children of farmers to finish secondary school—with 4,314 young producers participating.



“

The women have always been working in coffee, but today the women have a voice.

—Angela Pelaez, sustainability manager, RGC Coffee

WOMEN AT THE FOREFRONT

▲
We honor and remember Farmer Brothers promoter Maria Virginia Urán Sepulveda (1955-2018), who beamed with pride for her farm through a wide smile and a humble heart.

Out from the shadows, women in our growing regions can be found at their community co-ops cashing in one hundred and thirty plus pound burlap bags of coffee parchment or on the farm nurturing seedling coffee plants in preparation for renovation. The face of the coffee farm is changing—it’s husbands and wives, sons and daughters. Thanks in part to training, funding, and technical assistance, women promoters have become empowered and educated on the benefits of sustainable farming.

As a result, we’re seeing:

- Women promoters teaching other women the *business* of coffee farming so they can play a larger part in sustainable farming as owner/operators.
- Women empowered with knowledge so they can become role models and educators for the next generation of producers and growers.
- Women committed to sustainable farming practices with a greater focus on the future.

Through Project D.I.R.E.C.T.™, we’re elevating the role of women on farms and in co-ops.

”
The program has taught me so much. I used to be careless and pick half-ripe coffee cherries. Now I know that if I do, I'm losing money.

— Tatiana Maria Sepulveda Machado, Urrao, Antioquia, Colombia



▶ See Tatiana's story



▶ See Elizabeth's story

”
As a woman, Farmer Brothers has gotten me very involved. It's like a door that's opened wider for us women to realize how much we can learn about coffee.

— Elizabeth Agudelo, El Aguila, Valle, Colombia

”
Every day that goes by, I learn more and it stays with me. Money and things get used up, but no one can take away your knowledge.

— Maria Bertina Salazar, Salgar, Antioquia, Colombia



▶ See Maria Bertina's story

”
The Farmer Brothers program has meant a lot to me. I am very content.

— Maria Virginia Urán Sepulveda, Urrao, Antioquia, Colombia



▶ See Maria Virginia's story

STRAIGHT TO THE SOURCE

Today's label-conscious coffee consumers are more discerning than ever. A tasty cup of coffee is not enough—they want to know where it comes from, what it takes to get to their cup, and how the grower at origin is treated. They deserve to know—we believe they can and should. As a result, Farmer Brothers customers are responding by making the switch to sustainably sourced coffee. And we're proud to say, that's an order we can deliver.

Sustainable sourcing is not something we've spontaneously created in response to a new need from the market. It's a way that we've been doing business since 2012. It means working to source our

coffee from growers who are treated well, respect the environment, and support coffee-growing communities. From coffee offerings of Project D.I.R.E.C.T.™ to Fair Trade to Rainforest Alliance Certified™, we have what it takes to provide the best in sustainably sourced coffee. Some customers, like big box retail outlets, may be looking to align with their corporate sustainability mission, while others, like convenience stores, see sustainably sourced as a competitive advantage.

That's why we offer five primary designations that fall under the sustainably sourced umbrella:

Sustainably sourced designations



PROJECT D.I.R.E.C.T.™

Our proprietary program where sustainably grown coffee is verified and measured using third-party data and sourced through direct, long-term relationships with coffee growers.



DIRECT TRADE

Ensures that our coffee is sourced from farmers who are treated well, paid fair wages, and work legal hours.



USDA ORGANIC

Coffee that's grown using only natural methods that promote long-term sustainability of the ecosystem.



FAIR TRADE CERTIFIED

Fair Trade supports safe working conditions and protects fundamental human rights.



RAINFOREST ALLIANCE CERTIFIED™

Coffee being grown using methods that help protect surrounding forests, water resources, and farm communities.



◀ Coffee beans in the solar drying process.



There's a financial incentive now. If you're not sustainably sourced, your profits will suffer.

