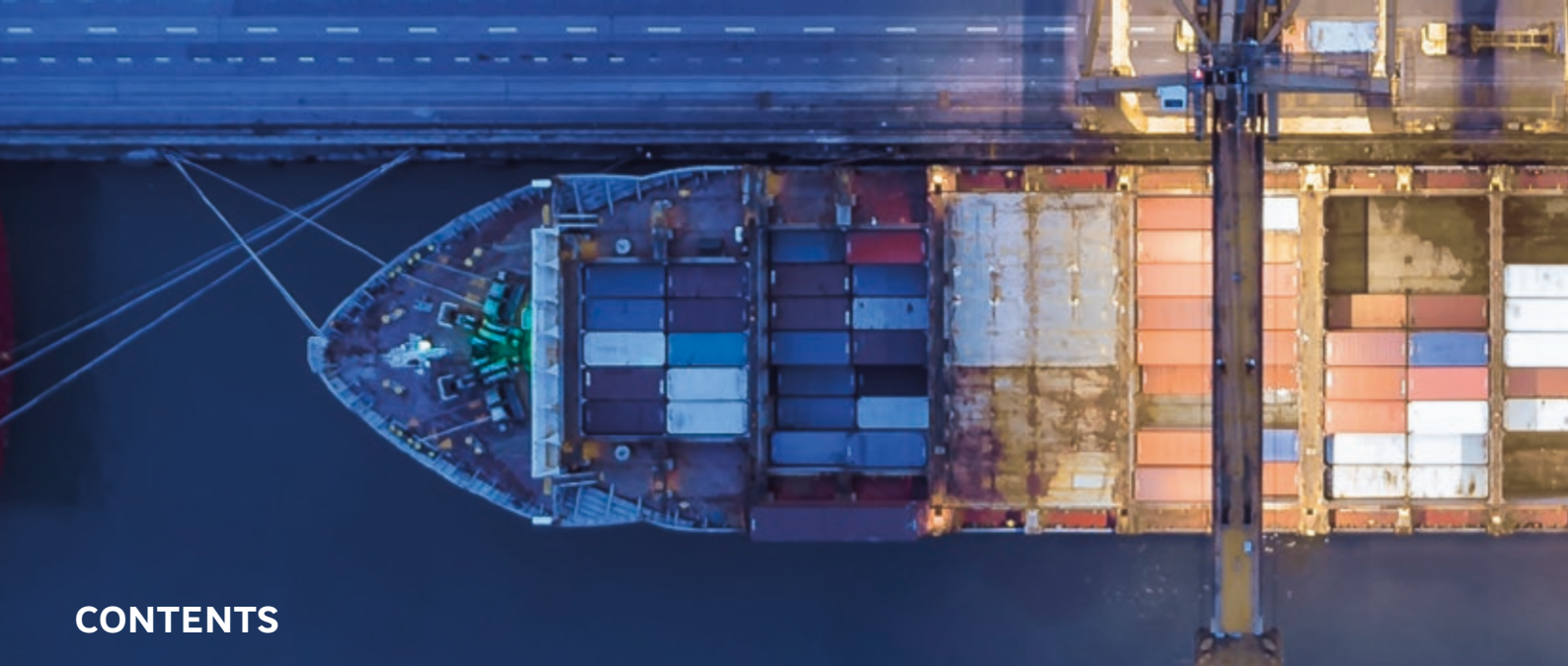


A photograph of two men wearing hats and light-colored shirts standing in a lush green coffee plantation. They are looking at a tablet held by one of the men. The background is filled with dense coffee bushes and trees under bright sunlight.

RESPONSIBILITY REPORT

2019



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At Succden we recognize that our long-term success depends on the sustainability of our business as a whole.

Therefore, we are committed to the responsible care of our employees, our clients, suppliers and partners, and act responsibly towards the communities in which we operate and the environments that we share. Succden’s commitment and approach, as well as our entire business activity, seek to create long-lasting solutions and fair business opportunities.

Succden creates opportunities

CHAIRMAN'S MESSAGE

At Sucden, adapting to a changing environment is part of our culture and philosophy. From that perspective, 2019 has been interesting, with a highly volatile commodities market.



In this constantly changing environment, we intend to remain a global commodities leader, effectively and sustainably connecting supply and demand, and this is in line with our 68 years of history as a family business.

Indeed, being a family business is not only a matter of ownership, but one of company culture as well as a mindset where our people are key, and where we try to ensure a long-term approach in regard to all actions we take. In that respect, taking responsibility has always been an underlying concern for the company, but now it becomes a key driver in our approach to business, through formalized strategy, and full integration into our company culture. The company culture is evolving along with our people and leads to the three main reasons I see for engaging in sustainable action and corporate social responsibility.

First, we believe, and are convinced, that acting responsibly is the right thing to do and that it is one of the reasons our company can use to justify its long-term existence. We have clearly embedded this approach into our long-term view and aim to optimize our positive impact in relation to our profit-making purpose.

Second, and I see this more obviously every day, there is an institutional reason for this: for example, local regulations ask us to comply with increasingly demanding requirements related to traceability and compliance. We also see a growing interest from our employees, business partners and other third parties who now expect us to be committed to CSR and to report on the steps we take.

Finally, we have learned from past experience that this culture of positive impact also happens to be good for business. Indeed, sharing our highest expectations increases our employees' level of confidence as well as that of our suppliers and customers, in the ability of Sucden to deliver goods that have been sourced in a responsible manner.

To be pragmatic, we have divided our motto to act responsibly into five key areas of action:

- We promote fair business practices to create the basis for long-term relationships.
- We value our employees and want to continuously ensure that they have good working conditions and adhere to the company's values.
- We respect our environment during all of our industrial operations, and are always looking for ways to improve, reaching toward the highest industry standards.
- We look forward to continuously increasing knowledge of our supply chain, to give us a clear view of all the potential risks it presents and addressing these risks through various programs.
- We aim to act responsibly to generate positive local impact where we have business interests, either by direct action or through local involvement by our employees.

In 2019, I set a clear focus of embedding responsibility in our company culture, through internal actions as well as through external commitments. We now subscribe to major initiatives to demonstrate to our business partners that we have made a long-term commitment. This is why I recently committed to the company's participation—as well as that of all our related diversified business activities—in the Global Compact initiative, in addition to more sector-specific initiatives. This way of formalizing our global citizenship has been carried out while managing the expansion of our business activity in Russia and in Colombia. I see this as a long-term trend. We will continue to bring sustainability to the heart of our expansion by supporting pragmatic and efficient action, so that our people can be proud to be part of our family, connecting agricultural supply and demand, and creating long-lasting relationships with our partners.

Serge Varsano
Chairman



GROUP OVERVIEW

Sucden is principally a major trading house engaged in the soft commodities supply chain. Our mission is to facilitate global flows between producers and consumers. To do so, we trade on the world's major markets in a wide range of products and services including sugar, coffee, cocoa, ethanol, ocean freight and futures/options brokerage. In support, we are active in agriculture and sourcing, processing, logistics, distribution, merchandising, financing, research and risk management. We combine global know-how with local expertise to connect supply and demand in a sustainable way. While doing so, we serve our clients and partners with quality and integrity.

As an independent company with more than 68 years of activity on the commodities markets, we analyze all opportunities with a long-term perspective, with a constant consideration of existing constraints and expectations from business partners and local authorities.

USD6.1bn

SUCDEN GROUP TURNOVER IN 2019

9.7mt

OF SUGAR ORIGINATED AND SHIPPED OR DISTRIBUTED IN 2019

104,000t

OF SUGAR BEET PULP PELLETS SOLD IN 2019



2019 highlights

Acquisition of a majority stake in a Russian sugar business including Eletski sugar plant in Lipetsk region and about 64,000 ha of land.

Acquisition of the coffee business of Engelhart Commodities Trading Partners in Colombia. This will speed up Sucden's strategy in the second largest producing country of Arabica coffee.

Establishment of a Forest Protection Policy for the cocoa supply chain.

Four vertically
integrated lines
of business

1

SUGAR, COCOA, COFFEE AND ETHANOL TRADING AND DISTRIBUTION

Sugar

Market leader in the global sugar business.

Active in sugar sourcing, logistics, trading, risk management, merchandising, processing and distribution.

Originates and ships or distributes about **9.7 million tons of sugar annually**.

Analyzes and shares publicly on its website sugar market tendencies on a quarterly basis.

Cocoa

One of the leading cocoa beans and products traders in the market.

Serves a diverse client base from all over the world.

Provides tailor-made solutions for the cocoa and chocolate industry.

Manages each step of the supply chain from cocoa origination to logistics, risk mitigation, and final delivery to the client.

Originates approximately **680,000 tons beans equivalent annually**.

Coffee

Sucden has developed its coffee trading activity by sourcing Arabica and Robusta coffees from South and Central America, as well as from Asia where we operate green coffee processing and storage units in Vietnam, Indonesia, and India.

Trades about **230,000 tons annually**.

Ethanol

Established in 2007.

Key activities include trading, origination and marketing.

Trades approximately **200,000 m³ of ethanol annually**.

2

AGRO-INDUSTRY

In Russia, Sucden is a major sugar producer and processor with four factories (Dobrynski and Eletski¹ in Lipetsk region, Atmis-Sakhar in Penza region, Tbiliski in Krasnodar region).

Total sugar beet processing is 36,500 tons per day. These four plants have a production capacity in excess of **800,000 tons of crystalized sugar annually**.

