



RESPONSIBILITY REPORT

2023





RESPONSIBILITY
REPORT
2023



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AT SUCDEN, WE RECOGNIZE OUR LONG-TERM SUCCESS DEPENDS ON THE SUSTAINABILITY OF OUR BUSINESS AS A WHOLE.

To achieve this, we take care of our employees, clients, suppliers and partners, and act responsibly towards the communities in which we operate and the environments we share. Sucden's approach and business activities are designed to create long-lasting solutions and fair business opportunities.

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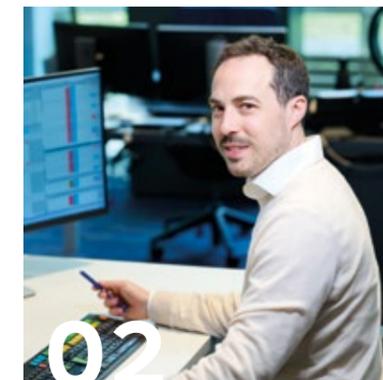
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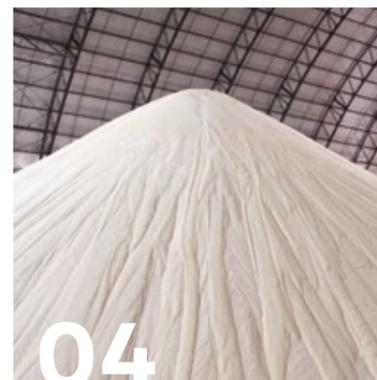
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CHAIRMAN'S MESSAGE



Serge Varsano
Chairman

In 2023, the group made sure to address climate change, adapt to new regulatory requirements, and be a positive force within the supply chains in which it operates.

"Every year, Sucden further demonstrates its ability to adapt to an ever-changing environment. 2023 has been no different. In addition to geopolitical crises and tension, it was the warmest year on record – a worrying trend in a pre-Olympic year – with dramatic fires and floods on nearly every continent. The commodities world also underwent severe turbulence as it faced a rise in Cocoa prices and a significant volatility in the price of sugar.

In this context, Sucden deployed its strategy, reshaped the company, and further embraced its responsibility and leading role in the global food security industry. In 2023, the group made sure to address climate change, adapt to new regulatory requirements, and be a positive force within the supply chains in which it operates:

- growing and training sustainability teams to reach set high-performance levels; achieving compliance expectations for the EU Deforestation Regulation and other requirements; and aligning food security objectives to sustainability & responsibility principles.
- closely monitoring Scope 3 GHG emissions, as reported in the following pages.
- considering responsibility in its business development actions:
 - o expanding its perimeter to acquire a minority stake in Moroccan sugar producer Cosumar.
 - o developing its grains origination business in Australia.
 - o beginning to divert from ship ownership to prioritize commodity supply.

As a family business supplying agricultural commodities to the world, we take our responsibility very seriously. The Sucden Group is committed to long-term efforts, using all tools and actions within its reach, and applying the highest operational standards. Our business principles and adherence to the Global Compact initiative, for instance, are core to the culture of our company. We strive to identify and work with people who endorse our values: fair business practices, long-term relationships, creative situation assessment, prudent and informed risk taking. We look at new regulations as inspiration to advance our practices, and substantiate our license to operate on our market, as well as in countries in which we source or distribute commodities.

In 2023, food security has been a key focus, including in internal seminars for our top managers. This will continue in the future, as food security matters to every pillar of our diversified group: we produce sugar through our agro-industrial activity, we source commodities and support smallholder farmers through our physical trading activity, we allow our partners to stabilize and forecast their revenues through financial hedging instruments, and we invest in start-ups with potential breakthrough technologies for the future of sustainable food and agriculture.

After more than 70 years of history, innovative ideas and perspectives are still in our DNA; improving our performance in the food security market with responsibility and vision remains our daily motivation."

BUSINESS MODEL

Sucden is principally a major trading house engaged in the soft-commodities supply chain. We facilitate exchanges between producers and consumers worldwide.

To do so, we trade on the world's major exchanges in a wide range of products and services, including sugar, coffee, cocoa, ethanol, ocean freight, as well as undertaking futures and options brokerage. To support this, 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.

We are an independent company with 71 years of experience on the commodities markets. We analyze all opportunities from a long-term perspective, always considering the constraints or expectations of our business partners and the local authorities.

RESOURCES

Long term shareholders

71 years
Family owned company - 1.7 billion \$ equity

Long lasting bank relationship
2.4 billion \$ debt

5,578
employees worldwide

Long-term supplier relationships in all producing countries

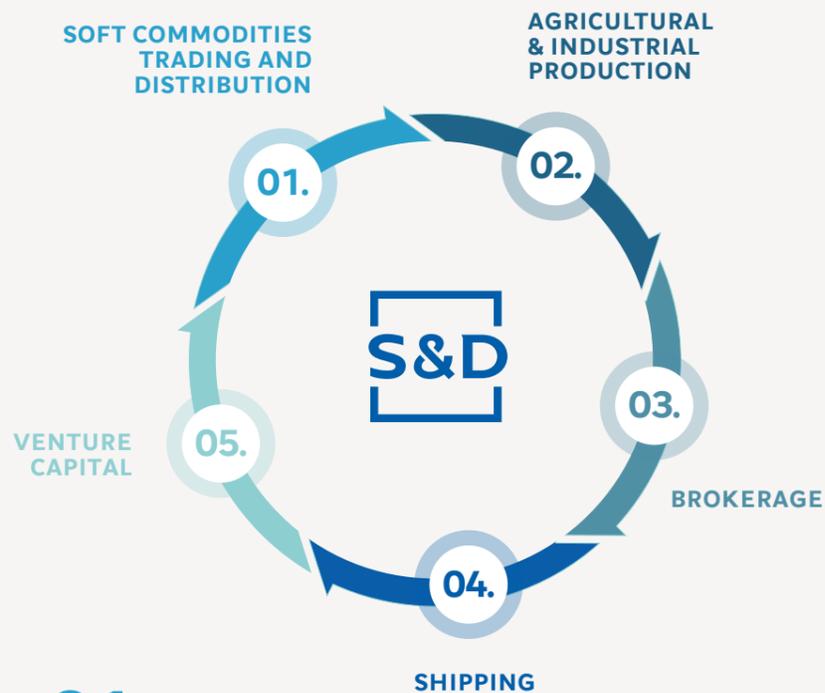
Assets

4 sugar plants & 250 thousand ha land

3 vessels

Offices in **25** countries

ACTIVITIES



01.

Organize sourcing, transportation, storage, marketing and distribution of goods (sugar, ethanol, cocoa, coffee, pellets and molasses, grains & oilseeds) worldwide

Provide financing to selected counterparties

291,000 tons of grains

9.6 million tons of sugar

516,000 tons of cocoa

321,000 tons of coffee

200,000 m³ of ethanol

RISK MANAGEMENT & SUSTAINABILITY

- Assess and mitigate key business risks (operational, market, credit and liquidity)
- Ensure fair business practices along the whole supply chain
- Identify and spread best practices (agricultural, environment...), monitor performance
- Support recognized or innovative standards

02.

Produce grains and high-quality sugar in the CIS

507,000 tons of cereals

615,000 tons of sugar

03.

Provide International derivatives brokerage services (non-ferrous Metals, soft commodities, foreign exchange and bullion)

04.

Operate fleet of three breakbulk carriers

Capacity of 129,000 tons

05.

Select initiatives, and invest in innovative early-stage companies with disruptive technologies that could transform the future of food and agriculture

BUSINESS MODEL

PERFORMANCE & VALUE CREATION

FOR OUR BUSINESS PARTNERS

Connect supply and demand

12.2 million tons sourced

Contribute to design responsible supply chains through programs at origin

10.0 billion \$ spent in 2023

FOR OUR PEOPLE

Promote Well-being at work

13.9% staff turnover

243 million \$ salaries paid to employees

FOR THE ENVIRONMENT

Optimise and reduce GHG emissionson scope 1,2, and 3

22.3 million tons of CO₂ in 2023

Optimise and reduce water consumption reduction

3.0 m³/ton of sugar produced

Mitigate deforestation risk

504,142 tree seedlings distributed

FOR COMMUNITIES

Certification & development programs

All products have certifications on existing standards (Bonsucro, RA, GMP+, etc.)

Trainings on child labour in the direct supply chain

83%

Contribute to local countries' services

44 M\$ taxes paid

Support universal causes

3.8 M\$ donated in 2023

OUR APPROACH TO CORPORATE RESPONSIBILITY

OUR APPROACH TO CORPORATE RESPONSIBILITY

Corporate responsibility is at the heart of our company culture. Our aim is to be a global leader in connecting agricultural supply and demand in a sustainable way. Our vision of sustainable growth is based on the five key action areas shown.

OUR MATERIAL ISSUES



OUR ACTION AREAS



IMPACT ON SDGS



The diagram shows the material issues we can address through our five action areas, and how each contributes to the United Nations Sustainable Development Goals. We ensure sustainability is part of our mindset at all times, and look to maximize our positive impact. We have developed a step-by-step approach to identifying our key material issues and the direct and indirect impacts we have.

STEP 1 – RISK ASSESSMENT AND COMPLIANCE PRINCIPLES

On any matter we identify as significant to our activities¹, we make sure to conduct a risk and opportunity assessment. This creates a clear focus for our responsibilities. We disclose potential risks and issues in this report, identified based on French and EU regulations and the UN Sustainable Development Goals.



In anticipation of the forthcoming requirements of the EU Commission's Corporate Sustainability Reporting Directive (CSRD), we conducted a comprehensive double materiality analysis in 2023. This analysis leveraged our experience on sustainability matters over recent years as well as continuous discussions we hold with stakeholders. The approach was designed to capture all environmental and social factors relevant to our business.

Amongst available topics, a total of 17 significant sustainability matters were selected and discussed during CSR forums, where both qualitative and quantitative items were assessed.

Following this first step, and as we look forward to the future, our strategic plan includes a thorough update of our initial analysis. We aim to achieve this by engaging with a selection of business partners, whose valuable insights and challenges will be instrumental in this process. The results of this analysis will serve as a critical input in refining our CSR strategy for the upcoming years.

¹ Food waste and sustainable food choices are not considered as material when connecting suppliers and major industrial clients.



STEP 2 – KNOW OUR IMPACTS AND IDENTIFY OUR MATERIAL RISKS

Our diverse activities – trading, agricultural and industrial production, and logistics – can bring many challenges. Therefore, analyzing the materiality of these issues is essential to establishing a responsible and efficient strategy. We classify the main impacts we can have as follows:

DIRECT IMPACTS

Business practices

The way we conduct business anywhere in the world is fundamentally important. We do business with integrity, accountability and responsibility.

- Fair business practices
- Company culture

People

Our interactions with people define us as a business. We will treat people in all walks of life with dignity and respect, wherever we operate. Equally, we promise to provide our employees with a safe place to work.

- Building a safe environment
- Wellbeing at work
- Talent management

Environment

With a business in soft-commodities production, the way we treat the world around us inevitably affects our future. Therefore, we aim to constantly reduce our environmental impact and conserve natural resources.

- Soil management
- Scope 1 & 2 GHG emissions
- Transport and logistics
- Waste management
- Water stewardship
- Animal welfare

INDIRECT IMPACT

Supply chain

Our supply chain affects communities in the areas we source from. We protect forests in the coffee and cocoa supply chains through innovative tree-planting programs. We are looking more closely at our overall carbon footprint in this critical part of our business.

- Livelihoods of growers and workers
- Responsible supply & sustainability programs
- Forest protection and nature conservation
- Decarbonization
- Traceability

Community involvement

We invest in the communities we interact with, making the most of our employees' local knowledge and involvement to effect positive change and identify appropriate solutions.

- Having a positive impact in our communities
- Local social investment and support

STEP 3 - CONTINUOUSLY WORK ON OUR COMPANY CULTURE, AND ESTABLISH A SUSTAINABILITY MINDSET

Setting an efficient governance framework, with responsibility as part of our organizational culture

Governance is vital, and an integral part of our management structure. Sucden's management board sets our sustainability strategy and considers responsibility issues, reviews and acknowledges achievements and ongoing programs, and allocates resources.

To ensure we have the resources to meet our objectives, the Board delegates implementation of the strategy to a Responsibility Forum, coordinated by Sucden's Chief Responsibility Officer and comprised of sustainability and operational managers from around the Group. These managers are responsible for developing programs and initiatives and helping to develop the responsibility culture in all subsidiaries and regions. The Forum meets quarterly.