— Scott Siers, Farmer Brothers SVP/GM Sales



I feel like it's imminent— if the sustainability team is committed to 100% sustainably sourced, there's no doubt in my mind it's going to happen, and that's exciting.

— Carrie Cubberley, Farmer Brothers director of sales, Retail Accounts

AIM HIGH

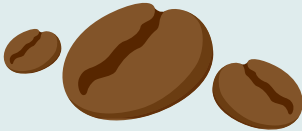
Sustainably sourced coffee is not just for millennials. We believe it should be ubiquitous, so our goal is simple: 100% sustainably sourced coffee. But getting there is not that easy. A big first step is educating our customers on the value of sustainably sourced. For a price-conscious customer, this is sometimes a hard sell, but in a competitive market the benefit of staying in step with the consumer justifies the cost, especially when calculated against the risk of losing customers.

Along with customer education, we use metrics and data to validate each sustainably sourced distinction. It's hard

work, but we're not interested in just making claims. Trust in our product means our customers and the end consumers get what they pay for.

While we may be ahead of the demand curve now, Carrie Cubberley, Farmer Brothers director of sales for Retail Accounts, believes that in two years' time, sustainably sourced will be the status quo. "This will be what customers are demanding and expecting from their brands." And when that day comes, the ground work we've laid now will allow us to confidently deliver into the future.

TRACING EVERY BEAN



THE TRACEABILITY TRAIL

We established a system to capture reliable data as we began mapping our coffee supply chain.

44

DIFFERENT SUPPLIERS REPORTING

541,172

BAGS OF GREEN COFFEE TRACED



Just like sustainably sourced coffee, I'd love to see 100% traceability to the farm.

—Molly Laverty, director of sustainability, Farmer Brothers

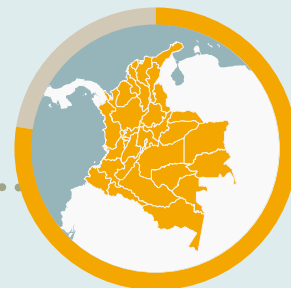


98.8%

TRACEABLE TO THE COUNTRY LEVEL

Customs data requires country of origin.

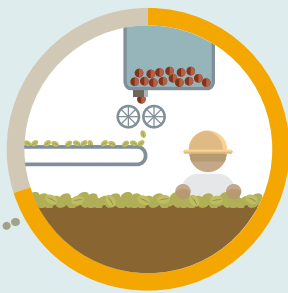
Stare into your morning cup of coffee and try to reverse-imagine the journey it takes to get in there. Of course, your mind's eye can see back to the grower and the farm, but even the most sophisticated coffee lovers are probably going miss a few steps and stops along the way. At Farmer Brothers, being able to trace the journey of our coffee is a high priority. It's how we protect quality. And it's how we take full responsibility for the coffee we deliver.



77.7%

TRACEABLE TO THE REGION LEVEL

Within each country, the region is required on importer documentation. Coffee can change hands up to nine times before leaving the country.



70.1%

TRACEABLE TO THE MILL LEVEL

As co-ops sell beans to exporters, mill lots are combined.

For every single container of coffee that comes in, we're digging into the data to identify where it comes from. In 2018 we made great progress with traceability, starting with importer data, government manifests, and forms, along with analytics to organize containers by region. From there, we continue to track back to specific mills, co-ops, and farms.

Because of our deeply-held relationships with direct trade growers, all of our Project D.I.R.E.C.T.™ coffee can be traced to the farm level. We could even tell you the growers' first names. But because that only makes up a percentage of what we buy, our sightline into regional blends of coffee is blurred. We're looking for ways to change that. Our commitment to sustainability requires advanced visibility into our supply chain. Some of our customers and consumers are pushing for traceability and we're pushing ourselves using data and innovation to deliver.



29.4%

TRACEABLE TO THE CO-OP LEVEL

Small holder farmers sell to an aggregator or co-op, and those beans then get mixed in with other farmers' coffee.