Sucden manages more than **244,000 hectares² of land**, growing sugar beets as well as wheat, corn, and sunflowers.

Additionally, Sucden is involved in milk production, with a herd of **3,000 cows**.

244,000

hectares

OF LAND UNDER MANAGEMENT IN RUSSIA IN 2019

3

BROKERAGE

With a history and heritage in commodity futures and options trading, Sucden Financial has evolved and diversified to become a leading global multi-asset execution, clearing and liquidity provider across FX, fixed income and commodities.

Sucden Financial has headquarters in London, with offices in Moscow and subsidiaries in Hong Kong and New York, providing a global reach and a local service to clients around the clock. Sucden Financial Limited is authorised and regulated by Financial Conduct Authority.

4

SHIPPING

Sucden moved into fleet management under the name of Sucden Armateurs in 2016/2017, taking delivery of **four handymax vessels, each with a capacity of 43,000 tons**.

These vessels are some of the most environmentally friendly bulk carriers in the world.

¹ Eletski factory was purchased in 2019 and is 51% owned by Sucden.

² Of which 64,000 hectares of land related to the Eletski factory.

OUR APPROACH TO RESPONSIBILITY

At Sucden, responsibility is part of our company culture. Sucden aims to be a global leader in connecting agricultural supply and demand in a sustainable way and our vision towards sustainable growth is based on five key action areas.

Our material issues

Business ethics

Company culture

Health & safety

Well-being at work

Talent management

Soil management

Transport & logistics

Utilities management (factories)

Direct Impacts

Our action areas



BUSINESS PRACTICES

The way we behave as a company in all of our activities around the world is of fundamental importance. We will conduct our business with integrity, accountability and responsibility.

[READ MORE P.8](#)



PEOPLE

How we interact with people defines us as a business. Our commitment is to treat people wherever we operate and in all walks of life with dignity and respect. Equally, we promise to provide our employees with a safe place to work.

[READ MORE P.12](#)



ENVIRONMENT

Our main business is linked to soft commodities production, so the way we treat the world around us will inevitably affect our future. Therefore, we commit to reduce our environmental impact at constant scope and conserve natural resources.

[READ MORE P.16](#)

Impact on SDGs



Livelihoods of growers and workers
Responsible and sustainable supply
Nature conservation & forest protection
Carbon footprint understanding
Supplier management
Chain of custody
Sustainability programs implementation

Development for local populations
Local social investment and support

Indirect Impacts



SUPPLY CHAIN

Our supply chain impacts communities and households in the origins from which we source. We are protecting forests in the coffee and cocoa supply chains through innovative tree planting programs. We will seek to better understand our overall carbon footprint in this critical part of our business.

[READ MORE P.21](#)



COMMUNITIES

Our commitment is to invest in, and engage with, the communities with whom we interact. We will leverage our employee's involvement and knowledge of local issues to impulse positive change and identify innovative solutions.

[READ MORE P.26](#)

We have conducted a risk and opportunity assessment and identified our key material issues and our direct and indirect impacts. The diagram outlines how our impacts are addressed under five focus areas and how they contribute to the United Nations Sustainable Development Goals (SDGs).

Step 1 – Risk assessment and compliance principles

As a golden rule, being compliant to applicable laws and regulations is a principle that is embedded in all of our activities and management instructions. In practice, on matters that we identify as significant to our activities, we make sure to conduct a risk and opportunity assessment to create a clear framework for focusing our efforts. Potential risks and issues are disclosed in this report and have been identified based on French and EU regulations as well as on the UN Sustainable Development Goals.

Step 2 – Know our impacts and identify our material risks

Given the diversification of our activities, which include trading, agricultural and industrial production, and logistics, the challenges we face are manifold. Consequently, analysis of the materiality of the issues is essential to the consideration of a responsible and efficient strategy. In summary, we identify our main impacts in our strategic consideration and in our means of action, as follows:

Direct impacts

Business practices

The way we behave as a company in all of our activities around the world is of fundamental importance. We will conduct our business with integrity, accountability and responsibility.

- Business ethics
- Company culture

People

How we interact with people defines us as a business. Our commitment is to treat people wherever we operate and in all walks of life with dignity and respect. Equally, we promise to provide our employees with a safe place to work.

- Health and safety
- Well-being at work
- Talent management



Environment

Our main business is linked to soft commodities production, so the way we treat the world around us will inevitably affect our future. Therefore, we commit to reduce our environmental impact at constant scope and conserve natural resources.

- Soil management
- Transport and logistics
- Utilities management for factories

Indirect impacts

Supply chain

Our supply chain impacts communities and households in the origins from which we source. We are protecting forests in the coffee and cocoa supply chains through innovative tree planting programs.

- Livelihoods of growers and workers
- Responsible and sustainable supply
- Nature conservation and forest protection
- Carbon footprint understanding
- Supplier management
- Chain of custody
- Sustainability programs implementation

In addition to that, we will seek to better understand our overall carbon footprint in this critical part of our business.

Communities

Our commitment is to invest in, and engage with, the communities with whom we interact. We will leverage our employee's involvement and knowledge of local issues to impulse positive change and identify innovative solutions.

- Local populations development
- Local social investment and support

Step 3 – Continuously work on the company culture and embed sustainability in our mindset

Setting an efficient governance framework – Responsibility is embedded in the Company's organization and culture

Governance is vital and is fully embedded in the Group's management structure. Sustainability strategy is set by Sucden's Management Board. To ensure that resources are available and that objectives are being met, the Board has appointed a Responsibility Forum for the strategy implementation.

The Management Board considers responsibility issues, reviews and acknowledges achievements and ongoing programs, develop strategy and allocate resources.

The Responsibility Forum is coordinated by Sucden's Chief Responsibility Officer and is made up of sustainability and operational managers from around the Group who are directly responsible for developing programs and initiatives, and contributing to the development of a responsibility culture in all subsidiaries and geographies.

This Forum meets quarterly for an update on current activities and seeks to align to implement strategies, share best practices, and suggest improvements to Sucden's approach to responsibility.

Ensuring responsibility and sustainability everywhere

In order to maximize our positive impact, and always act in conformity with our core principles and values, we intend to share responsibility actions and perspectives with all functions within the Group. This means that in addition to tackling our material risks, we have an eager interest in ensuring that responsibility and sustainability actions exist and change the working life of all our employees. This can go through actions such as waste recovery for offices or plastic cups ban, which may be seen as smaller scale but no less significant compared to industrial impact.

Improving internal and external communication

In order to continuously enhance our company culture awareness towards responsibility and sustainability, we have implemented local training sessions and a corporate newsletter to unify our actions and ensure all our employees are able to share our actions with our business partners.

Step 4 – Define adequate means to reach our objectives

Having set the above framework, Sucden's Board has set strategy and means to leverage our will to continuously improve our sustainable way of doing business, as well as improve our license to operate. Thus, the focus areas have been set:

Commitments

Sucden is ready to go public about its convictions which are part of our historical Company culture. This is demonstrated by memberships and public positions (Global Compact, Cocoa and Forests Initiative, International Cocoa Initiative, etc.)

Certifications

When certifications are available and valued in the industry, we intend to participate in them.

This includes certification of our industrial operations, as well as certification of products we trade. In addition to helping Sucden have a positive impact, certifications have also proven to be drivers of excellence, thus improving processes and procedures.

Direct actions and internal processes

In addition to certifications, we intend to conduct direct actions in the field to ensure positive impact on our sphere of influence (business partners, local families at origins, local authorities, etc.). These actions are led by Sucden teams, and address external issues as well as internal processes to ensure that our values are shared and applied everywhere in the Group. Our compliance framework is part of this demanding process management.

Partnerships for initial actions

Given the challenges we face, we seek to build partnerships with strong players and support existing collective initiatives in place. Indeed, we consider that generating a positive impact, particularly from the onset, requires that many skills be brought together, and remains an experimental science regarding the complexity of certain issues. The use of a variety of expertise is therefore a means of accelerating the transition towards fully traceable and sustainable supply chains.

Corporate foundation

Sucden has established a corporate foundation to leverage the local involvement of our employees. The Foundation now provides funding to projects of general interest with a true positive impact on nutrition and health, education, environment, social and livelihood issues. To do so, the Foundation favors projects that enable Sucden to make a distinctive contribution and a significant impact in the community through the funding of two types of projects:

- Projects where employees are personally involved.
- Projects to increase the positive impact of the Group on local environment and communities which are located in areas where the Group has economic interests or activities.

PERFORMANCE REPORTING

Sucden is committed to assessing, and reporting on its strategy and involvement in addressing compliance, environmental and social issues.



BUSINESS PRACTICES

In the frame of our commitment to conduct our business ethically and with integrity, we are actively developing our compliance and certification processes.

Contributing to the following UN Sustainable Development Goals



KEY CHALLENGES, RISKS & OPPORTUNITIES

Corporate Code of Conduct and regulatory risk

Sucden is determined to conduct its business in compliance with applicable laws, in all countries where it operates. With a number of subsidiaries/branches located worldwide using the US banking system, Sucden group must comply with an increasing number of rules and regulations issued by French, EU, and other relevant authorities of different countries and by international organizations.

Legal obligation under French law and other jurisdictions that are applicable to Sucden, stipulate appropriate procedures in areas such as international sanctions, anti-money laundering, prevention of corruption, and the fight against the financing of terrorism. This is especially key as we operate, when sourcing or selling commodities, in countries that are considered at risk.