Ensuring responsibility and sustainability everywhere

To maximize our impact and align with our principles and values, we involve all the Group's functions and employees in our responsibility and sustainability activities. This can be through matters such as office recycling or not using plastic cups, which though small scale, still have a positive impact.

Improving internal and external communication

To continuously enhance awareness of responsibility and sustainability around the company, we run local training sessions and publish a corporate newsletter to help employees communicate with our business partners on these issues.

STEP 4 - DEFINE HOW WE WILL REACH OUR OBJECTIVES

The framework above helps the Board to leverage our desire to do business in an ever-more sustainable way and maintain our license to operate. We have set the following guidelines:

Commitments

Our memberships and affiliation with Global Compact, Cocoa & Forest Initiative, and the International Cocoa Initiative demonstrate our determination to turn our values into actions.

Certifications

When certifications are available and valued in the industry, we aim to play a part. This includes certifying our industrial operations, as well as the products we trade. Beyond being a commitment, these certifications encourage us to strive for excellence.

Direct action and internal processes

In addition to certifications, we aim to have a positive impact in our sphere of influence, such as with business partners, local families at origins, and local authorities. Our teams address external issues and internal processes to ensure we apply our values across the Group. Our Compliance Framework is part of this stringent process management.

Partnerships to initiate local action

We seek to build partnerships with important bodies and support existing collective initiatives to manage our challenges. Generating a positive impact means bringing many skills together and requires experimenting, given the complexity of certain issues. Using the wealth of available expertise, we can accelerate our transition to fully traceable and sustainable supply chains.

Corporate foundation

We have established a corporate foundation to enhance our employees' local involvement. The Sucden Foundation now funds projects that can have a positive impact on nutrition and health, education, the environment and social issues. It enables us to make a distinct and significant contribution to the community by funding of two types of project:

- Those in which our employees are personally involved.
- Those that enhance the positive impact we have on the environment and the communities in which we operate.



PERFORMANCE REPORTING

SUCDEN HAS A POLICY OF CONTINUOUSLY MONITORING AND REPORTING ON ITS COMMITMENT TO AND STRATEGY FOR COMPLIANCE, ENVIRONMENTAL AND SOCIAL ISSUES.



01. BUSINESS PRACTICES

To be able to conduct our business ethically and with integrity, we constantly develop our compliance and certification processes.

Contributing to the following UN Sustainable Development Goals



KEY CHALLENGES, RISKS AND OPPORTUNITIES

CORPORATE CODE OF CONDUCT AND REGULATORY RISK

Sucden is committed to conducting its business in accordance with all applicable laws wherever we operate. This includes an increasing number of rules and regulations issued by the French, EU, US and other relevant country authorities and international organizations.

It is also a legal requirement under French law (Transparency, Anti-Corruption & Economic Modernization Act 2016-1691 of December 9, 2016 'Loi Sapin II') to take whatever measures are necessary to prevent and detect all possible types of corruption. More generally, we have procedures in place to ensure we conduct our business activities in compliance with our obligations regarding international sanctions, anti-money-laundering, anti-corruption, and anti-terrorism financing. These are especially important when we source or sell commodities in countries considered to be at risk.

EXPECTATIONS AND OPPORTUNITIES

Demand for sustainable and responsible commodities will continue to grow in the coming years. Our proximity to producers of sugar, cocoa, coffee and ethanol, means we are well positioned to meet this demand by tracking origins and helping local communities to develop responsibly.

Besides, as our way of doing business is strongly focused on building ethical long-term supplier relationships, we believe that responsibility and sustainability will become the norm throughout the entire supply chain.

01. BUSINESS PRACTICES

OUR STRATEGY, POLICIES AND PERFORMANCE

CONDUCTING BUSINESS IN AN ETHICAL, LAWFUL, AND COMPLIANT MANNER

Our Code of Conduct² sets out the rules, principles and values our employees should always adhere to when working. It is a fully comprehensive document that we update regularly and is supplemented by other information and policies such as our forest protection policy or anti-corruption policy.

We also have a comprehensive Compliance Framework to ensure we operate according to any applicable laws and regulations and the principles and values of our Code of Conduct.

Amongst others, the Compliance Framework includes:

- a risk map to identify our main risks;
- details of our whistleblowing policy;
- our Know Your Customer (KYC) and Know Your Supplier (KYS) procedures;
- policies relating to international sanctions, anti-money laundering and anti-bribery;
- training on compliance issues for employees who may be exposed to corruption;
- regular financial and compliance audits.

Our Compliance Committee meets regularly to determine our compliance strategy, monitor issues, and to implement and make decisions about the compliance program.

We have also introduced a Personal Data Protection Policy to comply with the EU General Data Protection Regulation.

OUR PERFORMANCE IN 2023

Through the Compliance Committee, our management ensures that all employees continue to understand and apply our compliance policy.

In 2023, we continued to monitor all compliance-related activities within the Group, tracking measures taken to prevent and detect corruption, organizing training sessions, and reviewing the efficiency of our processes via internal audits. We also ensured our employees were fully aware of our whistleblowing policy, to further strengthen our goal of fair business practices.

COMMITMENTS TO GLOBAL INITIATIVES

We are always keen to share our view on corporate responsibility with our stakeholders and other interested parties. This is illustrated by commitments and initiatives we endorse either at Group level or activity level, whichever is appropriate.

OUR PERFORMANCE IN 2023

Our commitments include both corporate and sector-specific initiatives, and we continue to adhere to the following:

- Global Compact: an overarching public commitment for the Group and all its diversified activities.
- For cocoa, we are a member of the:
 - o Cocoa & Forest Initiative (CFI)³, which encourages industry efforts to protect forests and ensure traceability of cocoa.
 - o International Cocoa Initiative (ICI)⁴, which promotes child protection in cocoa-growing communities, and works to ensure a better future for children and their families.
- For sugar, we remain a member of Bonsucro and joined its Members' Council to share our experiences and contribute to the organization's success.
- In maritime transport activity, we remain a member of the Maritime Anti-Corruption Network (MACN)⁵ to support its worldwide efforts to tackle corruption in the shipping industry. MACN aims to provide information and raise awareness of the challenges its members face, and works with governments, NGOs and civil society to identify and mitigate the root causes of corruption.
- We also participate in many general sector initiatives.

² <https://www.sucden.com/en/corporate-responsibility/code-of-conduct/>
³ <https://www.worldcocoafoundation.org/initiative/cocoa-forests-initiative/>
⁴ <https://cocoainitiative.org/>
⁵ <https://macn.dk/>

01. BUSINESS PRACTICES

CERTIFYING OUR PRACTICES AND PROCESSES

We are keen to demonstrate that our practices and processes reflect the highest standards in our industry. We believe certification encourages and raises standards all round. Our certification strategy is based on:

- Certifying our processes for trade-certified products: this increases demand and is one way, among others, of demonstrating the reliability of our processes and traceability of our products.
- Certifying our asset-based activity: our vessels and plants in the CIS (Commonwealth of Independent States) work to a certification strategy that addresses environmental, health and safety, supply chain, and social practices.



OUR PERFORMANCE IN 2023

We renewed and improved on the assessments performed in previous years, with the following key achievements:

- Several entities within the Group requested an EcoVadis external assessment. EcoVadis is the world's largest and most trusted provider of business sustainability ratings. In 2023, our main French entity maintained its Gold level⁶.
- Sugar. Several of the Group's offices and subsidiaries are certified to trade Bonsucro⁷ sugar, a standard for promoting sustainable sugarcane production, processing, and trade around the world. This year, we sold around 226,000 tons of it.
- Sugar-beet pulp pellets. In 2023, we renewed our GMP+ certification, an animal-feed safety-assurance certification that gives customers full product traceability, as well as hazard management insurance at each stage of the supply chain.
- Cocoa. We are certified to trade Rainforest Alliance, as well as Fairtrade.
- Coffee. We are certified to trade, Rainforest Alliance, 4C, Fairtrade, Café Practices, and organic-certified coffee. In 2023, we sold more than 60,000 tons of certified coffee.
- Ethanol. We are certified according to the International Sustainability & Carbon Certification (ISCC) system and supply certified ethanol.

⁶ Gold level is granted to the top 5% of performers.

⁷ <https://www.bonsucro.com/what-is-bonsucro/>

Sucden in the CIS

In the CIS, certification is one of the ways we showcase our best-in-class strategy. As such, we use the following schemes:

- 100% of sugar beet cultivated by Sucden's agrofirms in the CIS are verified at FSA Gold level. It represents 40% of the total volume of sugar beet processed by our four plants in 2023.
- CDP: since 2018, we have disclosed environmental data to the CDP platform.
- Food Safety System Certification 22000: All our plants are certified FSSC 22000.
- Two plants maintain certifications for ISO 9001 / ISO 14001 / ISO 45001.
- Sedex: All our plants were audited by Sedex over the past two years.

Sucden at sea

In line with our certification strategy, our three vessels maintained their ISO 9001 (Quality Management) and ISO 14001 (Environmental Management) certifications.

01. BUSINESS PRACTICES

DATA SECURITY

The rapid advances in information technology represent opportunities for the Group, but also risks for the security of our business and for our partners and other stakeholders. Our security depends on our ability to adapt rapidly to new threats. We are therefore constantly upgrading our cybersecurity, along four main axes:

- Organizing security within the Group by dedicated cybersecurity teams who define and promote standards, rules, and policies.
- Promoting security awareness among everyone we work with, through security training and regular phishing awareness campaigns.
- Frequent audits and updates to manage our vulnerabilities.
- Deploying and standardizing advanced security tools to proactively detect threats and protect our assets.

ESTABLISHING SUSTAINABILITY AND VALUES IN OUR COMPANY CULTURE

We want all our employees to be aware of our values and commitment to sustainability. We ask local management to consider all five pillars of our responsibility strategy and to promote them locally. This approach helps us address smaller issues not detailed in this report, but which are very useful for helping everyone to play a role in our responsibility strategy. For example, helping to reduce the environmental impact of our operations through waste-reduction plans and similar office challenges.



02. PEOPLE

We are a family business, and we work on a personal level. We are open and straightforward and believe in the value of working closely with clients and partners wherever we are, and building strong relationships.

Such an approach has led to our success as a business and strengthened our reputation as a company people want to work for. We offer our talented employees the opportunities, support and training they need to be the best they can. We welcome originality and innovative thinking.

Contributing to the following UN Sustainable Development Goals



KEY CHALLENGES, RISKS AND OPPORTUNITIES

RISKS RELATED TO ATTRACTING AND MANAGING THE BEST PEOPLE

Our people management strategy covers three key themes: maintaining our image as a top employer, developing and retaining talent, and ensuring wellbeing at work.

We have a rigorous recruitment system that matches people to roles, and a working environment that helps people grow by encouraging and challenging them.

We are keen to retain talent by providing such individuals with tasks and projects that are ambitious, varied and intellectually challenging, alongside attractive pay and real opportunities for growth. This helps foster a sense of belonging and pride among employees throughout their career with the company.



02. PEOPLE

SUCDEN EMPLOYEES AROUND THE WORLD

About 80% of our workforce is based in the CIS, working in a range of agro-industrial activities. The remaining 20% are involved in our trading activities and services, in areas ranging from sugar, coffee, cocoa and ethanol to ocean freight and futures and options brokerage.

Our maritime business is part of our European operations, and we hire crew members for limited periods linked to vessel activity, in line with industry practice.

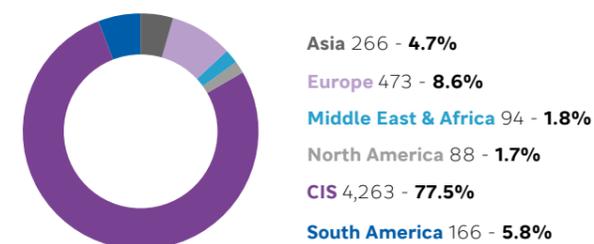
Through our efforts in managing people's skills and sharing knowledge, we gain a number of significant business advantages: an increase in individual and collective skills, retention of sensitive know-how, and improved cohesion within teams; increased motivation among senior employees, an accelerated learning pace for new hires, and steady retention of junior employees.