GETTING TECH-Y

For Kevin Sullivan, a sales rep with the UK-based importer Falcon Coffees, complete traceability will be spurred by technology. But first, he needs to take the technology to some remote African origins. "One of the things we've discovered is we have to have a presence at origin—it's the only way to fully understand what's happening there."

Starting in Rwanda and Uganda, Kevin and his team rely on partners like Great Lakes Coffee, who developed a digital traceability system that would follow the chain of custody. "Great Lakes leads this effort, helping us work on this by tracking down and digitizing existing paperwork. Then they've built an app to feed this information into a database. The challenge is capturing the data on the farms up the mountain." Add to that issues with cell service, insufficient infrastructure, plus big-time language barriers, and the Great Lakes Coffee team has their work cut out for them. Yet they forge onward because having this level of traceability matters.

Farmer Brothers will continue to balance our ambitious goals for traceability with what's realistic. Working with partners like Falcon Coffees and Great Lakes Coffee means we're putting our trust in their supply chain processes while getting better visibility into the journey from farm to cup.



17.9%

TRACEABLE TO THE FARM LEVEL

All direct trade and organic coffee is traceable to the farm level.

Employee engagement

With sustainability being such an integral part of who we are as a company, we wanted to make sure that all employees, regardless of their role at Farmer Brothers, were getting the message. So the sustainability team decided to use our existing SharePoint system to create an accessible, easy-to-understand website that explains our sustainability story.

Word is getting out and employees are getting connected. "Everybody is more mindful—we are a sustainable company through and through," says Shelly Shivers, senior accounts receivable associate. "But before, I didn't really see where my individual impact fit into the bigger picture." She does now, and when it's time for Shivers to deliver balloons to employees celebrating an anniversary with the company, she's made sure they're compostable.



▲ Web page on sustainability; Farmer Brothers SharePoint website for employees.

Certiifiably green

Being recognized for work well done feels good. But when that work makes the world more sustainable, it feels even better.



LEED SILVER CERTIFICATION

Customers and partners visiting our Northlake headquarters might not notice our low-flow fixtures or gas-efficient exhaust management system, but they'll probably notice our LEED green building program Silver credential. It's one award we've displayed loud and proud because it speaks to our commitment, from the beginning of the project, to build a headquarters that aligns with our high standard of sustainability.

CDP LEADERSHIP RECOGNITION

For two years in a row, we've been scored in the leadership category of CDP's climate change disclosures. In 2018, we outranked our industry peers by three whole levels. But it's the work, not the award, that we're proud of. It's being a pioneer acting on climate change. It's leading companies in environmental performance. It's building a new sustainable economy.



If you claim that sustainability is a core tenet of your organization, LEED is an outward-facing way to show that you mean it.

—Jared Rickman, senior project manager, Entegriety

Chipping away at zero waste

Using practices perfected in Northlake, Texas, this year we expanded composting efforts to include our Houston facility and California branches. It starts with identifying opportunities, and in Houston this was the waste stream. Rather than throwing materials like film, cardboard, and pallets into one big dumpster or compactor, a barrel system for these items was installed on the line and production floors.

Kelby Weiss, Farmer Brothers Safety and Sustainability Specialist, knew that simply putting out barrels wasn't enough—there had to be buy-in for people to use them. "No one here was dedicated to sustainability," he recalls. Undeterred, Kelby educated and encouraged production workers to stick with the program. He began to see habits morph into genuine care for where waste goes and what materials can be recycled or repurposed.

To continue riding the wave of momentum, we're looking to expand partnerships in Houston and beyond with companies who can take our compostables, like off-spec beans or office trash. It's another significant step forward toward our goal of zero waste.

ZERO WASTE PROGRESS

Achieved zero-waste-to-landfill

in all 3 roasting plants and all 5 distribution centers (over 90% diversion)

68%

company-wide diversion rate

25% increase in diversion from our baseline

Increase in overall pounds roasted

without increasing volume to landfill



▲ Average of monthly diversion by branch; Farmer Brothers Sharepoint website for employees.