Expectations and opportunities

We expect demand for sustainable, responsible commodities to grow in the coming years.

As a company that is close producers of sugar, cocoa, coffee and ethanol, Sucden is well placed to support this demand. Leveraging our origin sourcing networks, we can work on origin tracking and supporting local populations in responsible development.

In addition to that, our long-term way of doing business very much stresses building a relationship of confidence with our business partners. This long-term view is based on business ethics, and we see responsibility and sustainability becoming equally important to customers.



OUR STRATEGY, POLICIES & PERFORMANCE

Conducting business ethically and in compliance with applicable laws

It was essential for Sucden to approve and implement, as a first step, a Code of Conduct, setting out the rules, principles and values that Sucden's management and employees should follow when acting in their professional capacities, both internally, and in the course of their business activities with business partners and counterparties.

Sucden's Code of Conduct¹ is designed as an overarching document that can be supplemented by additional written instruments or policies such as the Forest protection policy, that we publicly shared in 2019, or Sucden's anti-corruption policy, and is intended to be updated on a regular basis.

Since 2017, a comprehensive compliance framework has been formulated and is being progressively implemented. It consists of an organizational and controlling process that aims to ensure that we conduct business ethically in compliance with applicable laws and regulations and with the principles and values set out in our Code of Conduct.

In addition to the approval and implementation of our Code of Conduct, this compliance framework sets out policies, processes and controls consisting inter alia of:

- Drawing a risk map to identify the main risks that Sucden may face;
- The implementation of an internal whistleblowing policy;
- The implementation of Know Your Customer (KYC) /Know Your Supplier (KYS) procedures;
- Setting out policies in relation to International Sanctions, Anti-money laundering and anti-bribery;
- Training management and employees exposed to corruption on compliance issues;
- Regular financial and compliance audits.

A compliance leadership committee has been established and meets on a regular basis to decide on Sucden's compliance strategy, monitor issues, enforce the approved compliance program and make any necessary decisions in relation thereto.

Sucden also implemented a clear Personal Data Protection Policy to comply with the EU General Data Protection Regulation.

Our performance in 2019

In 2019, Sucden's management and Compliance Committee has taken steps to ensure that the Code of Conduct, the whistleblowing policy and more generally, Sucden's compliance framework were understood by all employees and enforced within the group through all its subsidiaries and branches.

For this purpose, local compliance officers, acting under the authority of the Compliance Committee, have been appointed in all Sucden's branches, subsidiaries and/or activities.

The compliance officers, acting in association with the legal department and the operational teams have also ensured that KYC checks are made before any contractual engagement and that sanction clauses are systematically inserted in all commercial and other types of contracts entered into by the entities of the Sucden group.



Commitments towards global initiatives

As a Group, we are ready to share our view on responsibility with our business partners and interested parties. This is illustrated by commitments and initiatives that we endorse at Group level or at activity level depending on the matter.

Our performance in 2019

Sucden's commitments embed corporate initiatives as well as sector specific initiatives. As such, we adhere to the following:

- Global Compact: Sucden applied to join the initiative in early 2020. We consider this as the overarching public commitment that applies to the whole Group and its diversified activities.
- In 2019, and regarding cocoa activity, Sucden joined
 - Cocoa & Forests Initiative (CFI)²: it drives efforts from the industry to protect forests and ensure traceability of sourced cocoa.
 - International Cocoa Initiative (ICI)³: it promotes child protection in cocoa-growing communities and works to ensure a better future for children and their families.
- For the maritime transport activity, Sucden remains a member of the Maritime Anti-Corruption Network (MACN)⁴; MACN's vision is to raise awareness of anti-corruption challenges faced by its members and to implement the MACN Anti-Corruption Principles and co-develop and share best practices, collaborate with governments, NGOs and civil society to identify and mitigate the root causes of corruption, as well as integrity within the maritime community. Through this membership, Sucden participates in the collective forces of MACN worldwide to tackle corruption in the shipping industry and benefit from the workshops and the collective actions already in place.
- In addition to those commitments that relate to our responsibility, we are active in our general sector initiatives.

¹ <https://www.sucden.com/en/corporate-responsibility/code-of-conduct/>

² <https://www.worldcocoaoundation.org/initiative/cocoa-forests-initiative/>

³ <https://cocoainitiative.org/>

⁴ <https://www.maritime-acn.org/>

OUR STRATEGY, POLICIES & PERFORMANCE CONTINUED

Certifying our practices and processes

In line with our commitments, we are dedicated to demonstrating that our practices and processes reflect the highest standards of our industry. Indeed, we consider that certification contributes to raising the bar and ensuring a level playing field. Consequently, our certification strategy is based on the following:

- Certification of our processes to trade certified products: demand for certified products increases, and certification is one way, among others, to demonstrate reliability and traceability of our processes.
- Certifications for our asset-based activity: our vessels and plants in Russia are engaged in a certification strategy, addressing environmental, Health & Safety, supply chain, or social practices.



Our performance in 2019

In 2019, Sucden renewed and improved the assessments initiated in previous years, reaching the main following items:

- EcoVadis: as Sucden is deeply involved in managing its supply chain and providing assurance to its clients, several entities within the Group asked for an EcoVadis external assessment. In 2019, our main French entity reached gold level¹.
- Sugar: several offices and subsidiaries of the Group are certified to trade Bonsucro² sugar, which is a standard used to promote sustainable sugarcane production, processing and trade around the world. In 2019, we sold more than 60,000 tons of Bonsucro certified sugar.
- Sugar Beet Pulp Pellets: in 2019, Sucden has been GMP+ certified. This animal feed safety assurance certification allows customers to get full traceability of products, as well as insurance on hazard management at each stage of the supply chain.
- Cocoa: Sucden is certified to trade UTZ – Rainforest Alliance, Fairtrade, and Organic certified cocoa. Overall, in 2019, we sold more than 65,000 tons of certified cocoa.
- Coffee: Sucden is certified to trade Rainforest Alliance, UTZ, 4C, Fairtrade, and Organic certified coffee. In 2019, we sold 44,000 tons of certified coffee.
- Ethanol: Sucden is certified according to the International Sustainability & Carbon Certification (ISCC) system and supplied about 50'000m³ of certified ethanol in 2020.

¹ Gold level is granted to the top 5% of performers.

² <https://www.bonsucro.com/what-is-bonsucro/>



Embedding sustainability and values in our Company culture

At Sucden, we wish to ensure that all employees know about Sucden's values and sustainability commitment and consider that all employees should see the company's progress in achieving the company's sustainability goals. To do so, we ask local management to consider all five pillars (see Our approach on page 4) of our responsibility strategy and drive the change locally. This approach leads us to address issues that are less significant compared to items disclosed in this report. Still, smaller scale actions are very useful for including all staff in our responsibility strategy. For example, this goes with specific attention to the environmental impact of office-based activity with waste reduction plans or participation in sustainable offices challenges.

Sucden in Russia

Dobrinski and Atmis-sakhar are both certified against the following standards: ISO 9001 Quality Management, ISO 14001 (Environmental Management), and ISO 45001 (Health & Safety Management).

With regards to food safety, all our sugar factories have been certified for food safety in conformance with the FSSC 22000 standard.

In the agricultural business, Sustainable Agriculture Initiative (SAI) principles have been applied and the three historical areas in which we operate are part of the Farm Sustainability Assessment by SAI Platform. In 2019, audited zones achieved gold and silver status, and the Group produced 181,351 tons of FSA certified sugar in Russia, out of about 800,000 tons. The newly acquired entity is progressively included in the SAI approach, and started in 2019 by completing a self-assessment on the SAI Platform.

Sucden at sea

In 2019, and in line with our certification strategy, our four vessels reached certification against ISO 9001 Quality Management and ISO 14001 Environmental Management.

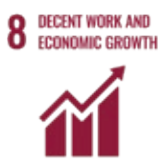


PEOPLE

Sucden is a family business that works on an interpersonal level. We are open and straightforward, believe in the value of engaging directly with clients and partners across the value chain, and in building strong relationships.

This approach has been instrumental in our success as a business and bolsters our reputation as a company where people want to work. We offer our talented employees the opportunities, support and training necessary to be the best they can be. We welcome individuality and innovative thinking.

Contributing to the following UN Sustainable Development Goals



KEY CHALLENGES, RISKS & OPPORTUNITIES

Risks related to talent attraction and management

People are vital to our business and our human resource management covers three key areas: maintaining a top employer image, developing and retaining talent, and ensuring well-being at work.

We have a thorough recruitment system that aligns individuals and their roles in a working environment that is conducive to development, by empowering and challenging them.

We are keen to retain talent by giving assignments that are ambitious and varied, while providing an ongoing intellectual challenge, attractive pay and real opportunities for development within the Group. This effort continues throughout the employee's career by creating a sense of belonging and pride in working for the company.

SUCDEN EMPLOYEES AROUND THE WORLD

More than 80% of the Group's employees are in Russia, where they work in a range of agro-industrial activities. The other 20% are involved in our trading activities and services of products, ranging from sugar, coffee, cocoa and ethanol, to ocean freight and futures/options brokerage.

Sucden's maritime business is part of our European operations, and crew members are hired for limited periods linked to vessel activity, which is in line with industry practice.

Sucden ensures proper management of skills and knowledge sharing. Knowledge sharing potentially has a number of significant advantages: an increase in individual and collective skills, retention of sensitive know-how, and reinforced cohesion within teams; an increased motivation for "senior" employees, an accelerated learning pace for new hires, and stabilization and retention of junior employees.