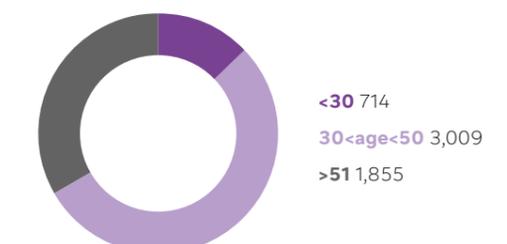
SUCDEN EMPLOYEES IN NUMBERS AT DECEMBER 31, 2023

As of 12.31.2023	2022	2023	Men	Women	<30	30<age<50	>50	Temporary workers	Permanent workers
Asia	266	261	199	62	47	184	30	6	255
Europe	473	477	350	127	89	257	131	8	469
Middle East & Africa	94	99	76	23	10	77	12	4	95
North America	88	93	48	45	18	49	26	2	91
CIS	4,263	4,322	3,006	1,316	458	2,283	1,581	606	3,716
South America	157	326	223	103	92	159	75	6	320
Total	5,341	5,578	3,902	1,676	714	3,009	1,855	632	4,946

EMPLOYEES BY REGION



EMPLOYEES BY AGE GROUP



OUR STRATEGY, POLICIES AND PERFORMANCE

CREATING A SAFE ENVIRONMENT

We have developed internal processes to ensure we meet both the regulations and best practices for safety. This is especially a priority for our industrial operations in the CIS, where we aim for a zero-accident target. To achieve this, we are consistently strengthening our industrial operations processes.

We promote awareness and safety culture across our agro-industrial facilities through repeated training sessions for both local employees and visitors. We also maintain continued safe use of equipment by providing appropriate personal protective equipment (PPE) and carrying out regular machinery updates. In addition, close monitoring of all accidents and near misses is key to continuously improving safety at work. We perform root-cause analysis for all declared incidents and conduct routine internal and external safety audits.

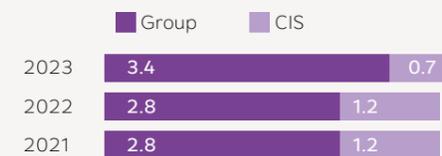
OUR PERFORMANCE IN 2023

In December 2021, local management signed a safety policy for all our industrial plants, to support the CSR Chart signed in 2019. This commitment to preventing all near-miss situations was reinforced in July 2022 with the appointment of a Group Safety Engineer. Under the direct supervision of the Industrial Director, the Group Safety Engineer works closely with general managers of the sugar plants and monitors the general roadmap according to the three main pillars of safety: People, Processes and Assets.

In 2023, \$2 million was spent on security across all our industrial plants. Several projects have been launched as a result of a systematic risk analysis and responses from safety committees.

In 2023 in the CIS, we successfully achieved the goal we set in 2018 to reduce our occupational accident frequency rate by 50% by 2030.

FREQUENCY RATE OF OCCUPATIONAL ACCIDENTS⁸



⁸ In 2023, we encountered several non-serious workplace accidents in one of our South American entities, which was not consolidated in previous reports.

SEVERITY RATE



WELLBEING AT WORK - WE'RE ADAPTABLE

We focus on the wellbeing of our employees in the workplace. A satisfied employee is absent less often and more creative, committed, and productive. We also promote social and cultural dialogue, diversity and gender equality, and we are in compliance with the current regulations regarding engagement in the military reserve.

These days, young professionals choose companies that encourage them to flourish. And, more generally, employees now rate empowerment and the quality of human relations highly in their motivation. The rate of absenteeism at Group level was 4.1% in 2023, versus 4.3% in 2022. Employee turnover is a further indicator of overall satisfaction. Excluding CIS, this was 14% in 2023 versus 13% and 12% in 2022 and 2021 respectively, so it remains stable. In the CIS, the rate is generally high (13.7%), as our plants do not operate all year long, but only during the sugar beet production season. At Group level, we aim to strike the right balance between new hires and experienced employees. The results shown here for our industrial sites in the CIS and South America are the result of more difficult working conditions.

To improve wellbeing at work on these industrial sites, we are investing in modern, high-performance work environments, including integrating new technologies into our agricultural processes and renovating our canteens. Our Paris offices have a gym and offer personal coaching.

FLEXIBILITY AT WORK

Flexible working can create a real sense of freedom and a better work-life balance. It can be a major factor in improving and maintaining performance and attracting employees. We apply it in different ways, such as financing childcare in company crèches, allowing employees to work from home or work part-time after maternity leave, or helping people to resolve personal issues that affect their health, family life or work life.

The pandemic was a turning point in how we organize work. We will continue to allow employees to work from home, but within a clearly defined framework, as agreed with them, and we plan to create more space by reducing the number of shared desks.

EMPLOYEE SHAREHOLDING: A STRONGER COMMITMENT TO THE SUCDEN ADVENTURE

Our employee profit sharing scheme in France complements other schemes such as incentive schemes and social protection programs which guarantee minimum social benefits for all employees worldwide. This social policy is one of the factors in our success, and is based on a strong collective culture, a protective environment, and a sharing of the rewards we reap from our growing business.

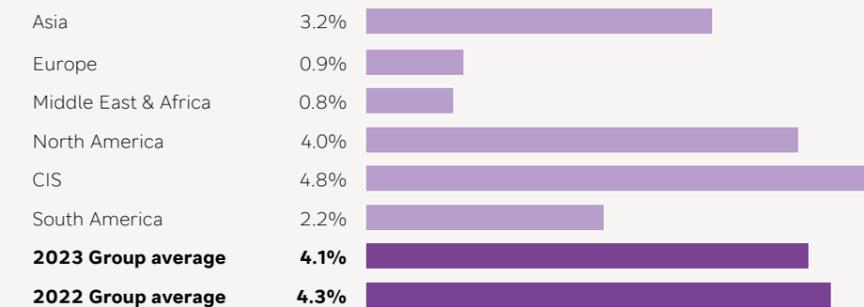


OUR PERFORMANCE IN 2023

Sucden in the CIS

The Kamenski factory took part in the World Safety Day for the first time on April 28, 2023. The event included a conference on alcoholism, fitness sessions, a children's drawing competition for our staff's kids with an award ceremony, and the distribution of small souvenir gifts, such as a t-shirts, mugs, and a notepad.

ABSENTEEISM RATE BY REGION



TURNOVER RATE BY REGION IN 2023

Region	Permanent employees	Number of people hired	Departures	Terminated by the employer	Turnover rate 2023	Turnover rate 2022
Asia	255	30	34	2	13.3%	17.0%
Europe	469	64	56	9	11.9%	13.0%
Middle East & Africa	95	11	7	2	7.4%	5.5%
North America	91	25	19	11	20.9%	4.7%
CIS	3,716	662	509	5	13.7%	13.7%
South America	320	226	62	14	19.4%	14.7%
Total	4,946	1018	687	43	13.9%	13.5%

02. PEOPLE

ATTRACTING TALENT AND MANAGING SKILLS - WE CREATE OPPORTUNITIES

Encouraging our employees to acquire new skills and knowledge is critical to our success, and our managers are responsible for providing development opportunities and support. We have developed strong relationships with top French universities and agronomic schools. We also support various business schools by paying apprenticeship tax. In addition, our employees are active in alumni networks and seek to expand their professional networks.

We aim to create business opportunities and convert these into career opportunities for our employees.

SUCDEN AT SEA

In line with professional practice in the shipping industry, employees are responsible for their own training and certification, which is required for employment at Sucden.

SUCDEN IN THE CIS

The recruitment of qualified employees in the CIS is difficult, given the rural location of our industrial sites. We therefore spend significant time and resources on developing and training our employees. In addition, we cooperate with the Voronezh State Technical University, Russia's most distinguished institute for agricultural professions. We organize on-site visits of our facilities for future graduates (technologists, microbiologists, mechanics etc).

Sucden in the CIS has a long-standing tradition of providing robust social support to its employees, recognizing that a stable, reliable, and sustainable company is integral to the prosperity of its workforce. As we strive to maintain and enhance our reputation as one of the most appealing employers in our industry, it has become increasingly crucial to focus on our corporate social security initiatives and measure for employee support.

In light of this, Sucden has resolved to implement the following support measures in 2023:

- The introduction of employer-provided medical insurance across all subsidiaries where it does not currently exist, with the aim of improving employee access to high-quality healthcare.
- The provision of a bonus for employees with school-age children or students aged between 3 and 22, to help them prepare for the new school year commencing on September 1.
- The allocation of new or increased financial support during significant life events such as marriage, birth, loss of a loved one, the Agricultural and Manufacturing Workers' Day (celebrated on the second Sunday in October), and other notable calendar dates.

Furthermore, Sucden has initiated several housing construction programs for the first time, including individual houses and apartment buildings. These programs are designed to benefit key employees in our agro-industrial sector, aimed at enhancing their living conditions and fostering long-term loyalty to the company and its goal to contribute to resilient food supply chains.

02. PEOPLE

SUCDEN IN THE CIS

An annual Group Skill Development program was launched in each of our 4 sugar plants to enhance the skills of our employees. Our facilities have been equipped with special training classes with the aim of choosing and integrating high quality exclusive contents in each area of our key activity. In addition to this, an annual budget has been allocated to individual coaching of high potential specialists to strengthen their managerial capacities and leadership.

These programs are structured into three main HR pillars:

1. Technical and technological training (in-house)
2. Management training
3. Individual coaching

Cooperation with universities and vocational schools is our priority to attract tomorrow's talent and cultivate sources of young talent.



OUR PERFORMANCE IN 2023

SUCDEN'S TRAINING OVERVIEW IN 2023

Region	Training hours	Number of employees	Training hours per employee
Asia	3,243	261	12
Europe	2,945	477	6
Middle East & Africa	403	99	4
North America	374	93	4
CIS	364,104 ⁹	4,322	84
South America	5,095	326	16
2023 Total	376,164	5,578	67
2022 Total	256,276	5,341	48



⁹ In 2023, training hours increased significantly by 27% in the CIS. This growth can be attributed primarily to the renewal of pluriannual safety training cycles.



03. ENVIRONMENT

We monitor our impact on the planet, with a special focus on our asset-based activities in the CIS, and at sea with our fleet of Handymax vessels. Our processes aim to minimize our direct environmental impact, while our employees help to reduce our indirect impact by making conscientious choices about suppliers and travel.

Contributing to the following UN Sustainable Development Goals



KEY CHALLENGES, RISKS AND OPPORTUNITIES

MAIN CONTRIBUTORS TO SUCDEN'S DIRECT ENVIRONMENTAL FOOTPRINT

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

OFFICE-BASED ACTIVITY

We do not consider the environmental impact of our office activities as significant, and therefore do not include data in this section.

ENVIRONMENTAL OR ACCIDENTAL RISK

We operate four sugar beet factories in the CIS that can produce about 800,000 tons of sugar a year, and we cultivate about 240,000 hectares of land. To reduce the risk of accidents, our teams in the CIS are constantly working to increase their control of our industrial activities through an ISO 9001-certified quality process, continual monitoring of occupational safety issues (ISO 45001 certification) and ongoing deployment of a certified environmental management system (ISO 14001 certification). We manage our agricultural operations in a way that limits the environmental impact of production, using techniques that align with industry best practises.

03. ENVIRONMENT

CLIMATE CHANGE RISK

Climate change affects agricultural production around the world. In the CIS, we work to mitigate this risk by continually ensuring that the seeds we use in crops, sugar beet 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 farmers adapt their production to the long-term risks associated to climate change. This can include ideas for diversifying income and improving agricultural practices, as well as reforestation. We recognize the impact our supply chain has on our indirect carbon footprint and seek to improve our understanding of this material impact. We explain this in more detail on pages 29 to 30.



OUR STRATEGY, POLICIES AND PERFORMANCE

IMPROVING ENVIRONMENTAL MANAGEMENT AND SITE SAFETY

SUCDEN IN THE CIS

Sucden has adopted a local policy for implementing Group strategy and conducting business in an ethical and responsible manner. This includes focusing on certifying our environmental management systems, and monitoring and optimizing all of the following: sustainable agriculture, energy efficiency, renewable-energy use, ISO 26000 or IFC standard guidelines, water-consumption efficiency, waste optimization and food safety. Each industrial or agricultural entity has environment officers who support management in dealing with environmental issues and concerns. This structure also helps to ensure compliance with locally applicable standards.

SUCDEN AT SEA

In line with 2020 IMO regulations, all our vessels now run on cleaner fuel with a lower sulphur content, thereby reducing our environmental impact. In addition to using cleaner fuel, we have fitted each vessel with a brand-new fuel-purifying system that can filter up to 80% more residual fines, further improving fuel quality and reducing carbon emissions.

We have also installed mineral water plants onboard the entire fleet. These produce drinking water from sea water, using the existing freshwater generator. This system covers all drinking water consumption on board and enables us to reduce our fleet's plastic waste by nearly 30,000 bottles a year, reducing our carbon footprint by over five tons of CO₂.

SAVING ENERGY AND LIMITING OUR DIRECT CARBON FOOTPRINT

SUCDEN IN THE CIS

We aim to reduce our energy consumption and carbon footprint, as this is both beneficial for the environment and helps reduce our costs. In addition, reducing waste production and optimizing our energy use are key to ensuring our overall plant efficiency and the reliability of our industrial processes.