Expanding our reach

Farmer Brothers has made a few big moves over the past few years: acquiring the business of China Mist, West Coast Coffee, and Boyd's Coffee Company. For a company aggressively chasing zero waste, adding 14 million pounds of new product to our Northlake, Texas, facility might seem to prevent us from getting there. But we're more mug-half-full types. We see this as an incredible opportunity to grow our business while running more coffee than ever through a zero-waste facility. All these additional beans would have taken a conventional path—but now they'll be roasted, packaged, and shipped more sustainably.

Outside of our own walls, we're impacting new customers who are now able to purchase sustainably sourced coffee. And VP of Sales Matt Westby, who came to us from Boyd's, is taking note. "Beyond just 'sustainably sourced,' I can go a couple layers deeper with my customers because Farmer Brothers has so much to offer. It's not just a canned sustainability program; now we can offer some pretty customized solutions." Along with enhanced product offerings, reps like Westby are making inroads with customers looking to align their sustainability practices and priorities with Farmer Brothers.

These acquisitions are far from a burden to our progress—they are an energizing force. As we grow our reach and influence with the addition of these companies, we're excited for new opportunities that we believe will result.



DATA DASHBOARD

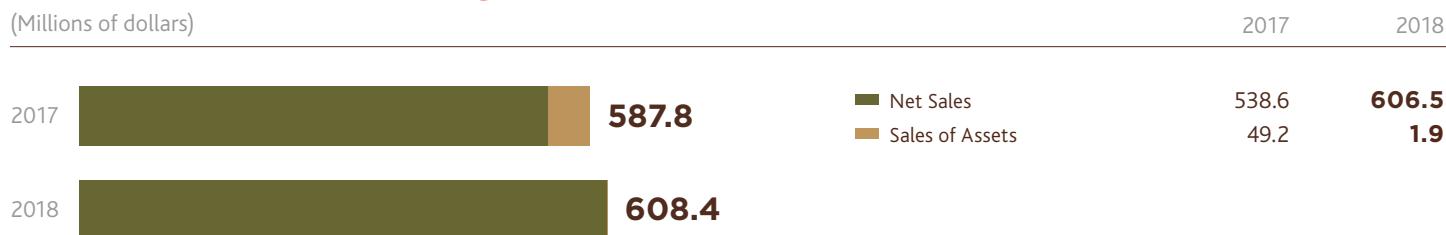
ECONOMIC

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

[For more Economic Disclosures, see our Comprehensive GRI Data ▶](#)

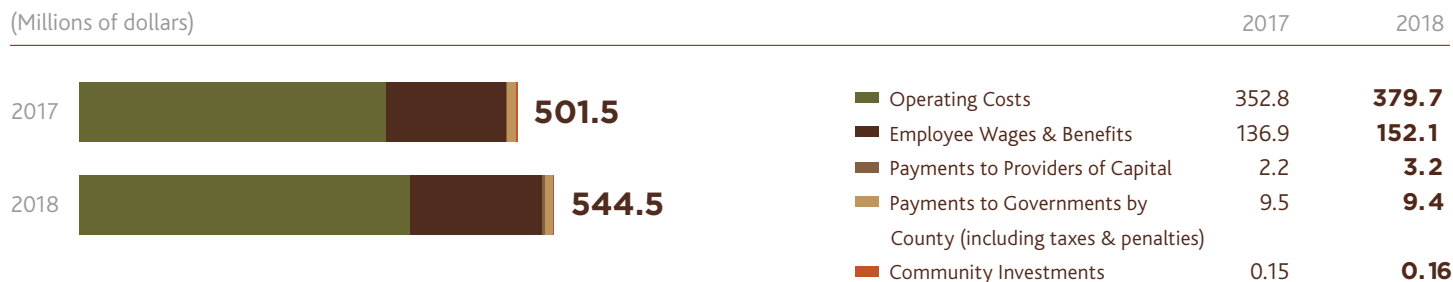
Direct economic value generated

(Millions of dollars)