OUR STRATEGY, POLICIES & PERFORMANCE

Building a safe environment

Sucden has developed internal processes to comply with applicable regulations and best practices for safety. This is especially a major priority for our industrial operations in Russia where measures are being implemented to reach a no accident target. To achieve this target, focus is made on processes and certifications, training and on global awareness of any occupational safety risks.

Our performance in 2019

To reduce the risk of accidents in our factories, increase awareness, and continuously enhance our processes, internal security audits were performed in our four factories in 2019. These audits gave a general picture of security. In addition to that, in 2019, the Dobrinski plant joined Atmis-Sakhar in being ISO 45001 certified.

In 2019, one fatality occurred in Russia, and Sucden's frequency rate¹ of occupational accidents was 1.6 (1.0 for activities in Russia) and the severity rate² was 0.03 (0.02 for activities in Russia), compared to 1.1 and 0.04 in 2018 respectively.

Well-being at work – adaptability in all its forms

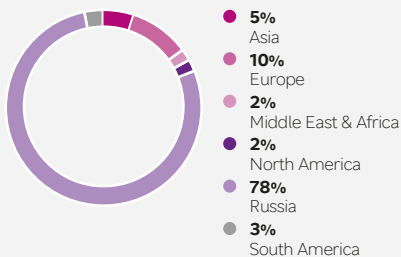
The Group is committed to the well-being of its employees in the workplace. A satisfied employee is less absent, more creative, more committed and... more productive. Sucden also promotes social and cultural dialogue by using all levers at its disposal, according to local rules applicable to each country.

Young professionals – defined as Millennials – are opting for companies that allow them to blossom. And, more generally, employees now rate empowerment and the quality of human relations high in their motivation. The rate of absenteeism at the Group level indicates what

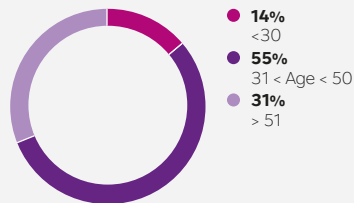
Sucden employees in numbers

Region	2019	2018	Men	Women	<30	31 < age < 50	> 51	Temporary Workers	Permanent workers
Asia	246	233	190	56	50	177	19	16	230
Europe	469	474	352	117	83	249	137	107	362
Middle East & Africa	81	77	61	20	8	62	11	5	76
North America	85	86	41	44	10	52	23	–	85
Russia	4,904	3,614	3,290	1,614	589	2,601	1,714	719	4,185
South America	132	141	60	72	31	75	26	4	128
Total	5,917	4,625	3,994	1,923	771	3,216	1,930	851	5,066

Employees by region



Employees by age group



¹ Frequency rate calculation: number of lost-time accidents x 1,000,000/number of hours worked during the reporting period.

² Severity rate calculation: number of calendar days lost (fatalities excluded) during the year x 1,000/number of hours worked during the year.

OUR STRATEGY, POLICIES & PERFORMANCE CONTINUED

we have achieved. In 2019, this rate is 3.1%, compared to 3.4% in 2018. The turnover displayed is a further indicator of overall satisfaction. This turnover rate, excluding Russia, is 12%, compared to 15% in 2018. In Russia, this rate is much higher (33%), due to the fact that industrial activity is, by nature, mobilizing many temporary workers. This tendency occurs because our plants do not operate all year long, but only in relation to the sugar beet production period. At Group level, our goal is to find the right balance between new hires and experienced employees. The below results of our industrial sites in Russia and South America are the direct result of more difficult working conditions.

On our industrial sites, the issues related to well-being at work involve providing a modern, high-performance work environment, which is reflected in a sustained investment policy, i.e. integration of new technologies in our agricultural crops, renovation of canteens, etc.

Flexibility at work

Amongst the methods we use, flexibility in the workplace, which is seen as a real form of freedom when it comes to the pace of life, is a major factor in attracting workers to perform, and to maintain this performance. Sucden applies this in different ways, in order to achieve greater adaptability and a better work-life balance. This flexibility includes, for example, financing childcare in company crèches, allowing staff to work from home and work part-time after having taken maternity leave, or contributing to resolve personal issues which may affect health, family life or working life.

Employee shareholding: a stronger commitment to the Sucden adventure

This system complements other schemes, such as profit-sharing and incentive schemes and a social protection program that guarantees minimum social benefits for all employees worldwide. This social policy is one of the components of Sucden, whose success is based on a strong collective, a protective environment and sharing the rewards reaped from growth.

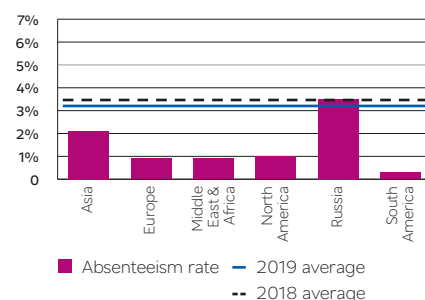
Our performance in 2019

Turnover rate by region in 2019

Region	Number of employees	Number of people hired	Departures	Terminated at the employer's initiative	Turnover rate 2019	Turnover rate 2018
Asia	246	25	31	1	12.6%	6.4%
Europe	469	62	54	9	11.5%	12.2%
Middle East & Africa	81	9	5	3	6.2%	1.3%
North America	85	17	14	2	16.5%	4.7%
Russia ¹	4,904	1,813	1,637	190	33.4%	45.4%
South America	132	14	21	8	15.9%	48.9%
Group average	5,917	1,940	1,762	213	29.8%	38.7%

¹ Turnover rate in Russia, when calculated on permanent employees only is 21%.

Absenteeism rate



44 hours

TRAINING PER EMPLOYEE IN 2019





Attracting talent and managing competencies – Sucden creates opportunities

The acquisition of new skills and knowledge by our employees is critical to Sucden's success, and our managers are responsible for providing development opportunities and support. We have developed close relationships with top French universities, as well as with agronomic schools. We also bring our contribution to various business schools through the payment of apprenticeship tax. Further, our employees are active in alumni networks and tend to expand their professional networks.

Sucden aims to create business opportunities and we are committed to converting those into career opportunities for our employees.

Sucden at sea

In line with professional practice in the shipping industry, training and certification are the employees' responsibility. Adequate training and certification are a requirement for employment at Sucden.

Sucden in Russia

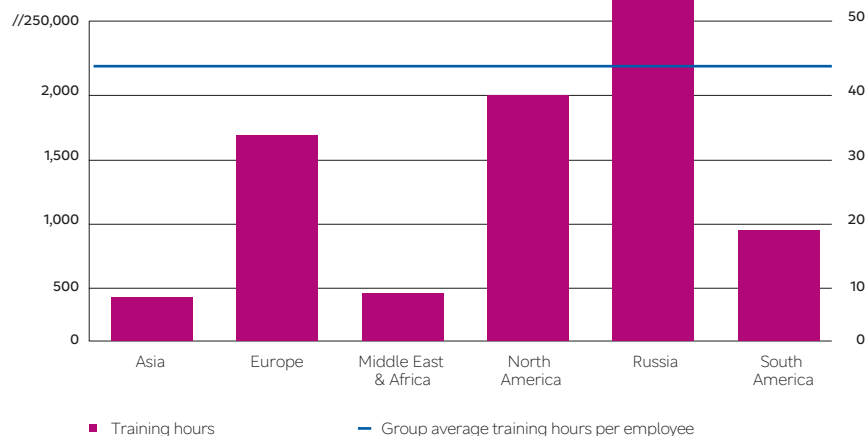
The recruitment of qualified employees in Russia is difficult, given the location of our industrial sites which are rural. Employee development and training is, therefore, a major priority on which Sucden spends significant time and resources.

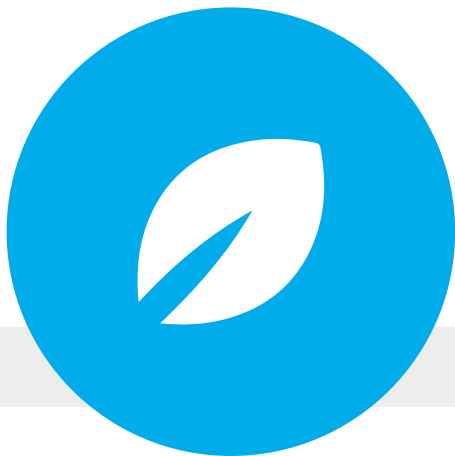
Our performance in 2019

Training overview

Region	Training hours	Number of employees	Training hours/employee
Asia	419	246	2
Europe	1,606	469	3
Middle East & Africa	440	81	5
North America	2,000	85	24
Russia	252,080	4,904	51
South America	990	132	8
Grand total	257,534	5,917	44

Training hours





ENVIRONMENT

Sucden monitors its impacts on the planet, with a specific focus on its asset-based activities in Russia or at sea with our fleet of Handymax vessels. Minimizing direct environmental impact goes through processes of excellence, and indirect impact reduction comes with the general awareness of all Sucden employees while making traveling decisions or selecting suppliers.

Contributing to the following UN Sustainable Development Goals

6 CLEAN WATER AND SANITATION



7 AFFORDABLE AND CLEAN ENERGY



9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



12 RESPONSIBLE CONSUMPTION AND PRODUCTION



13 CLIMATE ACTION



KEY CHALLENGES, RISKS & OPPORTUNITIES



Our direct environmental impact mainly comes from the operations in Russia, our fleet of Handymax vessels and our industrial and warehousing operations in Asia, Africa and Brazil.

