



© S&D

SOURCING CASE STUDY: S&D INVESTS IN THE FUTURE

Founded in 1927, S&D Coffee & Tea is a major manufacturer of coffee and tea for the food service, convenience and consumer packaged goods industries. S&D's capabilities extend into the evolving world of extracts and ingredients, creating new possibilities for culinary applications and exciting new beverage choices for customers. At S&D, sustainable sourcing is focused on resilient supply chains for coffee and tea.

Sourcing Commitment

S&D supports the production of 150 million lbs. of sustainable coffee via its sustainable sourcing platform Raíz Sustainability® together with certified coffee purchases, impacting the livelihoods of more than 10,000 farming families.

TARGET DATE: 2020

Partners in Sustainable Sourcing

S&D works with Conservation International (CI), the Committee on Sustainability Assessment (COSA) and SupplyShift to develop and implement the Raíz sustainable sourcing platform. CI and COSA have served as supports to establish a robust, reliable and credible program according to best-in-class practices, while SupplyShift provides support for the Raíz data management system. S&D also partners with trading companies and leading cooperatives including ECOM, OLAM, Volcafe, Cooperativa los Andes, ExpoCafe, Perhusa and others to effectively implement and maintain the Raíz objectives at the ground level.

Business Case

S&D knows that sustainable investments and the proactive management of risk drive the success and profitability of our business. Embedding sustainable sourcing throughout the business and creating shared value within the supply chain lead to long-term success with social, environmental and economic impact.

Strategy

Advancing resilient supply chains means holding partners accountable for sustainable practices.

Raíz Sustainability, S&D's sustainable sourcing platform for coffee and tea, is rooted in impact. An inclusive approach provides smallholder farmers with immediate access to training and technical assistance to help adopt best practices in agriculture and business management. S&D works closely with partners towards measurable improvement in long-term solutions to sustainability challenges.

Raíz focuses on three key impact areas:

- Social (fair labor practices)
- Environmental (soil health, water management and forest conservation)
- Economic (productivity and cost management)

Progress

Now, after more than three years of implementation, S&D's Raíz platform has reached a maturity phase. S&D continues to make refinements as they move forward from the initial investments. The company is currently evaluating the impacts at the farm level after the first three-year cycle, responding to partner feedback and extending the platform to other commodities like tea.



Monitoring & Evaluation

S&D uses a set of key performance indicators (KPIs) to evaluate success at the farm level. Partners play a critical role in this process, ensuring the credibility of S&D's commitments through the assurance of accurate and unbiased reporting in the verification process. In particular, COSA has helped S&D design an optimized information architecture that is fully aligned with best in class international standards.

Key Lessons

- Foster both competition and collaboration by sharing best practices
- Internal communication is key in order to acquire the necessary input and different perspectives when formulating a company sustainability platform or policy
- Start the marketing process early, so the whole story can be told

Advice to Others

S&D advises companies in the coffee industry to “go all in” and invest in making a sustainable sourcing commitment. Realize that it is a smart thing to do from a business perspective. S&D emphasizes that no one participant knows or has all of the right solutions, encouraging everyone involved to share lessons learned and best practices with the industry. A key lesson learned by S&D, and paramount to their success, is the importance of engaging personally and regularly with partners at origin. By doing so, you are helping them understand the sourcing guidelines, build capacity and leverage local expertise.



“Sustainable sourcing simply makes good business sense. It equates to better business performance, making our supply chain partners, us and our customers stronger while directly contributing to the bottom line.”

**–Olga Cuellar,
Sustainability Manager**