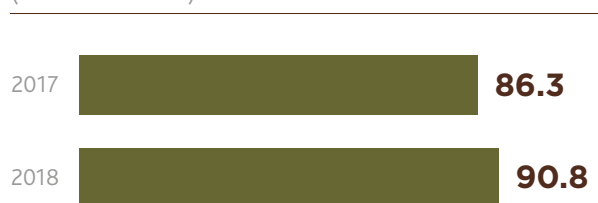
Economic value distributed

(Millions of dollars)



Economic value retained

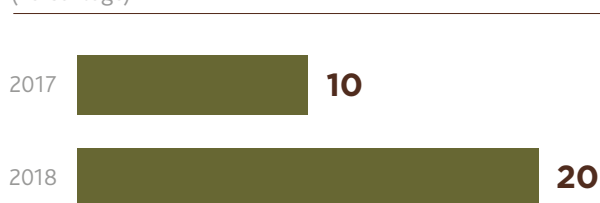
(Millions of dollars)



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

(Percentage)



We define local suppliers as those 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, and the State of Texas.

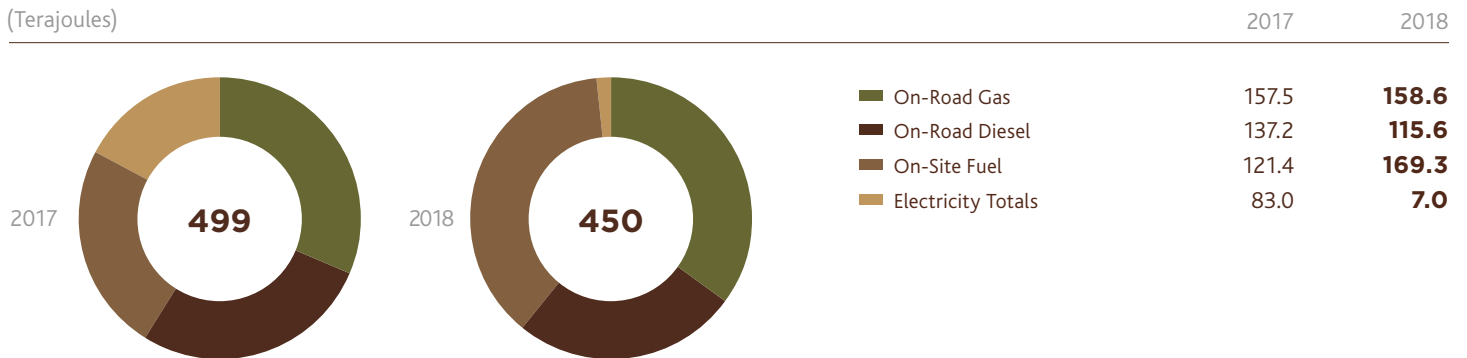
ENVIRONMENTAL

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 ▶](#)