Main contributors to Sucden's direct environmental footprint

Our industrial and agricultural business activities in Russia and our maritime transport activities have the most significant impact on our environmental footprint. Other activities, such as industrial and warehousing operations in Asia, Africa and Brazil have a much lower environmental impact.

Employees' business trips

Our employees must travel to visit clients, suppliers and our global businesses, and to meet other ongoing business requirements. While we intend to track this information going forward, this data is not yet included in the consolidated reporting scheme and is not included here¹.

Office-based activity

The environmental impact of our office activities is not included as we are focusing on our more material activities as a priority.

¹ However, employees from the head office in France travelled 6.22 million km over the year 2019, generating 1978 tons of CO₂ emissions.



OUR STRATEGY, POLICIES & PERFORMANCE

Environmental or accidental risk

Sucden operates four sugar beet factories in Russia that produce about 800,000 tons of sugar each year and cultivates more than 244,000 hectares of land. To reduce the risk of accidents, our teams in Russia are constantly working to increase control of the industrial process through an ISO 9001-certified quality process, continuous monitoring of occupational safety issues (ISO 45001 certification) and ongoing deployment of a certified environmental management system (ISO 14001 certification). The agricultural business is managed in such a way as to limit the environmental impact of production using techniques that are shared across the sector.

Climate change risk

Climate change affects agricultural production around the world. In Russia we work to mitigate this risk by continually verifying that the seeds we use in crops, sugar beets or cereals, are the most suitable for local conditions.

As a player in the supply chain for agricultural commodities such as sugar cane, cocoa and coffee, we also help support farmers to adapt their production to the long-term risks related to climate change. This can involve interventions such as income diversification and improved agricultural practices, as well as reforestation. Within our supply chain, we recognize the impact this has on our indirect carbon footprint and will be seeking to understand this material impact to a greater degree. Our detailed actions in the supply chain are shared in on page 21.

Improving environmental management & site safety

Sucden in Russia

Sucden Russia has adopted a local policy to implement the Group strategy and manage the business in an ethical and responsible manner. As for environmental aspects, this includes a focus on certifying our environmental management systems, and on monitoring and optimizing impact on the following matters: sustainable agriculture, energy efficiency, renewable energy use, ISO 26000 or IFC standard guidelines, water consumption efficiency, waste optimization, and food safety. This policy is applied through a specific organization as each Russian industrial or agribusiness entity has environment officers to support the management in dealing with environmental issues and concerns. This structure also helps ensure compliance with locally applicable standards.

Sucden at sea

In preparation for new 2020 IMO regulations, all our vessels have switched fuel oil quality to a new grade of bunkers with a lower sulfur content, thereby reducing our environmental impact. Along with this use of cleaner fuel, Sucden has also equipped each vessel with a brand-new fuel purifying system able to filter up to 80% more residual fine particles, allowing further improvement in fuel quality and reduction in carbon emissions.



OUR STRATEGY, POLICIES
& PERFORMANCE CONTINUED

Saving energy and limiting
our direct carbon footprint

Sucden in Russia

We are committed to reducing our energy consumption and carbon footprint, since it is both beneficial for the environment and helps reduce costs. In addition, cutting the production of waste and optimizing utility usage are key to ensuring overall plant efficiency and industrial process reliability.

We consistently monitor our energy consumption and consider ongoing investments to help us reduce it in both our industrial and agricultural business units. As a rule, any investment has to consider energy savings.

In our agricultural business, we invest in high-performance, modern equipment (tractors, beet harvesters, etc.) that enables us to optimize the management of cultivated land in terms of energy consumption and quality of tillage. Moreover, analytical crop management includes energy consumption among its key parameters.

Sucden at sea

In order to minimize the environmental impact of our shipping operations, as well as improve business opportunities, we invested in modern ships that optimize energy consumption. Our vessels are specifically designed to reduce bunker consumption, have modern, efficient engines, and the latest hull shape, which is specifically coated to reduce water resistance. We maintain a strong focus on maintenance to ensure that we continue to achieve high performance.

Our performance in 2019

Sucden in the world

The following table shows the energy consumed by Sucden's operations by energy type. Greenhouse gas (GHG) emissions are calculated based on this consumption, using country-specific emission factors. Our carbon footprint is monitored based on energy consumption from all industrial, agricultural, logistics, and maritime activities.

Sucden in Russia

In 2019, a mass and thermal balance has been performed for each factory to identify available actions to optimize energy efficiency and carbon footprint.

For management purposes, Sucden monitors:

- CO₂eq per cultivated hectare - 425kg CO₂ eq/cultivated hectare (compared to 359 in 2018),
- CO₂eq per ton of sugar beet processed, - 102kg CO₂ eq., (compared to 113 in 2018).

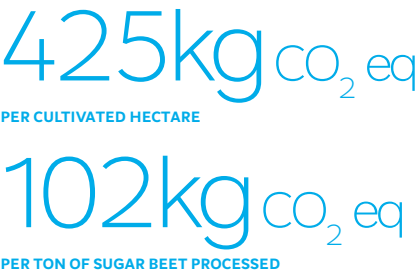
Sucden at sea

The actual Energy Efficiency Design Index for Sucden's vessels is 4.18 grams of CO₂ per ton-mile versus a standard target for this vessel's category of 5.90 grams of CO₂ per ton-mile. Our vessels are compliant with International Maritime Organization regulations through to 2024. Sucden vessels have lower fuel consumption and higher fuel efficiency than standard designs. Fuel consumption for Sucden vessels is just over 20 metric tons a day at 13.5 knots, compared to a standard 27-28mts for similarly sized vessels at the same speed.

Energy consumption and GHG emissions

Zone	Gas	Electricity	Fuel &	Butane /	Total	GHG emissions		
			gasoline	Propane		teq CO ₂	teq CO ₂	
	MWh	MWh	MWh	MWh	MWh 2019	MWh 2018	2019	2018
Asia	199	1,487	2,557	–	4,243	4,658	1,638	1,950
Russia	1,828,002	40,465	290,640	1,231	2,160,338	1,700,665	544,322	378,212
Shipping ¹	–	–	203,864	–	203,864	178,865	66,052	43,761
South America		937	–	–	937	895	332	335
Total	1,828,202	42,889	497,061	1,231	2,369,382	1,885,084	612,344	424,256

1 Shipping section includes all consumption from Sucden vessels





Managing our waste products and production residues

Sucden in Russia

Sugar production generates by-products¹ that can be valuable, such as molasses and beet residue which can be used as fertilizer. In addition, limited volumes of waste are produced, stemming mainly from logistics and commercial activities (such as used pallets and scrap packaging). Agricultural activity itself generates little waste. Still, innovative opportunities to recycle an increased volume of waste are constantly looked at, and all production residues and waste are monitored jointly by each refinery's leadership and the regions' agricultural managers. Actions are undertaken jointly to maximize recovery rates for production residues and to minimize waste.

Sucden at sea

With the exception of organic waste products that are released at sea during voyages, all other wastes are either treated onboard when possible or landed ashore in the ports via specialized disposal companies. All waste is closely followed in a specific on-board waste registry. Our captains and crews have instructions regarding environmental management on-board, and waste management is part of this documented management system.

Our performance in 2019

The data shown below tabulates the waste generated by our industrial and agricultural activities.

Sucden in Russia

In 2019, we made substantial investments (more than 1MUSD) and put in significant organizational effort to optimize waste management, including the following:

- Installation of a third pulp press in ATMIS-SAKHAR, to reduce by 45 000 tons the pulp volume to be spread in the fields and increase marketable pellets' volume.

- Biological treatment system improvements are now implemented in Dobrinski, Atmis and Tbiliski.
- Wastewater study has been launched in Dobrinski to define a 2025 plan to significantly reduce volumes thrown out into the river.

Waste production quantity and recovery rate (January to December 2019)

Zone	Non hazardous	Hazardous	Total waste produced	Recycled volume	Recovery rate
	in metric tons	in metric tons	in metric tons	in metric tons	%
Asia	899,875	220	900 095	–	–
Russia	331,279,458	1,765,120	333,044,578	330,337,851	99.2%
Shipping	–	208,355	–	–	–
South America	214,288	160	214,448	87,000	40.6%
Total	332,393,621	1,973,855	334,159,121	330,424,851	98.9%

¹ Sugar and pellets are considered as products; molasses and beet pulp are considered as by-products. By-products are included in the waste reporting disclosed in this report. These wastes are considered as recovered.

Optimizing our water consumption

Sucden in Russia

Reducing water consumption is one of the key metrics of the sustainability policy that local managers focus on in our Russian operations. This includes reducing the volume of discharged water. In the sugar beet refining process, water used to clean beets can be reused within closed-loop systems. These systems are now being deployed in all three of our plants.

0.8m³

WATER CONSUMPTION / TON OF SUGAR BEETS PROCESSED, COMPARED TO 1.4 M³ IN 2018.

Our performance in 2019

Sucden in Russia

In Dobrinski, a closed loop circuit for syrup cooling has been installed in 2019 to reduce freshwater consumption by 250,000 m³. We also continue benefitting from previous years' investments to reduce water consumption in our sugar factories.

Sucden at sea

The entire Sucden fleet is equipped to produce fresh water for crew and maintenance use (17 metric tons of fresh water/day) by desalination of sea water through a boiling system using waste heat recovered from the main engine.

