

Corporate sustainability: how to engage stakeholders in the value chain

Supporting suppliers and stakeholders requires adjustments in procurement and strategic relationship processes.

Training, audits and accompaniment, joint volunteering and exchange of best practices are some of the keys to increase the scope of corporate sustainability practices.

A practical example is what FIFCO has done through its "Sustainable Procurement Program", a mechanism that promotes that purchasing decisions include sustainability variables in addition to economic criteria, to support its suppliers to raise their own standards in this matter.

As Gerardo Miranda, FIFCO's Environment, Health and Safety Corporate Manager, explains, "our company has developed the Sustainable Procurement Program as an evaluation, accompaniment and advisory platform that has strengthened the capacities of the business partners' network. For this, we take as a reference the international INTE/ISO 20400:2017 Sustainable Procurement standard in order to promote corporate procedures that systematize and standardize suppliers' sustainability management".

Positive results 2022

In 2022, more than 28% of FIFCO's annual spending on raw materials, inputs and services came from suppliers within the Sustainable Procurement program. In addition, 100% of new suppliers signed and accepted FIFCO's Environmental Policy and Responsible Supplier Code. In addition, 16% of the companies evaluated in 2022 had some type of certification in their management systems.

Source: FIFCO

All suppliers that are part of the Sustainable Procurement Program have free access to a development program on sustainability matters. In 2022, 14% of active suppliers were trained over four days.

As part of this accompaniment, suppliers are also invited to participate in volunteer projects to strengthen the axis of partnerships and sustainability projects.

In complementary actions, FIFCO rewards every year the suppliers that achieve scores over 100 within the Sustainable Procurement Program.

"After having launched the Sustainable Procurement Program since 2010, we have observed the continuous improvement and adoption of good practices to strengthen suppliers' competitiveness. This program has been a step forward in FIFCO's ESG (Environment, Social and Governance pillars) strategy by linking the value chain to the company's sustainability approach," said Miranda.

Constant evaluation

The benefits of these activities are counted in hundreds of companies involved, reaching their employees and environments. During 2022, the company evaluated the performance of at least 380 suppliers under a standard methodology related to the company's sustainability goals.

FIFCO sets sustainability standards and criteria to its suppliers, which are evaluated through internal tools. By 2022, 58% of suppliers were above the pass level, with scores over 80. In addition, during the audits, observations are provided and improvement opportunities for suppliers are analyzed.

And with the purpose of increasing the impact of these actions, as Miranda explains, FIFCO poses challenges to continue improving the sustainability of the value chain, among them: the construction of corporate tools for the interested areas to know more precisely a supplier's sustainability status; expanding the program's scope to suppliers outside the countries where FIFCO operates through virtual evaluation and follow-up tools; defining a growth strategy oriented towards the total compliance of suppliers by category; and identifying additional development needs, to meet the requirements of suppliers according to each category.

FIFCO is leader of MERCOSUR's Corporate Responsibility and Governance (ESG) index in Costa Rica, with first places in the categories of Food and Beverages, Most Environmentally Responsible Companies, Most Internally Responsible Companies with Customers and Society.

For more information visit www.fifco.com

About FIFCO

FIFCO is a beverage and food company with 115 years of history, and operations in Costa Rica, Guatemala, Mexico, El Salvador and the United States, 7 manufacturing plants and 15 distribution centers. It has 3 business divisions in Costa Rica: "*Distribuidora La Florida*" (food and beverages), "*Florida Hospitality*" (real estate and hospitality sectors) and "*Florida Retail*" (retail sales under the Musi and Musmanni formats). It exports to 18 countries around the world and has a portfolio of 1,500 products.