We constantly monitor our energy consumption and consider ongoing improvements to help us reduce it in both our industrial and our agricultural businesses.

We apply industry best practices and technologies when modernizing or increasing the capacity of our factories. The Eletski factory has been designed to reduce greenhouse gas (GHG) emissions by 35% thanks to our introduction of the best available technology in 2016. We use specialized software to continuously optimize and model the energy balance of our factories, and make changes to reduce emissions when closed, for instance by installing LED lighting. Overall, we monitor our greenhouse gas emissions per ton of sugar produced and have set ambitious targets for 2025.

In our agricultural operations, we look for high-performance, modern tractors and beet harvesters, to optimize cultivated land management in terms of both energy consumption and soil quality. Energy consumption is also a key parameter of our analytical crop management.

SUCDEN AT SEA

To minimize the environmental impact of our shipping operations, as well as improve business opportunities, we have invested in modern ships that optimize energy consumption. Our vessels are purposefully designed to reduce bunker consumption, have modern, efficient engines, and modern hull shapes specifically coated to reduce water resistance. We retain a strong focus on maintenance to ensure we can continue to achieve this high performance.

03. ENVIRONMENT

OUR PERFORMANCE IN 2023

Sucden in the world

The following table shows the energy consumed by our business operations. We calculate greenhouse gas emissions based on these figures, using country-specific emission factors. We monitor our carbon footprint based on energy consumption from all industrial, agricultural, logistics and maritime activities.

Sucden in the CIS

In 2023, Sucden in the CIS resumed its trend of reducing GHG emissions (kg CO₂/ton of white sugar produced) reduced by 5%. Our goal remains to decrease our GHG emissions related to sugar production by 30% in 2030 as compared to 2015. To reach this target, pulp pressing was improved in Kamenski and Tbiliski.

This produced the following results:

CO₂e PER CULTIVATED HECTARE



In 2023, (i) the weather conditions, which have prolonged work in the fields, and (ii) the installation of a new gas dryer in Eletski, have increased the GHG emissions per cultivated hectare.

CO₂e PER TON OF SUGAR PRODUCED



Sucden at sea

The Energy Efficiency Design Index (EEDI) for our vessels is 4.18 grams of CO₂ per ton-mile, compared to a standard target for this vessel's category of 5.9 grams of CO₂ per ton-mile. Our vessels are compliant with International Maritime Organization regulations through to 2024. They have lower fuel consumption and higher fuel efficiency than standard designs. Fuel consumption for our vessels is just over 20 metric tons a day at 13.5 knots, compared to a standard 27-28 metric tons for similarly sized vessels at the same speed.



ENERGY CONSUMPTION AND GHG EMISSIONS 2023

As of 12.31.2023	Energy consumption			GHG emissions			
	Gas MWh	Electricity MWh	Fuel & Gasoline MWh	2023 MWh	2022 MWh	2023 tCO ₂ e	2022 tCO ₂ e
Asia	52	1,545	765	2,362	4,529	1,338	3,212
CIS	2,262,091	33,130	271,506	2,566,727	2,431,142	548,705	520,225
Shipping	-	-	127,336	127,336	138,267	39,324	42,700
South America	485	2,439	303	3,227	1,982	171	22
Total	2,262,628	37,114	399,910	2,699,653	2,575,920	589,538	566,159

03. ENVIRONMENT

MONITORING AND OPTIMIZING OUR GLOBAL CARBON FOOTPRINT

As commodity traders, the bulk of our global carbon footprint comes from our supply chain. It is therefore vital that we adopt a long-term perspective when assessing our indirect Greenhouse Gas (GHG) emissions.

In addition to Scope 1 and 2 emissions, which are primarily associated with our direct operations, the commodities we purchase contribute significantly to carbon emissions during the upstream agricultural and industrial phases. This is due to the consumption of energy, fertilizers, fuels, other materials, as well as to land use change.

Transportation also plays a significant role, given the substantial volumes we ship worldwide. We manage extensive sea journeys using containers or bulk shipping, while shorter distances are covered by rail or road transport.

Our intention is to annually monitor our carbon impact and utilize the findings to proactively minimize or optimize our impact. In practise, we estimate our footprint using a country-specific assessment, drawing on the most reliable emission factors available from public or private research. We value industry initiatives and call for a standardized approach such as our contribution to the World Cocoa Foundation, or our Membership of the European Cocoa Association.



OUR PERFORMANCE IN 2023

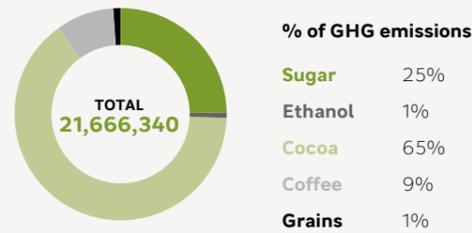
Since 2021, we have calculated our extended scope 3 emissions, adding upstream activities to the transportation activity.

SUCDEN GLOBAL FOOTPRINT IN 2023

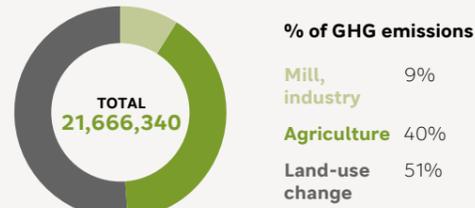
	Scope 1 & 2 in tCO ₂ e	Scope 3 in tCO ₂ e
Trading		
Purchased goods	ns	21,666,340
Transportation	ns	254,954
Russia		
Sugar	548,705	386,225
Transportation	ns	38,181
Shipping		
Transportation	39,324	ns
Other industrial activities		
Scope 1 and 2	1,509	ns
Business travels	ns	1,199
Total	589,538	22,346,900

BREAKDOWN OF TRADING ACTIVITIES GLOBAL FOOTPRINT

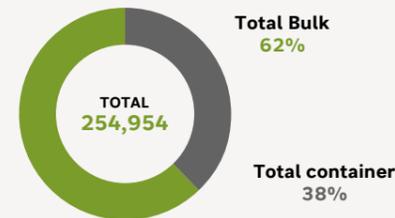
Trading - purchased goods



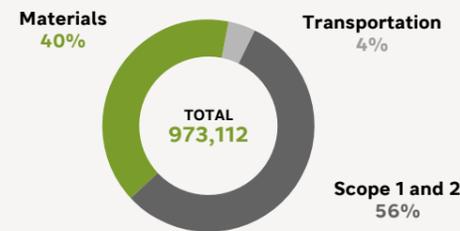
Trading - purchased goods



TRADING - TRANSPORTATION (% of GHG emissions)



GHG EMISSIONS IN THE CIS (% of GHG emissions)



Actions to reduce Scope 3 GHG emissions include items such as supplying cocoa from non-deforested areas, reforestation programs, agricultural practices change (composting pods, biochar, etc), and increasing cocoa farm productivity via improved cultivation techniques.

CO₂ emissions for container transportation are calculated using an average emission factor of 14 gCO₂e/(t.nm). For bulk transportation, emission factors are sourced from EEDI specifications for each vessel where available, and set at the average breakbulk emission factor of 6.6 gCO₂e/(t.nm) vs 7.4 gCO₂e/(t.nm) last year.

TRANSPORTATION - AVERAGE EEDI (gCO₂e/t.nm⁻¹)



Other crop materials are considered not significant. Our employees need to travel to visit clients, suppliers, and our global businesses, and for other ongoing business needs. As a result of the Covid-19 pandemic, GHG emissions resulting from business travel have increased significantly. In 2023, they represent about 1,199 tons of CO₂ (versus 491 in 2022), which remains lower than the 2019 assessment of 2,178 tons of CO₂.

MANAGING OUR WASTE PRODUCTS AND PRODUCTION RESIDUES

SUCDEN IN THE CIS

Sugar production generates valuable by-products¹⁰ such as molasses and beet residue that can be used as fertilizer. We also produce limited volumes of waste from logistics and commercial activities, such as used pallets and scrap packaging. Agricultural activity itself generates little waste. Even so, we constantly look for innovative ways to recycle an increasing volume of our waste. Our agricultural managers and refinery leaders monitor all production residues and waste and aim to maximize recovery rates.



SUCDEN AT SEA

Other than organic waste released at sea during voyages, we treat all other waste on board where possible, or it is managed by specialized disposal companies on shore, all monitored through a specific on-board waste registry. Our captains and crews follow instructions for environmental management on board, with waste management documented as part of this.

OUR PERFORMANCE IN 2023

The table below shows the waste generated by our industrial and agricultural activities.

WASTE PRODUCTION QUANTITY AND RECOVERY RATE

As of 12.31.2023	Non-hazardous metric tons	Hazardous metric tons	Total waste production		Recycled volume metric tons	Recovery rate	
			2023 metric tons	2022 metric tons		2023 %	2022 %
Region							
Asia	120	-	120	311	114	95%	33%
CIS	375,780	1,107	376,887 ¹¹	235,696	372,850	99%	89%
Shipping	-	180	180	187	1	1%	1%
South America	476	-	476	319	476	100%	100%
Total	376,376	1,288	377,664	236,513	373,442	99%	89%

SUCDEN IN THE CIS

Pulp management:

- At Dobrinski, improvement in pellets pressing made it possible to eliminate the output of non-recoverable by-products.
- We achieved our sugar beet pulp recovery targets in Kamenski and Tbiliski.
- In 2022 we launched a cleaning cycle of the tailing ponds in Dobrinski which resulted in an increase of waste production.

¹⁰ 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. We consider this waste as recovered.

¹¹ The increase in waste production in the CIS can be explained by a 10% increase of sugar beets processed by our sugar plants.

OPTIMIZING OUR WATER CONSUMPTION

SUCDEN IN THE CIS

Reducing water consumption is one of the key measures of our sustainability policy on which our local managers focus, especially reducing the volume of discharged water. In the sugar beet refining process, we can reuse the water used to clean beets within closed-loop systems, which we now deploy in four of our plants.

Overall, we monitor our water consumption per ton of sugar produced and have set a clear 2030 target to reduce water withdrawals by 50% compared to our 2018 baseline.

Thanks to the cumulative efforts of recent years, we managed to achieve this target in 2022, eight years ahead of schedule. This year, we reduced our water consumption per ton of white sugar produced by 6%. This was achieved by modernizing the cooling towers at our Tbiiski and Eletski sugar plants. We plan further improvements starting from 2025 and will also set a new target for 2030.



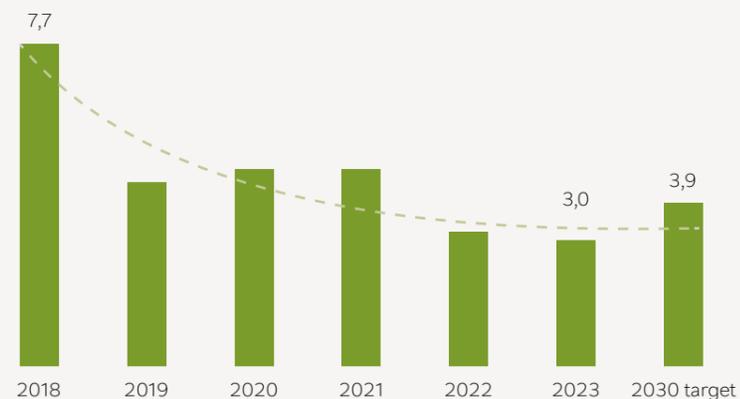
OUR PERFORMANCE IN 2023

WATER CONSUMPTION

Region	2023	2022
	m ³	m ³
Asia	7,799	9,248
CIS	2,139,277	2,237,148
Shipping	1,830	-
South America	12,116	5,779
Total	2,161,023	2,252,175

SUCDEN IN THE CIS

WATER CONSUMPTION (M³/ MT OF WHITE SUGAR PRODUCED)



SUCDEN AT SEA

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

CONSERVING OUR SOIL AND PROTECTING BIODIVERSITY

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



SUCDEN IN THE CIS

We analyze all fields once every five years and monitor annual applications of mineral and organic fertilizers closely.

Attentive to agro-ecological approaches, we are constantly adapting our agricultural practices:

Advanced beet seeds technology

We cultivate 50% of our beet growing areas using Conviso Smart technology. This allows us to enhance yields while promoting the sustainable use of herbicides. The technology effectively addresses common sugar beet challenges like wild beets or dodder and requires just 2 herbicide applications, as opposed to 4 or 5 required by traditional methods.

Strip-till techniques

Strip tillage is a conservation technique in sugar beet cultivation where only narrow strips of soil are tilled, leaving the rest untouched to reduce soil disturbance and promote better crop growth. About 5% of our cultivated areas employ this approach.