Zone	Water consumption 2019 (m ³)	Water consumption 2018 (m ³)
Asia	13,056	4,104
Russia	3,346,926	4,220,772
South America	13,100	15,503
Other	115	290
Total	3,373,197	4,240,669

OUR STRATEGY, POLICIES & PERFORMANCE CONTINUED

Conserving our soil and protecting biodiversity

Sucden strives to protect biodiversity, especially in our agricultural and maritime activities, where we have a direct impact. The land we cultivate is the habitat of numerous species, and we employ agricultural practices that protect the soil through crop rotation as well as fertilizer and pesticide management.

Sucden in Russia

We set up an agrochemical soil analysis program in the Dobrinski district to measure soil quality. All fields are analyzed once every five years and annual applications of mineral and organic fertilizers are closely monitored.

Sucden at sea

Our ships travel from one continent to another, and we take great care not to alter local biodiversity as a consequence of our activity. To this end, our vessels are equipped with advanced water ballast treatment systems, preventing contamination of local ecosystem by foreign bio organisms. Furthermore, any chemicals used on board comply with best management practices stipulated by the International Maritime Organization in its Evaluation of Safety and Pollution Hazards of Chemicals.

Our performance in 2019

A program to suppress heavy fuel storage is in place to reduce the risks of soil pollution. This has been fully implemented in Tbilissski in 2019.

Fertigation feasibility studies have also been initiated in order to assess this technical solution within the local agricultural practices' framework. This would allow fields to be irrigated by wastewater coming from the factory as this water imparts nutriment aggregated in the industrial process.

Animal welfare Sucden in Russia

Aside from our main activity of cereals and sugar production, we produce milk from the 3,000 cows that we breed on our farms. Animal welfare is embedded in our milk herd management, and we base our analysis on the five fundamental freedoms as stated within the CIWF (Compassion in World Farming) criteria. At Sucden, we ensure the following actions:

Our performance in 2019

At Sucden, CIWF criteria application establishes the following practical actions:

- Comfort: daily mulching from 8 to 12 kg of straw per animal;
- Ventilation: housing the animals in renovated buildings equipped to manage heat stress, ensure a humidity level in the air not exceeding 70%, and guarantee the safety of the animals;
- Dairy team: trainings are organized to ensure high quality care to prevent and control diseases;
- Feeding: daily control of forage quality from maize, alfalfa and pulp.

Fundamental freedom	Achievement example at Sucden
Do not suffer from hunger or thirst	Renovation of drinking troughs and setting of rations to cover the needs of each category of animals.
Do not suffer discomfort	Purchased rugs to put in hobbled barns to improve comfort. Building of barns with deep-bedded cubicle sand.
Do not suffer pain, injury or illness	Permanent care of the animals with, for example, specific investments in the trimming of animals, and presence of trained people in each farm.
To be able to express natural behaviours	Decreased the use of the tie-stall barn in favor of free housing buildings.
Do not experience fear and distress	All people in contact with animals are sensitized to this dimension and must treat the animals with respect.



SUPPLY CHAIN

Cocoa and coffee businesses make a significant contribution to the economies of producing countries and thereby to the well-being of those households that have decided to cultivate these crops. Our sourcing role is therefore strategic, and we focus on partnering with clients in implementing sustainability programs and reinforcing the monitoring of our supply chain to address community and household level cocoa and coffee related impacts.

Contributing to the following UN Sustainable Development Goals



KEY CHALLENGES, RISKS & OPPORTUNITIES

Cocoa

Cocoa is primarily grown by smallholder farmers in West Africa. The Ivory Coast and Ghana combined produce nearly three million metric tons of cocoa. The average farm size in this region is between two and three hectares, and the average yield ranges between 300 and 500 kg per hectare. It is therefore estimated that there are between two and three million cocoa farmers in Ivory Coast and Ghana alone. The sheer number of cocoa farmers and the total cocoa production in this region means that this crop contributes significantly to these countries' economies.

Many cocoa farmers, however, face challenges, such as lack of availability of labor, decreasing fertility and moisture of soils, and low productivity. These difficulties translate into the need to improve labor practices, safeguard forests, and raise farming family incomes.

In addition, the regulatory landscape is changing in the United States and in the European Union. Current legislation seeks to address the risks of forced labor, child labor, and deforestation in supply chains. As such, as a supplier to chocolate manufacturers and processors, Sucden must take possession of cocoa that meets all regulatory requirements. In order to achieve this goal, Sucden implements sustainability programs that seek to tackle these key challenges.

Our aim is to supply cocoa that helps cocoa-growing families and communities, their countries and the planet to prosper. In order to achieve our goals, we are committed to partnering with stakeholders, such as cocoa sector administering bodies; NGOs, Foundations and companies with expertise on certain topics like forest conservation and improving labor practices; and industry associations in order to confront the sector's many challenges head on.

Coffee

Sucden purchases coffee from more than 20 origins, with key sourcing operations in Vietnam, India, Indonesia and Colombia. The majority (globally around 70 per cent) of the coffee we deliver to our customers has been grown by smallholder farmers who often rely on coffee for their entire livelihoods.

Although mechanical harvest is becoming more common, coffee cherries are still harvested manually in many places, and harvest remains the most labor-intensive stage of coffee production. Together with other farming tasks, coffee cultivation thus creates income opportunities for millions of workers worldwide. Beyond its economic importance, coffee also provides a good opportunity for integrating nature conservation in the productive system. In particular, where coffee is grown within a shaded system, the native trees play an important role for biodiversity and as carbon sinks.

In general, the ecosystems where coffee is grown are being impacted by land degradation and climate change, putting millions of hectares at risk of becoming unsuitable for coffee production. Simultaneously, smallholder farmers struggle with low coffee prices and shortages, as farm workers seek safer and fairer work circumstances. As a result, millions of livelihoods are at stake, as is the future of coffee supply, including its quality and diverse origins.

Taking a share of responsibility for the supply chain that Sucden relies on for its coffee business, implies recognizing the undeniable role of coffee in human livelihoods, culture and productive landscapes and actively participating in order to tackle challenges that are endangering its very existence.

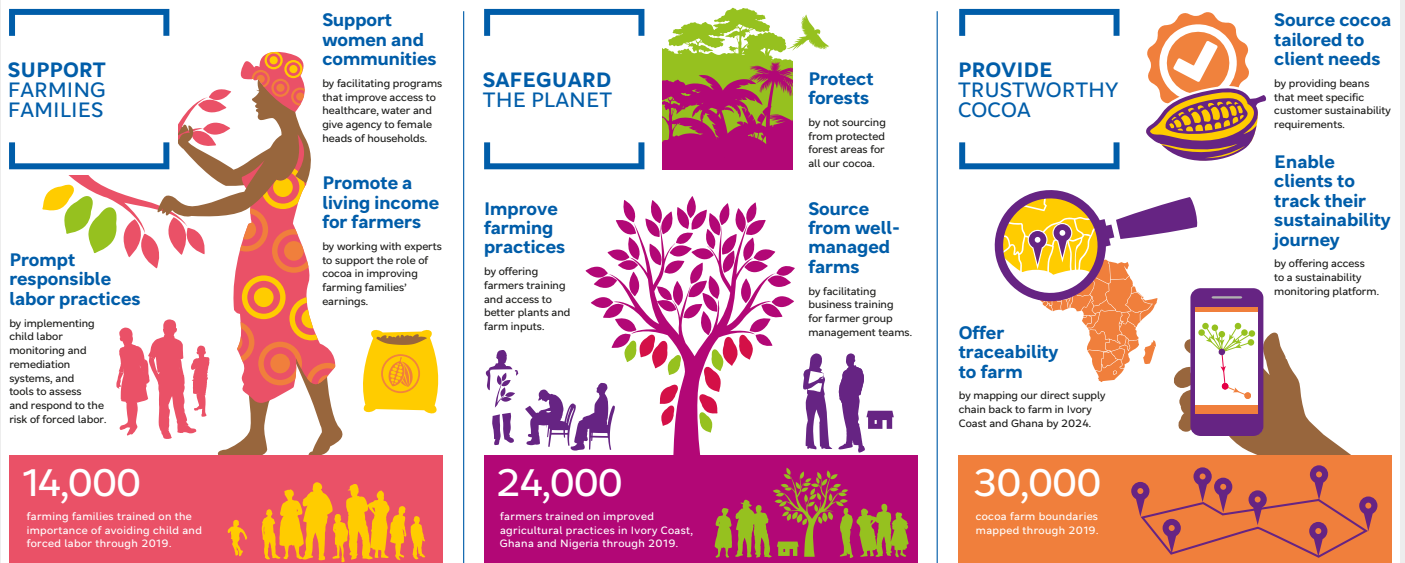
OUR STRATEGY, POLICIES & PERFORMANCE

Cocoa

There is no single solution to the economic, social and environmental challenges facing cocoa farmers. That's why we believe in a flexible approach and adapt our programs to suit local conditions while meeting our clients' needs. In order to speed up progress towards achieving sustainable cocoa, we work through three interlinked ambitions.

30,000

COCOA FARM BOUNDARIES MAPPED THROUGH 2019



We want cocoa farming families to flourish

We work with cocoa-growing families to diversify household incomes, assist children in attending school, and empower women by:

Prompting responsible labor practices

We are committed to playing our part in seeing that forced labor and the worst forms of child labor are eliminated. Children should not conduct work inappropriate for their age and should have improved opportunities to attend school. That's why we are implementing child labor monitoring and remediation systems, while continuing to support farming organizations with training on child and forced labor prevention.