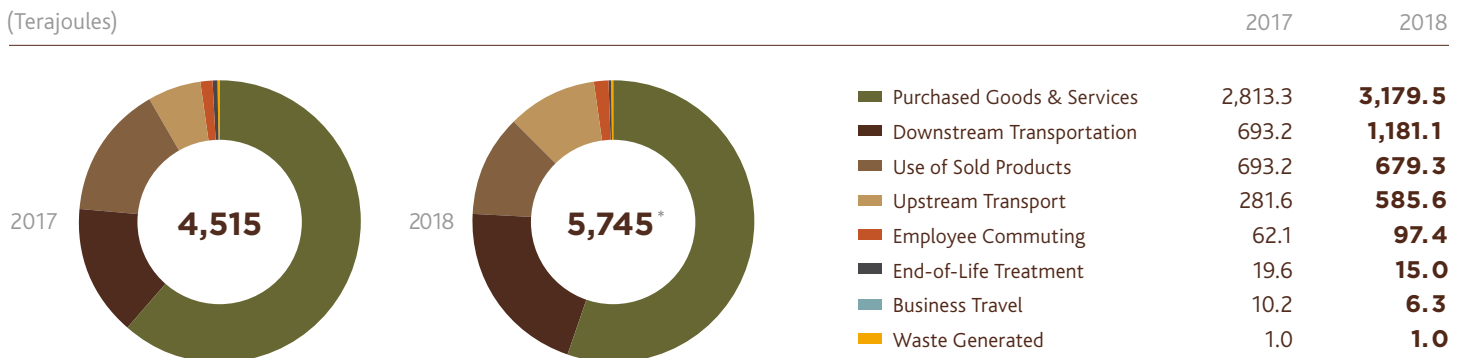
Energy consumption within the organization

(Terajoules)



Energy consumption outside the organization

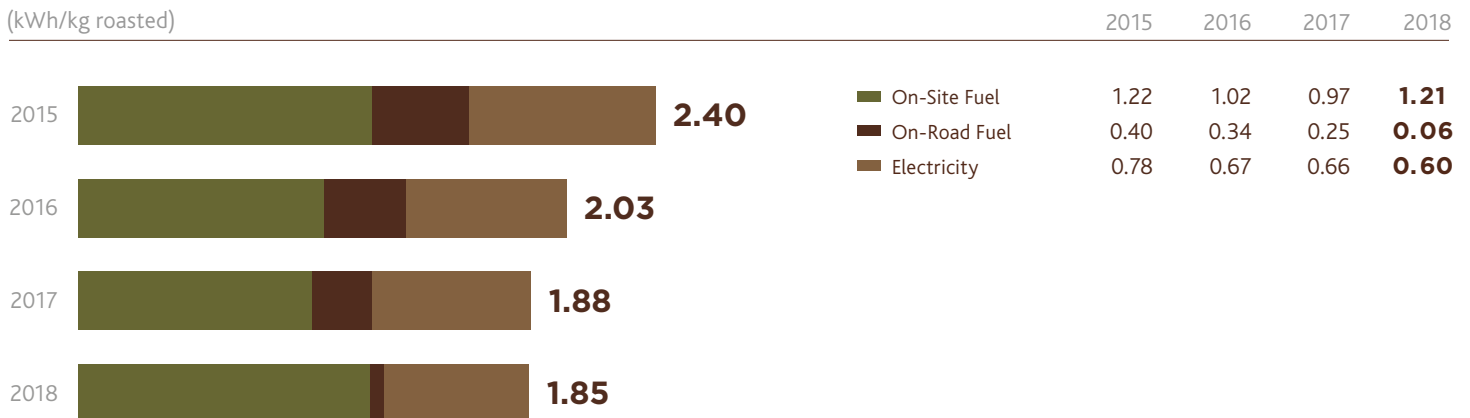
(Terajoules)



* Increases in energy consumption outside the organization are a result of increased volumes due to the acquisition of Boyd's Coffee Company

Energy intensity inside the organization

(kWh/kg roasted)



SOCIAL

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

[For more Social Disclosures, see our Comprehensive GRI Data ▶](#)

New suppliers that were screened using social criteria

100%

of new suppliers were surveyed for environmental and social criteria.

Training on human rights policies or procedures

1,869

coffee growers in Colombia and Nicaragua who participated in our Project D.I.R.E.C.T.™ program received on average eight hours per year of training on topics related to human rights.

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

146

 suppliers surveyed

75% response rate



96% committed to uphold UN Global Compact

Occupational health & 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 as well temporary employees.