In addition, we continue to test various methods in our agricultural operations, including the use of different sugar beet varieties, long-term strip-tillage techniques for fertilizers, Trichoderma tests, and we explore the benefits of cover crops, which could also be a means of sequestering more carbon.

We do not use GMOs. All our phytosanitary products meet local standards and are referenced in our index which is revised annually. Besides, maintaining hedges enables us to use wood to heat some of our workshops.

SUCDEN AT SEA

Our ships travel from one continent to another, and we take great care to ensure that our activity does not alter local biodiversity. To this end, our vessels are equipped with advanced water-ballast treatment systems, which prevent the contamination of local ecosystems. Furthermore, any chemicals we use on board comply with the best management practices stipulated by the International Maritime Organization in its Evaluation of Safety and Pollution Hazards of Chemicals document.

ANIMAL WELFARE

Besides our main activity of cereal and sugar production in the CIS, we produce milk from the 2,300 cows on our farms. We oversee animal welfare in our dairy-herd management and base our analysis on the five fundamental freedoms outlined in the Compassion in World Farming (CIWF) criteria. These are designed to ensure animals: do not suffer from hunger or thirst; do not suffer from discomfort; do not suffer from pain, injury or disease; are able to express natural behaviors; do not experience fear and distress. In 2023, we continued to implement comfort, ventilation, training, and feed balancing to apply these principles.



04. SUPPLY CHAIN

Our aim is to support producers and farmers in managing their farms responsibly by applying good agricultural, social, and environmental practices. This objective can only be achieved by understanding the local context, innovating where possible, providing a supportive environment for farmers and their families, and by establishing key partnerships. To deliver and tailor farmer-focused sustainability programs, we work closely with another integral partner in the supply chain: our clients. In partnership with all stakeholders of the supply chain – farmers, implementing partners, civil society, governments, and clients – we seek to improve the effectiveness of these programs by monitoring their impact at community, household, and individual levels.

Contributing to the following UN Sustainable Development Goals



KEY CHALLENGES, RISKS AND OPPORTUNITIES

SUGAR

As sugar is our original historical commodity, our sugar business is based on long-standing relationships with suppliers. Matching our goals with those of our suppliers is a key priority. As such, our trading teams aim to continue building long-lasting relationships with suppliers who are aware of their role in the sugar supply chain and aim to improve their agricultural practices as well as their environmental and social performance.

COCOA

In 2023, the cocoa sector witnessed the development of multiple regulatory and legislative proposals in the European Union, as well as the entry into force of the European Union Deforestation Regulation (EU DR). This means that, from January 2025, operators, such as Sucden, will need to prove that all cocoa entering the EU is deforestation-free, taking into account a cutoff date of December 31, 2020; that the cocoa is traceable (with geodata accompanying the cocoa); and that it has been produced in accordance with the laws of the country of production.

While many and most of our suppliers may implicitly be compliant with the regulation in that they do not source from deforested areas (based on the EU's cutoff date), they may not be able to prove their compliance. As a result, Sucden dedicated significant resources in 2023 to preparing our suppliers by training them and onboarding them on the implications of the EU DR; helping them map farms; establishing procedures to demonstrate compliance; and setting up appropriate, effective, and efficient due diligence frameworks and systems.

As part of our role as a facilitator between producing and consuming markets, we strive to support as many of our suppliers and the compliant farmers in their networks as possible to demonstrate their compliance with EU DR to prevent

04. SUPPLY CHAIN

these stakeholders from being excluded from the EU market. Any potential exclusion could result in a deterioration of living standards for farmers.

In 2023, our sustainability strategy therefore focused not only on preparation of our supply chains for the EU DR, but also on supporting cross-cutting solutions and sector-wide collaborations to deliver efficient mechanisms to demonstrate compliance, thereby reducing the overall burden of compliance on suppliers and farmers.

At the same time, we continued to expand our sustainability footprint through our three service-focused and interlinked pathways.

work. As a result, millions of livelihoods are at stake, as is the future of coffee supply, including its quality and diversity of origin.

We recognize the undeniable role coffee has in human livelihoods, culture and productive landscapes. This is why we share responsibility for the supply chain on which our coffee business depends, and why we help tackle the challenges that threaten its very existence.

- About 320,000 producers contribute to Sucden's supply chain

- 250 people work directly for Sucden's supply, and 500 indirectly¹²

COFFEE

We purchase coffee from more than 20 origins, with key sourcing operations in Vietnam, India, Indonesia, and Colombia. About 70% of the coffee we supply to our customers is grown by smallholder farmers, who often rely on coffee for their entire livelihoods.

Although mechanical harvesting is becoming more common, coffee cherries are still harvested manually in many places and harvesting remains the most labor-intensive stage of production. Growing coffee therefore creates income opportunities for millions of workers worldwide. Beyond its economic importance, coffee also provides the opportunity to integrate nature conservation within the production system. Such as where coffee is grown within a shaded system, the native trees play an important role in biodiversity and as carbon sinks.

In general, the areas where coffee is grown are now affected by land degradation and climate change, putting millions of hectares at risk of becoming unsuitable for coffee production. At the same time, smallholder farmers struggle with low coffee prices and labor shortages, as farm workers seek safer and fairer



OUR STRATEGY, POLICIES AND PERFORMANCE

SUGAR

Our work with suppliers on responsibility matters is based on the training of our commercial and finance teams who communicate regularly with suppliers. In addition, we conduct ad hoc sustainability-oriented 'know your supplier' analysis and use an environmental and social management system for our long-term and financed partners.

For both buying and selling, we take care to include discussions on sustainability and understanding of our partner's approach, with the clear aim of sharing knowledge and enhancing processes and practices for a sustainable supply chain. As such, we continuously support our clients who are interested in sourcing Bonsucro sugar.

OUR PERFORMANCE IN 2023

In addition to our existing framework, and as part of our supplier due diligence approach, we have introduced a Sugar Supplier Code of Conduct that we distribute to all suppliers. We offer to engage in discussions with them or provide them with support to help them meet the highest standards. Furthermore, we continue to participate in Bonsucro's Members Council to offer our experience and contribute to the success of this sector initiative.

¹² The number of producers in our supply chain is calculated based on average production per farmer by origin multiplied by coffee sold by Sucden Coffee in 2022 by origin. Figured are sourced from the report 'Responsible Coffee Sourcing: Towards a living income for producers' by CCSI.

04. SUPPLY CHAIN

COCOA

In 2023, we witnessed significant growth of our sustainability programs and the introduction of innovative projects, aimed at driving tangible benefits for farmers and their communities, marking our most impactful year yet. Our commitment to extending our impact to farmers led to substantial efforts to further our strategy of supporting farming families, safeguarding the planet, and delivering 'trustworthy' cocoa to our clients. Through targeted expansion strategies and fortified partnerships, we propelled initiatives focused on agroforestry, forest restoration, income diversification, bridging the living wage gap, and community empowerment. Notably, in Cote d'Ivoire, our programs reached 40,032 farmers across 52 cooperatives, while in Ghana, we engaged with 24,936 farmers, and in Nigeria, our sustainability initiatives benefited 9,895 farmers. In Ecuador, we worked with 2,140 farmers, and in the Dominican Republic, with 524 farmers.



This notable increase in farmer participation has facilitated the launch and expansion of meaningful partnerships and projects focused on providing essential services to farmers. Our implementation partners, rooted in the local context, possess expertise in areas including agroforestry, farmer training, community development, capacity building, education, human rights, and women's empowerment. Furthermore, our comprehensive coverage of Child Labor Monitoring and Remediation Systems (CLMRS) has significantly expanded, now encompassing nearly all of our direct supply chain in West Africa.



04. SUPPLY CHAIN

CÔTE D'IVOIRE

CHILD LABOR MONITORING AND REMEDIATION SYSTEMS

As part of our ongoing commitment to prevent child labor, we expanded our direct Child Labor Monitoring and Remediation System (CLMRS) coverage in Côte d'Ivoire. From 15,366 households and 35,522 children in 2021, 24,675 households and 38,737 children in 2022, we extended our reach to 40,032 households and 48,094 children this year. In conjunction with the International Cocoa Initiative (ICI), we conducted training sessions for 294 field agents, focusing on preserving childhood, preventing child labor and the worst forms of child labor, upholding workers' rights, and addressing gender-based discrimination. This initiative enabled the removal of 3,303 children from child labor.

As part of CLMRS procedure to remediate child labor cases we first conduct awareness sessions at household level, followed by direct interviews within a week of detection of potential cases of child labor to develop tailored remediation plans that suit the specific circumstances. We employ an age-based approach, emphasizing future enrolment in school for children over 5, stressing the importance of education for children aged 5 to 10, raising awareness on mandatory schooling for children who are between 11 and 16 years of age, and promoting vocational guidance for children who are 17 years of age. There are follow-up interviews within 3 and 9 months of the detection of potential cases to confirm that the child labor has ceased and that the remediation plan is being adhered to. In 2023, as part of our direct remediation efforts for the child labor cases identified, we refurbished 39 classrooms equipping them with tables and benches and provided 4,050 children with school kits, thanks to the generous support of our clients.

We also undertook community investment projects, such as the provision of farming and processing equipment, to support the diversification of income sources and combat food insecurity. Furthermore, we rehabilitated three bathrooms and latrines at a community elementary school, thereby improving the learning environment and facilitating girls' access to education. These initiatives complement our efforts to tackle the root causes of child labor, such as farmer poverty and gender inequality. They underscore our commitment to fostering sustainable positive impact at both individual and community levels.



ADDRESSING THE RISK OF FORCED LABOR

As part of our ongoing efforts, we continued to raise awareness among suppliers about the risk indicators of forced labor, utilizing the Supplier Handbook on Forced Labor as a key training resource, in conjunction with tools and learning methods provided by the International Cocoa Initiative (ICI) and its subgroup on Forced Labor (in which we participated actively). Throughout the 2023 season, with the support of ICI, we conducted training sessions for 294 field agents within our direct supply chain, focusing on forced labor awareness and safeguarding workers' rights. Specifically, field agents were equipped with knowledge on forced labor definitions, risk indicators of forced labor, and policy procedures. The field agents were also provided with essential tools, including work contract templates and data collection instruments, tailored to the monitoring of forced labor risks. Within our direct supply chain, these tools have been integrated into the CLMRS workflow. Specifically, they are used during household awareness sessions conducted by field agents within their respective Farmer Groups. Through these efforts, we have made 33,101 households aware of the risks associated with forced labor. Furthermore, Sucden has established a grievance mechanism for addressing forced labor risks in Côte d'Ivoire.

TRAINING ON GOOD AGRICULTURAL PRACTICES AND COACHING

In 2023, we continued to further our objective of fostering sustainable agricultural practices through agroforestry diversification and comprehensive farmer training aimed at boosting productivity. Alongside our local partner, we trained farmers to adopt sustainable agricultural practices, utilizing both group sessions as part of Farmer Field Schools (FFS) and providing tailored individual coaching and farm development plans. These workshops encompassed a wide array of topics, ranging from sustainable farming techniques to pest and disease management, post-harvest procedures, and methods to enhance cocoa quality.

This initiative saw the capacity building of 335 field agents to provide training on Good Agricultural Practices (GAP), climate-smart agriculture, agroforestry practices, and the implementation of Côte d'Ivoire's New Forest Code.

This year, as part of our idea of tailoring services to farmers to meet their diverse needs, we established Farmer Field Schools (FFS) and coaching efforts across all cooperatives. These sessions reached 14,984 farmers in 2023. Moreover, 24,864 farmers benefited from more personalized coaching services, along with farm improvement plans. These plans focused on farm diagnostics and adoption observations at the plot level, up from 15,387 in 2022.

SUPPORT FOR FARMERS TO NARROW THE LIVING INCOME GAP

As part of our continued commitment to promote a living income for farmers, Sucden is actively engaged in two significant programs aimed at enhancing farmers' livelihoods. As a co-implementer of a key client's Income Accelerator program in Cote d'Ivoire, which operates within cooperatives directly supplying cocoa, we facilitate opportunities for cocoa farming families to increase their income. Through this program, farming households have the chance to earn additional income by meeting four primary targets: ensuring regular school attendance for their children, adopting Good Agricultural Practices (especially pruning), planting forest and fruit trees to support agroforestry, and diversifying income by growing other crops, with training provided for all initiatives. Meeting these targets can result in bonus payments directly to farming families, with the potential to earn up to €500 in additional income.