Promoting a living income for farmers

Achieving an income that allows farmers to invest in their family and farm is vital for safeguarding the future of cocoa. This is a complex issue where cocoa can play an important role. We're working to identify how best to improve incomes, partnering with Sourcemap, a supply chain mapping software program that enables us to trace products to the source and track important agricultural, social and environmental data. Sourcemap provides us with insights about the earnings of farmers in our supply chain. At present, we're collecting the baseline data, which will allow the impacts of initiatives in Ivory Coast, Ghana and Nigeria to be measured.

Supporting women and communities

Sudden Cocoa engages expert delivery partners to support communities and address what matters most, such as access to healthcare and water. We facilitate programs that give agency to women in their roles as heads of households and community members.



We want to safeguard the planet

To reduce pressure on critical ecosystems, we support farms to grow cocoa more efficiently by:

Protecting forests

We monitor our supply chain for forest encroachment by mapping the boundaries of all farms in our direct supply chain. We continue to support farmers' improved livelihoods, thereby tackling a potential driver of deforestation, through training on forest conservation and agroforestry.

Encouraging good agricultural practices

Better practices help farmers produce more quality cocoa without encroaching on protected land. We make this possible by offering training to improve farm practices and by helping farmers access better plants and other agricultural inputs.

Sourcing from well-managed farmer organizations

Professionally run farmer organizations and cocoa farms are more successful. That's why we offer business training to the management teams of farmer groups in Ivory Coast, Ghana and Nigeria.

We will continue to provide trustworthy cocoa

Sucden Cocoa uses Sourcemap and our in-country teams to provide clients the information and insights they need by:

Offering a fully traceable supply chain

We source cocoa predominately from Ivory Coast and Ghana. By 2024, we will complete the mapping of our supply chain where programs are in place. In these countries that includes a digital record of the farms from which we source, and the boundaries of these farms, enabling us to monitor for forest encroachment. As of 2019, all 30,000 farms in our sustainability programs were mapped in this way.

Sourcing cocoa tailored to client specifications

Sucden Cocoa helps clients source beans that meet their own sustainability requirements or those of certification standards. We manage and assess programs to ensure that premiums for growing certified cocoa are correctly disbursed to farmers, and that client investments in sustainable cocoa programs are used effectively.

Enabling clients to track their sustainability journey

We provide access to personalized dashboards showing sustainability program delivery information. This makes it easy for clients to confirm that their cocoa production requirements are in place at the farms growing the cocoa that they ultimately purchase.

In 2019, Sucden Cocoa published¹ its "Sucden Forests Protection Policy for the Cocoa Supply chain."

In addition, we joined the World Cocoa Foundation's Cocoa and Forests Initiative². The Cocoa and Forests Initiative is a pre-competitive, industry-wide initiative, which seeks to protect and restore the forests of Ivory Coast and Ghana, promote sustainable cocoa production and farmers' livelihoods, and support community engagement and social inclusion.

We also joined the International Cocoa Initiative³, which promotes child protection in cocoa-growing communities in Ivory Coast and Ghana.

Our performance in 2019

In 2019, we achieved the following:

- In Ivory Coast, on behalf of our clients, we trained 10,662 farmers on good agricultural practices and managed 72 demo plots. We worked with Solidaridad to train 40 women from a cooperative on income-generating activities, financial management and nutrition. We collaborated with PUR Projet to conduct a feasibility assessment for an agroforestry project, through which we will plan to plant 155 shade trees per hectare on farms with at least 75 farmers. In partnership, with our clients, we set up child labor monitoring and remediation systems across 12 cooperatives.

- In Ghana, jointly with our clients and Licensed Buying Company partners, we have trained 11,562 farmers on good agricultural practices. We have also mapped 24,879 farms with polygons and distributed 2158 multi-purpose shade trees for on-farm planting. One of our partner Licensed Buying Companies has worked on a gender program, which focuses on how to better engage with women, both on cocoa farms and at the farmer organization level.
- In Nigeria, in partnership with our client, we trained 7,852 farmers on good agricultural practices and established 93 cocoa nurseries. In addition, we trained over 7,000 farmers on nutrition and on ecosystem protection, soil conservation, and biodiversity.

¹ https://www.sucden.com/media/1483/sucden_cocoa-forest-protection-policy.pdf

² <https://www.worldcocoaoundation.org/initiative/cocoa-forests-initiative/>

³ <https://cocoainitiative.org/>

OUR STRATEGY, POLICIES & PERFORMANCE CONTINUED

Coffee

As a global coffee trader with a considerable market share and presence in many origins, we aim to use our knowledge, our resources and business incentives to identify, prevent and mitigate the sector's main social and environmental risks in a holistic manner. We are improving traceability and building a thorough due diligence process. We're developing a sustainability approach that takes into consideration the inherently complex character of the coffee supply chain, and embeds sustainability initiatives at farm, landscape, and planet level.

Compliance with our internal standards is to be assured by our **Coffee Supplier Code of Conduct** which is being introduced to suppliers in various origins. Our objective is a gradual roll-out to achieve 100% compliance in the near future.

Historically the **Voluntary Sustainability Standards**, such as those introduced by Rainforest Alliance, UTZ and 4C, have always been an important part of our sustainability approach. In 2019, we have also included Fairtrade and Organic certification in our portfolio. Our objective is to continue to increase the share of certified coffee in our trade, to achieve 50% by 2025. We have selected this target primarily based on the demand of the market. We will continue to respond to the needs of our customers.

In 2019, we have also included Fairtrade and Organic certification in our portfolio.

Besides compliance with standards, we've committed ourselves to the **UN Sustainable Development Goals**, as laid out in the Global Compact and the Sustainable Coffee Challenge, by actively helping to build a resilient coffee supply chain, in particular by achieving the following objectives:

- Improving livelihoods of growers and workers, through income diversification & improved labor conditions
- Sustaining supply in a socially and environmentally responsible way, through increased productivity and enhanced resilience of coffee production systems
- Conserving nature through forest protection and improved water resource management

50% target

FOR CERTIFIED COFFEE SHARE AT SUCDEN BY 2025



Our performance in 2019

Certified trade

- 17% of the coffee we trade is certified, compared to 11% in 2018, with our target being 50% until 2025
- Total production within own certified programs amounted to 28,000 MT

Sustainability programs

Sucden supply chain projects – Sustaining landscapes in India (Karnataka, Ponampet)

Sucden has partnered with the local Forestry College to address challenges faced by one of our coffee sourcing regions. The objective of the project is to revive the self-sustaining, diversified coffee farming landscape in the region by promoting increased tree cover and eco-friendly practices. This will be done by promoting economically important native and fruit yielding trees among farmers, as well as by increasing the tree cover in community lands. College nurseries will supply the project with necessary planting material. Training of farmers will be carried out by local experts and further on-farm work will be supported by college students via a newly created participatory curriculum.

Client-partner projects – Empowering local farmers in Indonesia (South Sumatra, Pagar Alam)

The goal of the project is to enhance the livelihood of smallholder Robusta coffee farmers through strengthening and diversifying incomes from coffee and other associated crops, reducing agrochemicals, and halting deforestation through incentives. Activities in the project are intended to increase production of Robusta coffee and its associated crops (e.g. avocados and durian), through development of improved, environmentally sustainable agricultural management, as well as management and marketing practices that provide a sustainably produced, traceable supply high-quality Robusta coffee and other

commodities to the commercial sector.

The project also identified types of coffee farm rejuvenation methods, including the establishment of farm nurseries. The methods are expected to give benefit and can be adopted by farmers in Pagar Alam and other areas that grow coffee.

In 2019

- 1,400 farmers were trained on agroforestry and associated practices
- 6 field staff and 25 extension officers were trained on key topics
- 4 demonstration plots were mapped and designed
- 11 public nurseries were established

Sector initiatives– Sustainable Coffee Challenge

Sucden is a proud member of the Sustainable Coffee Challenge, which is being led by Conservation International. As part of our commitment to the Challenge, Sucden supports the Coffee Days Campaign: Building Resilience in Coffee Communities. This campaign will support coffee farmers in landscapes across Honduras, Colombia and Peru that are threatened by climate change and market instability.

Our commitment to the Challenge: “helping to build a resilient coffee supply chain, to safeguard natural resources and to secure the livelihood of millions of coffee farmers around the world. We are fully aware that complex challenges faced by the coffee supply chain can only be tackled in collaboration at sector level. We appreciate and support the initiative taken by Sustainable Coffee Challenge to unite and structure the movement towards a better coffee future for all. Therefore, we commit to participate in this journey by sharing knowledge, leveraging resources and striving to build enabling environments for change to take place.”

BBS Sustainable Commodities Partnership

The Bukit Barisan Selatan (BBS) Sustainable Commodities Partnership (‘BBS KEKAL’) is a new and innovative landscape partnership to protect forests and support improved livelihoods around the Bukit Barisan Selatan National Park (BBSNP) in southern Sumatra. Sucden is engaged in Roundtable discussions since 2018, together with over 15 coffee companies who signed the Collective Statement of Intent.