Promotion of worker health

All eligible full-time Farmer Brothers employees have access to subsidized health insurance. Additionally, Farmer Brothers offers financial contributions to Health Savings Accounts (HSAs) for all employees who participate in the company health plan. Farmer Brothers promotes voluntary health programs and services, including dietary advice and provision of an on-site gym at our corporate headquarters.

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

Farmer Brothers direct operations are strictly domestic. Farmer Brothers operates in compliance with local laws and regulations. In addition, we are subject to social audits by certain customers. During the reporting period, our Houston manufacturing facility underwent a social audit. 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).



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
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

INDICATOR AND INDICATOR DESCRIPTION		LOCATION
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
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 Practices		
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

INDICATOR AND INDICATOR DESCRIPTION		LOCATION
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
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
201-3	Defined benefit plan obligations and other retirement plans	Comprehensive GRI Data, p.3
201-4	Financial assistance received from government	Comprehensive GRI Data, p.3
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.3
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, pp.3-4
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

INDICATOR AND INDICATOR DESCRIPTION		LOCATION
302-1	Energy consumption within the organization	Comprehensive GRI Data, p.5
302-2	Energy consumption outside of the organization	Comprehensive GRI Data, p.5
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
103-3	Evaluation of the management approach	Water
303-1	Interactions with water as a shared resource	Comprehensive GRI Data, p.6
303-2	Management of water discharge-related impacts	Comprehensive GRI Data, p.6
303-3	Water withdrawal	Comprehensive GRI Data, p.6
303-4	Water discharge	Comprehensive GRI Data, p.7
303-5	Water consumption	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, pp.7-8
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

INDICATOR AND INDICATOR DESCRIPTION		LOCATION
305-4	GHG emissions intensity	Comprehensive GRI Data, p.9
305-5	Reduction of GHG emissions	Comprehensive GRI Data, p.9
305-6	Emissions of ozone-depleting substances (ODS)	Comprehensive GRI Data, p.9
305-7	Nitrogen oxides (NO _x), sulfur oxides (SO _x), 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
306-1	Water discharge by quality and destination	Comprehensive GRI Data, p.7
306-2	Waste by type and disposal method	Comprehensive GRI Data, p.10
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.7
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.11
308-2	Negative environmental impacts in the supply chain and actions taken	Comprehensive GRI Data, p.11
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	Occupational health & safety management system	Comprehensive GRI Data, p.11
403-2	Hazard identification, risk assessment, and incident investigation	Comprehensive GRI Data, p.11

INDICATOR AND INDICATOR DESCRIPTION		LOCATION
403-3	Occupational health services	Comprehensive GRI Data, p.11
403-4	Worker participation, consultation, and communication on occupational health & safety	Comprehensive GRI Data, p.11
403-5	Worker training on occupational health & safety	Comprehensive GRI Data, p.12
403-6	Promotion of worker health	Comprehensive GRI Data, p.12
403-7	Prevention and mitigation of occupational health & safety impacts directly linked by business relationships	Comprehensive GRI Data, p.12
403-8	Workers covered by an occupational health & safety management system	Comprehensive GRI Data, p.12
403-9	Work-related injuries	Comprehensive GRI Data, p.12
403-10	Work-related ill health	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
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.14
412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	Comprehensive GRI Data, p.14
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.14
413-2	Operations with significant actual and potential negative impacts on local communities	Comprehensive GRI Data, p.14
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.14
414-2	Negative social impacts in the supply chain and actions taken	Comprehensive GRI Data, p.14

INDICATOR AND INDICATOR DESCRIPTION		LOCATION
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

WHAT'S BREWING

We're reinforcing our commitment to continuous improvement with measurable goals to impact people, profit, and planet.

2019 goals

Increasing our energy-efficient branch locations

Achieving zero waste company-wide

Growing our fleet of high-efficiency vehicles

Continuing progress toward achieving our science-based carbon reduction targets

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Questions or thoughts about our sustainability efforts? Let us know at: sustainability@farmerbros.com