04. SUPPLY CHAIN

Additionally, Sucden co-funds a program with IDH (Cocooperation) to assess whether groups of farmers are ready to benefit from tailored financial services. The program involves a consortium of implementers that provide various types of support to farmers. Essentially, the program aims to increase incomes through a combination of improving access to credit, providing tailored financial and non-financial services, and decentralizing the provision of these services so that access and support is more available to farmers. The project utilizes data analytics and training to address technical and institutional gaps, and introduces a segmentation and graduation approach to transition farmers and farmer groups towards improved financial inclusion and much improved family based financial management. We aim to create scalable solutions that have a significant impact on farmers' net income and contribute to a sustainable and diversified cocoa farming system. Initiated in 2023, the overarching goal of the program is to reach 30,000 farmers across 39 cooperatives over three years.

WOMEN'S EMPOWERMENT

In 2023, our commitment to women's empowerment in cocoa-growing communities in Côte d'Ivoire drove us to reinforce our collaboration with experts to design and implement projects aimed at enhancing women's financial inclusion and entrepreneurial capacities. These initiatives focus on assisting women in developing and expanding income-generating activities (IGAs), while also providing training on good nutritional practices for infants and young children. Moreover, efforts were directed towards initiating IGAs centered on production of food with high nutritional value, linking this income generating activity to Village Savings and Loans Associations (VSLAs). These VSLAs, self-managed by small groups, enable collective savings and access to loans, fostering business ventures or also allowing farming families to cover essential expenses, such as school fees. With support from the Sucden Foundation and our clients and partnerships, Sucden enabled the establishment of 120 new VSLAs and enrolment of 2,985 VSLA members, nearly tripling the amount Sucden achieved in 2022. Concurrently, the launch of IGAs, including cassava, maize, and rice production, and the production of other crops, has provided support to 2,829 individuals, promoting income diversification and economic resilience.



2023 SUSTAINABILITY STORIES:

Village Savings and Loan Association (VSLA) Community Impact

Investing in community-driven initiatives, particularly those focused on women's empowerment, serves as a catalyst for transformative change in cocoa growing communities. Madame Soro Tiohgnintia shows the impact of such investments. Soro Tiohgnintia, a member of VSLA Founignigoué in Kéibly, utilized a loan of €46, three times the amount she had saved, to initiate her business of selling cosmetic products. This VSLA, established to foster community development, provided her with crucial financial support. Within three months, Madame Soro fully repaid the loan with a 10% interest rate and realized a profit of €25. Inspired by her success, she expanded her endeavors by securing an additional loan of €46 to diversify her business to cover pastry sales. These ventures enabled her to purchase school supplies for her youngest child and contribute to household expenses. Similarly, in Buyo, within the Djiguiya cooperative, the VSLA Yogodemine has impacted the lives of its members. Hien Odile's, a VSLA Yogodemine member, demonstrated success in repaying a loan and generating a profit to support her household during her husband's absence. Hien Odile received a loan of €60 to enhance her beverage sales business. After just two months of operation, she managed to repay her loan and made a profit of €64. This sum enabled her to self-finance her business. During VSLA meetings, she increased her participation shares from 1 to 3. She was able to cover her household expenses during her husband's 45-day absence for family reasons. In her own words "VSLA has made me independent."



AGROFORESTRY AND MULTIPURPOSE TREE DISTRIBUTION

Sucden continued to make significant strides in promoting agroforestry and restoration initiatives in Côte d'Ivoire. In 2023, in partnership with the local expert implementer, FOA, Sucden contributed to the establishment of 11,144 hectares of agroforestry systems in 2023, versus 6,863 hectares during the previous year. In total, Sucden supported the distribution of 255,641 multipurpose seedlings for agroforestry. Moreover, for certain agroforestry projects, Sucden distributed Payment for Environmental Services (PES) based on tree survival, with a portion allocated to the community. These funds were utilized to finance gender-sensitive forest protection initiatives, including the establishment of shade and fruit tree nurseries, managed by women's groups. The funds also covered distribution schemes for community development. Sucden's direct engagement with community women's associations ensures that gender-sensitive initiatives funded through PES are tailored to the specific needs and priorities of the community.

OFF-FARM FOREST RESTORATION CÔTE D'IVOIRE

Our off-farm restoration endeavors in Bayota were a success story with the distribution and planting of 11,080 native trees over 17 hectares of previously degraded forest area. In total, more than 22,000 native trees were restored in the region. Additionally, we concluded another significant restoration project in collaboration with a key client in Pécoskro. Thanks to our partners, we met the two-year target of this restoration project to plant 22,000 native trees across 32 hectares of degraded land, with 11,030 seedlings successfully planted in 2023.

Sucden has made considerable strides in the second year of the Climate and Restoration Project, working with our expert partner FOA to propel the project forward across 5 cooperatives. Under the guidance of Sucden's Forest Protection Officer, FOA took the lead in implementing the second wave of agroforestry and restoration projects in five regions. For the restoration component of the project, 56,360 seedlings were planted on 85 hectares owned by 15 community members, achieving a density of 660 trees per hectare. The distribution of Payment for Environmental Services (PES) for individuals who participated in the first year was successfully completed. IGAs funded by the PES have begun, supporting the cultivation of additional crops such as cassava, maize, and various garden crops. As a result of planting efforts in year one and two, an estimated 9,667 metric tons of CO₂ have been removed from the atmosphere.

Furthermore, we initiated a new restoration endeavor in Côte d'Ivoire. The aim of this project is to support farmers to plant 15,000 native trees on 22.5 ha of deforested area and monitor the maintenance of planted area over three years.

Crucially, all restoration initiatives include a community development component. Sucden disburses Payment for Environmental Services (PES) based on tree survival, with a portion allocated to the community. These funds are utilized to finance gender-sensitive forest restoration and protection initiatives, such as the establishment of tree nurseries managed by women's groups and distribution schemes for clean cookstoves. In total, 1,162 participants benefited from PES.

SUPPORTING COMMUNITY HEALTH

Sucden actively supported various programs aimed at improving children's health, well-being, and school attendance, both independently and in collaboration with our clients. One notable 2023 initiative was the launch of our partnership with the Raoul Follereau Foundation to address water, sanitation, and hygiene (WASH) infrastructure and combat neglected tropical diseases

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in Côte d'Ivoire. This program, operating in the communities of Gadago, Gbaléville, Séribouo, and Zoukouzoa, associated with the SOCAKI cooperative, has several key objectives. Firstly, it involves the creation and training of health clubs in public primary schools to promote good hygiene and sanitation practices. Secondly, it implements a participatory community approach in the targeted areas. Additionally, the program conducts mobile consultations guided by epidemiology for integrated and tailored screening, focusing on the specific needs of various groups. It also includes comprehensive deworming of school children, installation of handwashing stations and motor-powered wells, construction of latrines with suitable provisions for boys and girls, and rehabilitation of maternity wards in health centers. Furthermore, the program aims to establish or revitalize health and water management committees in the communities and ensure linkage with the Ministry of Health for sustained impact and support. Through these initiatives, Sucden is committed to promoting the health, well-being, and educational opportunities of children in cocoa-growing communities.

In addition, Sucden implemented a Nutrition Champions Program, through which women were trained on good nutritional practices that are recommended for early childhood development. This training included how to recognize signs of malnutrition in children and how to effectively address issues related to food security. «Nutrition Champions» were selected and trained in how to raise awareness about nutrition and food security within their communities. The training included information on how community members can assess children's nutritional status and assist children who display signs of malnutrition by helping them to access the relevant health services. The program also supported women in the community to set up Income Generating Activities related to improving nutrition in the communities.

GHANA

CHILD LABOR MONITORING AND REMEDIATION SYSTEMS

In 2023, we continued our efforts with Kuapa Kokoo Farmers' Union (KKFU), Cocoa Abarabopa Association (CAA), and Fludor Ghana, and established new programs with Adikanfo Commodities Limited and Federated Commodities Limited (Fedco). Through these partnerships, Sucden supports the implementation of supply-chain-based Child Labor Monitoring and Remediation Systems (CLMRS). Now covering 10,949 cocoa-supplying households, our CLMRS monitored a total of 10,170 children for child labor risks. To facilitate the identification of child labor, we trained 140 field agents on child labor, forced labor, discrimination, and workplace violence/harassment, up from 59 in 2022. Sucden continued to collaborate with its local partners to develop remediation plans for identified child labor cases. As a result of these efforts, 334 cases of child labor were remediated through individual and community-based interventions.

ADDRESSING THE RISK OF FORCED LABOR

In Ghana, we intensified our efforts to prevent forced labor by enhancing collaboration with local partners to better understand the risk indicators of forced labor. We ensured that all Child Labor Monitoring and Remediation System (CLMRS) surveys incorporate risk indicators of forced labor, and all awareness raising sessions in cocoa growing communities outlined the concept. The 140 field agents began raising awareness on this issue within farming households during home visits, reaching over 14,837 individuals, up from 3,920 in 2022. Field agents used training materials provided by the International Cocoa Initiative (ICI), aligned with definitions from the International

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Labour Organization. Sucden established a standard operating procedure for forced labor risks in Ghana, alongside a Supplier Handbook addressing this issue. In addition, farm visits were utilized to verify who was working on the farm and ensure that this labor force matches the data reported by the farmer.

TRAINING ON GOOD AGRICULTURAL PRACTICES

In 2023, our collaboration with CAA, KKFU, Fludor, Federated Commodities, and Adikanfo was expanded to provide comprehensive training on Good Agricultural Practices to 27,503 program farmers, compared to 13,622 in 2022. This training's objective was to improve farm productivity per hectare and to advocate for environmentally sustainable farming techniques. Our training sessions, facilitated through Farmer Field Schools, covered a diverse range of topics essential for sustainable cocoa farming. To further bolster farmer incomes through increased productivity, strategic partnerships with local partners were instrumental in distributing cocoa seedlings to program participants. Through our partners, Sucden facilitated the successful distribution of a total of 96,800 cocoa seedlings to 934 program farmers.



WOMEN'S EMPOWERMENT

Building upon previous efforts, training on IGAs conducted through KKFU highlighted the challenge of limited access to formal finance for launching new ventures. Our VSLA initiatives, initiated in 2021 and further expanded under a partnership with Rikolto, established 75 new VSLAs across cocoa-growing communities, a significant expansion from the 10 established in 2022. These community-based finance mechanisms facilitated access to funds for purchasing farm inputs or initiating IGAs, supporting 1,989 VSLA members. To expand upon the VSLA and IGA work, over 2,840 farmers were trained on financial literacy and management. Additionally, CAA's establishment of the Cocoa Abrabopa Pension Scheme (CAPS), supported by the Sucden Foundation, offered an innovative pension savings mechanism and financial education for all CAA members. CAPS, comprising savings and retirement accounts, aims to enhance the livelihoods of cocoa farmers, including women, by promoting financial empowerment and long-term financial security. With a focus on community-driven decision-making and savings, these initiatives underscore our commitment to sustainable development and gender equality.



AGROFORESTRY AND MULTIPURPOSE TREE DISTRIBUTION

In Ghana, we sustained our efforts to distribute multi-purpose tree seedlings to participating farmers for on-farm planting. These seedlings not only offer shade, but also present the potential for an additional income stream for farmers, depending on the specific tree species involved. Through five LBCs, Sucden facilitated the distribution of 80,943 multi-purpose tree seedlings in 2023, a significant increase versus 15,944 in 2022. A total of 4,057 farmers were beneficiaries of this initiative, receiving varieties of shade and fruit trees.

Sucden engaged Rikolto to support the development of an agroforestry pilot within three of its sustainability programs. The partnership with Rikolto aims to improve the internal capacity of suppliers to provide agroforestry services to farmers, as well as to support farmers in converting their cocoa farms to agroforestry. The agroforestry model implemented by Rikolto is based on a 25 trees per HA model and will be informed in part by Sucden's work in Côte D'Ivoire, allowing us to leverage learnings from implementation in other West African contexts. In addition, another objective of this partnership is for farmers to receive specific training on regenerative agriculture to promote improved soil health and carbon capture of farms. This program therefore includes individual coaching on cover cropping, crop rotation, promotion of plant diversity, irrigation techniques, use of compost and alternatives to chemical pesticides or fertilizers. The training will be linked to women's empowerment by targeting female farmers. Another element of the pilot aims to improve the soil health of program farmers: Rikolto will provide milling machines to 2 communities and train community members on how to make organic fertilizer using cocoa husks or other organic materials through milling and composting. Sucden will examine the feasibility of measuring the impact that this composted fertilizer has on cocoa productivity, as well as piloting a biochar activity, where the fertilizer would be burned in controlled fires.

In addition, Sucden established a partnership with Agro Eco to develop a high-density agroforestry model, helping farmers plant 85 shade trees per HA in an effort to boost soil quality, while minimally impacting cocoa yield. Agro Eco also purchased and distributed 1,500 clean cookstoves to farming families during 2023, which will have long term benefits on household health, particularly female household members.