BBS KEKAL aims to contribute towards reduced deforestation of around 20,000 hectares in the park compared to a business-as-usual scenario; equivalent to the avoidance of 13,167,109 MT of CO₂ emissions (2020-2050). The project aims to restore the ecological integrity of BBSNP, securing c.318,000 hectares and restoring an additional 2,500 hectares of degraded forests, while engaging and supporting the livelihoods of an estimated 20,000 farmers cultivating in the buffer zone of BBSNP.



COMMUNITIES

Sucden is very well-aware of its impact on the communities we interact with, in conducting transactions with local producers, employing people, paying taxes, and supplying food ingredients to the world's consumers. We aim to share the positive impact of our activity and optimize our global footprint by leveraging the involvement of our employees to support universal causes.

KEY CHALLENGES, RISKS & OPPORTUNITIES

As a trading house company, Sucden has a global footprint, with premises in 25 countries and employees traveling to almost all countries in the world. In every place we operate, we consider that our employees reflect the company's values. As such, our business partners should see our values applied in the field by all Group members.

Having more than 5,000 employees, Sucden's teams are constantly being faced with or introduced to local concerns, such as nutrition and health, education, environment, and social & livelihood issues. Our employees voluntarily interact with local communities and contribute to addressing these issues. This positive impact generation forms part of the long-term relationship of confidence we build with our partners, and we look forward to keeping this approach by constantly supporting these activities.

OUR STRATEGY, POLICIES & PERFORMANCE

Sucden supports causes that are important to us, by contributing financially to recognized organizations, causes and specific projects. We are particularly focused on health and education projects in the origin countries where we source and process commodities. We are committed to allocating more than 1% of our consolidated net income to such activities. This commitment goes through two main channels:

- We provide support to universal causes, based on our corporate perception of challenges.
- We intend to leverage our employees' involvement and expertise through our Corporate Foundation which is financially supporting:
 - Projects where employees are personally involved, generating positive impact on local communities throughout the world.
 - Projects identified by employees in regions where the Group operates and/or sources/sells commodities.

Contributing to the following UN Sustainable Development Goals





Our performance in 2019

In 2019, Sucden contributed more than 2 million USD, compared to 1.9 in 2018 to various organizations and initiatives; this represents around 2% of our 2019 consolidated net income.

A few examples of charities supported by Sucden or its Corporate Foundation in 2019:

Sidaction¹

Sidaction fights against AIDS by supporting research programs, community care programs, and by providing treatment and assistance for the sick, both in France and abroad. Sucden has been a partner to Sidaction for the last 5 years, to support specific programs in Africa.

Heritage foundation²

Sucden signed a three-year commitment with the French Foundation to safeguard the cultural and architectural heritage in the country.

Healing Hands of Hope Colombia³ – Project “El Refugio” in Colombia

We signed a three-year commitment to support the building and starting of a new school in Colombia, in Tierra Bomba where education infrastructure is not sufficient.

StrongWoods⁴ initiative in Ivory Coast

We signed a three-year commitment to initiate a reforestation project including nursery tree creation and tree-planting with related monitoring.

Institut du Cerveau et de la Moelle épinière – ICM⁵ (Brain & Spine Institute)

ICM is an international brain and spinal cord research center whose innovative concept and structure make it the only institute of its kind in the world. The ICM brings patients, doctors and researchers together with the aim of rapidly developing treatments for disorders of the nervous system and enabling patients to benefit from them as quickly as possible.

Association Coup de Pouce⁶

Coup de Pouce works in partnership with municipalities and public schools in France to enable every child, regardless of their socio-economic environment, to chart a course towards academic success.

The Pan-African Organization to Fight for Health (OPALS)⁷

OPALS is a medical organization dedicated to maternal and child health in Africa.

Additionally, some subsidiaries make donations locally to address specific issues, such as financing nurseries or schools for children, local charity programs or support for employees' humanitarian projects. Their contribution is included in the Group figures disclosed in this section.

USD 2 million

DONATED JANUARY TO DECEMBER, 2019

2%

NET INCOME DONATED IN 2019

¹ <https://www.sidaction.org/>

² <https://www.fondation-patrimoine.org/>

³ <http://colombia.thehandsofhope.org/>

⁴ <https://strong-woods.com/fr/>

⁵ <https://icm-institute.org/en>

⁶ <http://www.coupdepouceassociation.fr/general/about-us/>

⁷ <https://www.opals.asso.fr/en/>

AUDITOR'S REPORT

Report by one of the Statutory Auditors, appointed as independent third party, on the consolidated non-financial statement

For the year ended 31 December 2019

To the Annual General Meeting,

In our capacity as Statutory Auditor of your company (hereinafter the "entity") appointed as independent third party, and accredited by the French Accreditation Committee (Comité Français d'Accréditation or COFRAC) under number 3-1049¹, we hereby report to you on the consolidated non-financial statement for the year ended 31 December 2019 (hereinafter the "Statement"), included in the Group management report pursuant to the requirements of articles L.225-102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code (Code de commerce).

Responsibility of the entity

The Board of Directors is responsible for preparing the Statement, including a presentation of the business model, a description of the principal non-financial risks, a presentation of the policies implemented considering those risks and the outcomes of said policies, including key performance indicators.

The Statement has been prepared in accordance with the entity's procedures (hereinafter the "Guidelines"), the main elements of which are presented in the Statement and available upon request at the entity's head office.

Independence and quality control

Our independence is defined by the requirements of article L.822-11-3 of the French Commercial Code and the French Code of Ethics (Code de déontologie) of our profession. In addition, we have implemented a system of quality control including documented policies and procedures regarding compliance with applicable legal and regulatory requirements, the ethical requirements and French professional guidance.

Responsibility of the Statutory Auditor appointed as independent third party

On the basis of our work, our responsibility is to provide a report expressing a limited assurance conclusion on:

- the compliance of the Statement with the requirements of article R. 225-105 of the French Commercial Code;
- the fairness of the information provided in accordance with article R.225-105 I, 3° and II of the French Commercial Code, i.e., the outcomes, including key performance indicators, and the measures implemented considering the principal risks (hereinafter the "Information").

However, it is not our responsibility to comment on the entity's compliance with other applicable legal and regulatory requirements, nor on the compliance of products and services with the applicable regulations.

Nature and scope of our work

The work described below was performed in accordance with the provisions of Article A.225-1 et seq. of the French Commercial Code, as well as with the professional guidance of the French Institute of Statutory Auditors

(Compagnie nationale des commissaires aux comptes or CNCC) applicable to such engagements and with ISAE 3000²:

- We obtained an understanding of all the consolidated entities' activities, and the description of the principal risks associated;
- We assessed the suitability of the criteria of the Guidelines with respect to their relevance, completeness, reliability, neutrality and understandability, with due consideration of industry best practices, where appropriate;
- We verified that the Statement includes each category of social and environmental information set out in article L.225-102-1 III;
- We verified that the Statement provides the information required under article R. 225-105 II of the French Commercial Code, where relevant with respect to the principal risks;
- We verified that the Statement presents the business model and a description of principal risks associated with all the consolidated entities' activities, including where relevant and proportionate, the risks associated with their business relationships, their products or services, as well as their policies, measures and the outcomes thereof, including key performance indicators associated to the principal risks;
- We referred to documentary sources and conducted interviews to:
 - assess the process used to identify and confirm the principal risks as well as the consistency of the outcomes, including the key performance indicators used, with respect to the principal risks and the policies presented;

¹ Accreditation scope available at www.cofrac.fr

² ISAE 3000: international standard on assurance engagements other than audits or reviews of historical financial information

³ SDI (Russia); Sucden Financial Limited (UK); Sucden Armateurs (France).

- corroborate the qualitative information (measures and outcomes) that we considered to be the most important. Concerning certain risks as Supply chain risk and Code of ethics or law breaches and reputational risk, our work was carried out on the consolidating entity, for the other risks, our work was carried out on the consolidating entity and on a selection of entities³.
- We verified that the Statement covers the scope of consolidation, i.e. all the consolidated entities in accordance with article L. 233-16 of the French Commercial Code;
- We obtained an understanding of internal control and risk management procedures the entity has put in place and assessed the data collection process to ensure the completeness and fairness of the Information;
- For the key performance indicators and other quantitative outcomes that we considered to be the most important, we implemented:
 - analytical procedures to verify the proper consolidation of the data collected and the consistency of any changes in those data;
 - tests of details, using sampling techniques, in order to verify the proper application of the definitions and procedures and reconcile the data with the supporting documents. This work was carried out on a selection of contributing entities³ and covers between 86% and 100% of the consolidated data selected for these tests;
- We assessed the overall consistency of the Statement based on our knowledge of all the consolidated entities.

We believe that the work carried out, based on our professional judgment, is sufficient to provide a basis for our limited assurance conclusion; a higher level of assurance would have required us to carry out more extensive procedures.

Means and resources

Our work was carried out by a team of six people between December 2019 and April 2020 and took a total of approximately three weeks.

We were assisted in our work by our specialists in sustainable development and corporate social responsibility. We conducted approximately ten interviews with the people responsible for preparing the Statement.

Conclusion

Based on the procedures performed, nothing has come to our attention that causes us to believe that the non-financial statement is not presented in accordance with the applicable regulatory requirements and that the Information, taken as a whole, is not presented fairly in accordance with the Guidelines, in all material respects.

Paris-La Défense, on April 21st 2020
KPMG S.A.

Fanny Houlliot

Partner
Sustainability Services

Laurent Génin

Partner



20/22, rue de la Ville l'Évêque
75008 Paris
France

Phone: +33 (0) 1 53 30 12 34
Email: sustainability@sucden.com