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NIGERIA

CHILD LABOR MONITORING AND REMEDIATION SYSTEMS

In 2023, Sucden stepped up its commitment to prevent child labor by maintaining and broadening its supply chain CLMRS, established in partnership with the International Cocoa Initiative (ICI). Sucden continued to train field staff, to optimize data collection tools, and to reinforce personnel recruitment. Our CLMRS coverage in Nigeria encompasses 2,340 children and 3,786 households. In 2023, we saw the recruitment and training of 19 child protection officers to train and monitor farmers in the direct supply chain for child labor.

ADDRESSING THE RISK OF FORCED LABOR

In Nigeria, in geographic zones where there are risk indicators for forced labor, we work with suppliers to collect a labor register, documenting information on farm workers in the sourcing areas, including employment contracts. During CLMRS data collection, all workers observed on the farm are confirmed against the labor register, and any discrepancies are reported to management for further investigation. Building on our progress from 2022, we continued to reinforce accountability within the supply chain by improving the effectiveness of our grievance mechanism. This mechanism, which covers farmers to cooperatives to our in-country staff, remains integral to our commitment to transparency, community engagement, and the safeguarding of human rights. Our dedicated field officers monitor the boxes designated for grievances, ensuring that all submissions are promptly escalated to management for further action and follow-up.

TRAINING ON GOOD AGRICULTURAL PRACTICES AND COACHING

Led by field officers, Farmer Field Schools served as high-impact platforms for delivering key messages to approximately 25-30 farmers per session on GAP topics. These training topics included climate change, agroforestry, regenerative agriculture, pruning techniques, weeding strategies, soil erosion management, and other methods to increase agricultural productivity and resilience. Throughout the year, a total of 9,053 program farmers benefited from these comprehensive FFS sessions.

The distribution of cocoa seedlings from nurseries to participating farmers also increased, from 146,505 cocoa seedlings distributed among farmers in 2022 to 231,711 cocoa seedlings distributed to 5,321 farmers in 2023. Field officers also coached 2,372 farmers, providing one-to-one guidance to farmers on crucial aspects such as pruning, farm maintenance, integrated pest management, and the responsible use of approved pesticides.

WOMEN'S EMPOWERMENT

In 2023, Sucden built on its strategic priority to support financial literacy by offering farmers training on savings, formal financial services, and diverse income-generating activities. Income generating activities can include on-farm activities such as plantain and maize farming, as well as off-farm options, such as livestock breeding. Over 1,870 farmers received training, aimed at strengthening their financial literacy and understanding of income diversification opportunities. Additionally, 608 VSLA members continued to help strengthen the community-managed savings mechanism, providing community members with access to loans. In 2023, Sucden launched a partnership with Solidaridad, co-funded by Rainforest Alliance, to implement a holistic initiative to improve cocoa farmers' financial literacy, livelihoods, and access to finance. This will include the creation of additional VSLAs, the establishment of an education fund, and the elimination of potential child labor at community level.

2023 SUSTAINABILITY STORIES:

Ghana Farmer Coaching Testimony

My name is Charles Agyei from Aggreso Society in the Ashanti Region of Ghana. I am a 42-year-old farmer. I was part of the farmers who were present during the trainings on pest and disease control last season. It was very helpful to me since I had a problem with pest infestation on my farm. Being part of the training session on pest and disease control has really given me the techniques to tackle pest and disease issues on my farm. The general trainings were good, but I think I was able to get more knowledge from the one-on-one coaching that was given. These were more personal, and I could talk about the issues I faced. I have learned about identifying pest and disease, implementing good agricultural practices, and utilizing pest control methods. I believe that these were very effective because of the changes I keep seeing on my farm when I followed the guidelines given to me. By applying them, I have seen a reduction in crop losses and an increase in yields. One of the aspects I truly enjoyed was the discussions on climate change and how it has affected farms. The Technical Officers who came around told us about shade trees and their importance for our farms. After distributing the trees for planting, they encouraged us to plant the trees immediately to enable good survival rates during periods where the weather was favorable. I was one of the farmers who was given 10 shade trees for planting, and this covered almost an acre of my cocoa farmland. The Officers also told us these trees will further minimize the emissions of greenhouse gases. I am happy that I can play a part in helping the environment, at the same time as helping my farm. They [Officers] also came to monitor the shade trees and I was happy to show them the good survival rate of the trees.



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AGROFORESTRY AND MULTIPURPOSE TREE DISTRIBUTION

In Nigeria, Sucden successfully distributed a total of 24,053 multi-purpose shade trees to local farmers, far greater than the 5,736 distributed in 2022. These shade trees are instrumental in bolstering the resilience and productivity of farmers' land, in addition to sequestering carbon dioxide. Through these efforts, Sucden Nigeria enabled 975 program farmers to develop 1,715 hectares of cocoa agroforestry in Nigeria. In another initiative aimed at promoting sustainable agricultural practices, Sucden, in consultation with Dr. Richard Asare, a cocoa agroforester with the International Institute for Tropical Agriculture, piloted an agroforestry initiative. Through this pilot, we extended support to 94 farmers, aiding their transition to agroforestry by the provision of shade trees and comprehensive on-farm planting assistance and monitoring.

ECUADOR

CHILD PROTECTION SYSTEMS

In 2023, Sucden established a new partnership with Plan International in Ecuador, aiming to strengthen the policies and procedures of its exporting partners to address the risks of child labor. This initial collaboration focused on reinforcing the management systems of two exporting partners: Aromatic Cocoa Export SA and Eco-Kakao SA; while Sucden's team in Ecuador replicated this approach with Babahoyoexport SA, Biocacao de Ecuador SA, La Nueva Casa del Cacao Casacao, Exphiorganic, and Exphimusa. The objective was to prevent instances of child labor within the cocoa supply chain by implementing human rights policies and grievance mechanisms. Socioeconomic surveys were conducted at household level to identify potential risk factors contributing to child labor, including parents' education level, household income, school attendance, and number of children.

Under this partnership, Plan International conducted various activities targeted at beneficiaries within Aromatic's and Ecokakao's supply chains. For Aromatic's supply chain, workshops were organized for farmers, children, and field staff. These workshops focused on raising awareness about children's rights, prevention of child labor, prevention of child abuse, and community support. Additionally, activities aimed at empowering children included building self-esteem, challenging gender roles, and educating children about boundaries and self-defense against abuse. For Ecokakao's supply chain, community investments through schemes to prevent child labor included repairing infrastructure in two rural schools and conducting awareness-raising workshops for children and employees. Through these initiatives, Sucden and Plan International worked in close collaboration to promote a safe and conducive environment for children and to address the potential root causes of child labor in cocoa-producing communities in Ecuador.

ADDRESSING THE RISK OF FORCED LABOR

In Ecuador, Sucden focused on ensuring that our exporting partners had robust management systems in place to effectively tackle the risks of forced labor. Custom road maps were developed to address the specific needs of each supplier, with the aim of strengthening institutional capacity and implementing effective grievance mechanisms. Our ongoing efforts have been focused on establishing and implementing best practice due diligence procedures for our suppliers, to prevent and address forced labor risks within the cocoa supply chain. These efforts included conducting annual supplier assessments and workshops for the field staff of our exporting partners. The workshops covered topics such as a diagnostic assessment, an

overview of human rights, the consequences of forced labor, and mechanisms for identifying and reporting cases of abuse within the context of the local legal framework. All our suppliers have undergone a thorough third-party verification process, which includes a review of policies and procedures associated to the protection of human and workers' rights.

TRAINING ON GOOD AGRICULTURAL PRACTICES AND COACHING

In 2023, our efforts to train and coach farmers on Good Agricultural Practices have yielded remarkable progress, with 2,130 farmers benefiting from these initiatives, a sharp rise from 455 in 2022. Field technicians initiated farm visits to prepare farmers for the upcoming 2023/24 cocoa season, focusing on crucial crop maintenance activities to prevent cocoa pod loss due to fungal diseases. While the farmer field school approach remains the primary training method, some suppliers are breaking new ground by creating informational videos on agronomic topics like Integrated Pest Management. This innovative approach is all the more important, given the growing safety concerns in rural areas of Ecuador. Such an approach could be used for other origins as well.

Sucden scaled efforts to support farmers with soil analyses, collecting and analyzing 725 soil samples with personalized fertilizer recommendations, up from 171 in 2022.

In addition, Sucden is working with one of its suppliers and Yara, to encourage investment in low-nitrogen fertilizers, with a reduced carbon footprint, following indicators of soil samples analysis and productivity. In total, we enabled the distribution of 72,518 cocoa seedlings through our exporting partners, more than doubling the previous year's distribution. The seedlings were distributed to replace unproductive or diseased trees and to optimize existing plantations.



INCOME GENERATING ACTIVITIES

Sucden's approach to improving farmer livelihoods encompasses a diverse range of initiatives, including tailored training and improvement plans designed to promote the rational use of resources and reduce the vulnerability of production systems. Working closely with farmer groups is central to our strategy, to foster their professional development and to improve their livelihoods through the adoption of Good Agricultural Practices (GAPs). One such initiative was the setting up of our Community Agriculture Service Crew project, which offers opportunities for local community members to work on cocoa farms, providing services such as pruning, mechanical weeding, and fungicide

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DOMINICAN REPUBLIC

CHILD PROTECTION SYSTEMS

In 2023, our collaboration with Save the Children Dominican Republic continued, with a focus on enhancing our export partner's procedures and tools to prevent and address the risks of child labor and forced labor. This collaboration was driven by our commitment to bolster organizational capacity and align both office and field staff with existing and forthcoming due diligence regulations.

Activities undertaken as part of this collaboration included conducting due diligence assessments across our exporting partner to assess employee knowledge about, attitudes towards, and practices related to child labor. Subsequently, an action plan was designed to address identified gaps, which involved strengthening the company's Human Rights policy with a specific focus on child protection and forced labor. Furthermore, staff from various departments, including management, administration, export operations, and field operations, were trained on the Human Rights policy, how to identify cases of child labor, the grievance mechanism, and the consequences of child labor. A total of 107 staff members participated in these training sessions. In addition, information materials were developed for employees, farmers, and stakeholders to raise awareness and promote compliance with child labor regulations.

ADDRESSING THE RISK OF FORCED LABOR

Through a joint effort with Save the Children Dominican Republic (STC), we have been focusing on assessing and improving the labor policies of our export partner. This ongoing initiative involves assessing the integration of due diligence practices to reduce and tackle the risks associated with forced labor within our supplier's operations, while identifying any compliance gaps that may exist.

TRAINING ON GOOD AGRICULTURAL PRACTICES AND COACHING

In the Dominican Republic, our partner has been continuing efforts to promote Good Agricultural Practices among farmers within its network. In 2023, Roig continued training sessions for 481 farmers, with an emphasis on soil fertility management, integrated pest management, fair labor practices, record-keeping, and compliance with ethical codes of conduct. Moreover, to further improve yield, they successfully distributed over 55,000 cocoa seedlings to farmers, up from 40,000 in 2022. The seedlings were distributed to replace unproductive or diseased trees and to optimize existing plantations.

AGROFORESTRY AND THE DISTRIBUTION OF MULTIPURPOSE TREES

Roig maintained its agroforestry demonstration plots established in 2022: one located in Puerto Plata and the other in Nagua. These agroforestry demonstration plots serve as invaluable educational resources, offering farmers a hands-on opportunity to learn about agroforestry techniques. This setup not only demonstrates effective shade management, weed control, and pruning techniques but also illustrates the seamless integration of agroforestry into cocoa farms. In total, 410 farmers apply agroforestry across a total of 10,228 hectares. On average, there are over 50 multipurpose trees per hectare in Sucden's direct supply chain in the Dominican Republic.

application. This project, which was implemented by Ecokakao in 2023, aims to improve farmer capacity and agricultural practices and will be expanded with other suppliers throughout 2024. Furthermore, the establishment of vegetable orchards in targeted farming communities, in partnership with local exporting partners, bolsters food security and resilience, community nutrition, and provides non-cocoa sources of income.

Furthermore, Ecokakao and Biocacao spearheaded community and gender income-generating projects, focused on providing women farmers with access to small rural trade fairs and seed capital to start businesses, thereby promoting gender equality. One result of this project was the setting up of a small-scale egg production business for participating farmers.

AGROFORESTRY AND MULTIPURPOSE TREE DISTRIBUTION

Ecuador's long history of business-oriented cocoa production has encouraged farmers to invest heavily in one single crop. Nevertheless, this system could benefit from small, but significant initiatives to promote soil health via the diversification of tree species. An internal census of registered farmers conducted in 2023 revealed that there are already 508 farmers growing cocoa in agroforestry systems, covering 4,660 hectares. We have used as the definition of agroforestry more than 12 non-cocoa trees per ha. Knowing that multi-purpose shade trees can reach more farmers, our suppliers have provided access to approximately 187,547 trees that serve the purpose of providing additional biomass to the soil in the medium term, while maintaining high solar exposure of cocoa trees and reducing the risk of pest outbreaks. They also contribute to the long-term resilience and sustainability of farms, supporting the resilience of cocoa farming systems.



POLICIES, PROCEDURES, INNOVATIONS, AND PARTNERSHIPS

In 2023 Sucden further revised its Forest Protection policy, making it a global policy and adapting it to cover our sourcing activities in both cocoa and coffee. To prevent deforestation or encroachment into protected areas, Sucden, monitors all farms in its direct supply chain, using polygon mapping and satellite imagery. If farms are found within protected areas, they are excluded from the supply chain.

In 2023, we expanded our mapping efforts significantly, mapping a total of 86,426 cocoa plots across all origins, up 75% on the previous year. This involved the mapping of 39,163 farms in Côte d'Ivoire, 32,844 in Ghana, 9,895 in Nigeria, 1,625 in the Dominican Republic, and 2,899 in Ecuador.

SUCDEN STANDARD

As a major supplier of cocoa beans and cocoa products, Sucden is committed to fostering opportunities and facilitating the transition towards a sustainable cocoa supply chain. In 2023, Sucden's sustainability team, together with a dedicated team of consultants, formulated the Sucden Sustainable Cocoa Sourcing Standard. This standard sets out Sucden's requirements for third party verified cocoa. Sucden's initiative presents a holistic approach to sustainability - the standard prioritizes farmer-centricity and focuses on core sustainability criteria, with a streamlined set of requirements to ensure operational feasibility and minimize complexity. Based on Sucden's cocoa sustainability strategy, the standard is aligned with existing best practice sustainability standards, as well as client-specific requirements on child labor, forced labor, and deforestation risks. Sucden's verification process covers chain of custody, suppliers, and farmers, emphasizing non-negotiable requirements, that are aligned with preserving human rights, maintaining rigorous labor standards, and promoting environmental protection. This approach includes traceability measures, site mapping, and the implementation of robust standard operating procedures, ensuring compliance and impartiality through monitoring mechanisms and exclusion criteria for non-compliance. In 2023 the Sucden Sustainable Cocoa Sourcing Standard was successfully implemented in Cote d'Ivoire and Ecuador, resulting in third-party verification of over 14 farmer groups receiving validated verifications.



APPLICATION OF BIOCHAR CAMEROON

2023 saw the continuation of our pilot project with NetZero to apply biochar in nurseries and on land at a large farm in Cameroon managed by Domayo Farming. This pilot project was designed to help us understand the potential of biochar for improving soil quality, thereby potentially contributing to a reduction in the need for inputs, and sequestering carbon. First year findings from the pilot study on the use of biochar in nurseries revealed promising results. Overall, the study suggests that utilizing biochar in nurseries, particularly in combination with foliar fertilizer, can significantly benefit soil fertility and the growth of young plants, making it a potentially profitable practice for cocoa farmers.

PARTNERSHIPS

In our pursuit of a more sustainable cocoa sector, Sucden forged partnerships with various organizations in 2023. These partnerships underscore our commitment to fostering resilience, promoting education, driving innovation, and enhancing traceability in the cocoa industry.

In our ongoing efforts to build a more climate-resilient cocoa sector, our engagement with the World Cocoa Foundation's Cocoa and Forests Initiative (CFI) continued in 2023 with a particular focus on efforts in Côte d'Ivoire and Ghana. In 2023, CFI expanded its forest protection efforts to include more landscape approaches in both countries. Sucden actively participated in the landscape assessment process and is considering how it can best contribute to these comprehensive collaborations involving local communities, government entities and joint industry actions. Furthermore, CFI continued its work with the GHG Task Force, established in 2022, and in May 2023 Quantis published the results of a detailed assessment of methods used to determine GHG emissions across the cocoa sector. Sucden supported this effort by providing information and feedback during the development of the report. This work, along with follow up efforts to develop more standardized emission factors for the major cocoa origins, will help all cocoa companies make more accurate assessments of their emissions.

Sucden continued its support of the Child Learning and Education Facility (CLEF) during 2023. The public private partnership, which is funded by 16 cocoa and chocolate companies, the Government of Côte d'Ivoire, the UBS Optimus Foundation, and the Jacobs Foundation, made progress in bringing activities into the field during 2023. Its primary goal is to improve access to and quality of education for young children through building infrastructure, strengthening teachers' skills, providing school meals and supporting early childhood development. Of note in 2023 is that progress was made in developing teacher training materials, training a pool of 120 national trainers who trained 300 pedagogical advisors at regional level, initiating the refurbishment of schools in 5 communities, and selecting an NGO that will establish bridging classes to provide out of school children with a catch-up program and support to return to school. In the 4th quarter of 2023, CLEF received a proposal from the World Food Program to implement a pilot project aimed at helping local communities to increase their food crop production and contribute, alongside the government, to school meals for children. This is expected to start in 2024.

As part of Sucden's ongoing efforts to bring more innovation to its sustainability activities, we partnered with 60 Decibels, an impact measurement company with expertise in obtaining social information through innovative approaches. During 2023 we compared data collected by telephone interviews to that collected during in-person interviews and found that telephone interviews can be used for collecting more basic farming or family related information. We will further assess how to use these findings to make data collection more efficient.

To investigate an innovative approach to cocoa traceability, Sucden supported Oritain, a New Zealand company that has developed agriculture traceability systems based on detecting soil and produce isotopes, to carry out an extensive sampling of cocoa farms and cocoa materials. The sampling and analyses will indicate whether this technique can be used further downstream to identify the geographical origin of materials within a shipment.

LOOKING FORWARD

As a greater number of human rights and environmental due diligence regulations develop across consuming countries, we are reflecting on how to best prepare the farmers, farmer organizations, and suppliers we work with to achieve compliance. Innovations in the cocoa sector's approach and effective partnerships with all relevant stakeholders, from farmers to governments, industry associations, and civil society, will be pivotal in supporting farmers, their organizations and suppliers to meet upcoming regulations and supply chain requirements.

To prepare for these changes, Sucden is involved in multiple pilots of various innovations, many of which are part of multi stakeholder partnerships or collaborative efforts. These pilots seek to understand how we can use technology to more effectively collect relevant due diligence data at scale; how we can better contribute to forest conservation, improved soil quality, and the sequestration of carbon through new models and technologies; and how we can support farmers to improve their livelihoods by providing tailored services aimed at closing the living income gap.

In the coming years, we will continue to focus on efficient ways of delivering sustainability programs, while supporting farmers and suppliers to demonstrate compliance. In these efforts, we will continue to be driven by impact, leveraging compliance frameworks to remediate risks across the supply chain. Our goal is to move compliance from a 'tick the box' approach to one that contributes to building resilient cocoa farming communities.



04. SUPPLY CHAIN

COFFEE

Ensuring the long-term health of the coffee supply chain cannot be achieved by a single organization alone. Aligning the sector under a common vision and direction is the first step towards a common strategy and long-lasting impact. As a signatory to the Sustainable Coffee Challenge and Global Coffee Platform, Sudden Coffee is committed to the sector's 2050 sustainability goals and 2025 targets (read more about the sector's targets: <https://www.sustaincoffee.org/2025targets>). We report annually on the progress of our commitments.

Our strategy for contributing to these goals is based on collaboration and the continuous development of the way we engage with the upstream supply chain.



OUR AMBITION FOR 2025 IS ALIGNED WITH THE SUSTAINABLE COFFEE CHALLENGE ROADMAP:

SCC pillars	COFFEE Resilient Supply	MARKETS Strengthen market demand	PEOPLE Improve wellbeing and prosperity	PLANET Conserve nature
SUCDEN's targets	Train at least 15,000 smallholder farmers a year on good agricultural practices	Achieve 50% of certified/verified coffee in our trade	Involve at least 5,000 farmers in income-diversification projects	Provide access to 300,000 seedlings to be planted on coffee farms and community land to increase tree cover in our main coffee-sourcing landscapes

OUR TARGETS FOR 2025 AND PERFORMANCE IN 2023

	2021	2022	2023	2025 target
Resilient supply				
Smallholder farmers trained annually on good agricultural practices	7,500	14,980	14,285	15,000
Sustainable sourcing				
Share of certified coffee	24%	31%	19%	50%
Farmers' and workers' wellbeing and prosperity				
Farmers involved in income-diversification projects (cumulative)	700	1,164	3,461	5,000
Nature conservation				
Shade and fruit trees distributed (cumulative)	48,000	116,000	182,965	300,000

04. SUPPLY CHAIN

SUCDEN COFFEE VERIFIED

Sudden Coffee Verified is the voluntary sustainability scheme developed by Sudden Coffee that enables farmers to demonstrate that they produce their coffee sustainably and in compliance with the EU Deforestation Regulation.

Sudden Coffee Verified is rolled out across five coffee sourcing origins: Brazil, Colombia, India, Indonesia and Vietnam. We work together with our producers to establish a baseline level of sustainability in coffee production across these origins.

The Scheme covers smallholders, large farms, and groups of farms and allows for both second and third party verification. Second-party assurance is provided by the local Sudden team and third-party assurance is provided by an independent accredited certification body. More information about the Scheme can be found here:

<https://www.sudden.com/en/products-and-services/coffee/sustainable-coffee/>

Sudden Coffee Verified was developed based on the Global Coffee Platform's Coffee Sustainability Reference Code and Equivalence Mechanism 2.0. The scheme was operationalized in January 2024. It will be submitted to GCP by late 2024 for assessment and recognition through the GCP Equivalence Process with results expected in Q1 of 2025.



3 SUSTAINABILITY OBJECTIVES

ECONOMIC PROSPERITY

Enhancing farmer profitability and resilience

SOCIAL WELL-BEING

Upholding labor rights and decent working conditions

ENVIRONMENTAL RESPONSIBILITY

Safeguarding resources and enhancing climate resilience

12 STANDARD CRITERIA



- **Business management:** Producers know required practices for economic and environmental sustainability
- **Agricultural services:** Producers have access to services, inputs, and information
- **Business integrity:** Producers conduct their business ethically and transparently



- **Right to childhood and education**
- **Human rights:** Producers and workers enjoy their rights and international standards are upheld
- **Workers have decent and safe working and living conditions**
- **Community rights are upheld**



- **Biodiversity:** Practices maintain a healthy and balanced ecosystem
- **Pest & weed management:** Practices minimize pesticide use and prevent harm to health and environment
- **Resource conservation:** Soil quality and water sources are maintained or improved
- **Pollution is prevented, eliminated or reduced**
- **Climate:** Producers adapt to and mitigate climate change

SUSTAINABILITY PROJECTS & PRE-COMPETITIVE INITIATIVES

Together with our clients, we invest in projects in various origins. These enable us to expand our network of direct supply chains and provide technical services to coffee producers. We build on the work of experts to provide high-quality advice and assistance to farming communities. Alongside our project work, we partner with various initiatives in areas that require coordinated action and funding. Some examples of these initiatives are coffee breeding, addressing the responsible use of agro-inputs or establishing open-source benchmarks for greenhouse gas emissions for coffee. Below is a list of the different partnerships and their areas of focus.

GLOBAL PARTNERSHIPS

Global Coffee Platform (joined Feb 2023) – Multi-stakeholder membership association of coffee producers, traders, roasters and retailers, civil society, associations, governments and donors, united under a common vision to work collectively towards a thriving, sustainable coffee sector.

<https://www.globalcoffeeplatform.org/>

World Coffee Research (joined 2021) – Organization dedicated to working towards a sustainable future by combining scientific research with industry-wide collaboration and development. WCR has historically invested heavily in research into coffee genetics, coffee chemistry and adaptation of the coffee plant to climate change.

<https://worldcoffeeresearch.org/>

Sustainable Coffee Challenge (joined 2020) – The Sustainable Coffee Challenge which is convened and facilitated by Conservation International, unites and urges the coffee sector and conservation partners across the industry to step up the actions and investments necessary to make coffee sustainable.

<https://www.sustaincoffee.org/>



REGIONAL INITIATIVES

USAID Carbon Footprint Baseline in Vietnam and Indonesia (2022-2023) – Partnership seeking to develop a common framework for carbon accounting and to generate cross learnings in the coffee sector.

<https://www.climatelinks.org/green-invest-asia/usaids-and-coffee-industry-co-create-robusta-carbon-footprint-baselines-in-vietnam-and-indonesia/index.html>

GCP Responsible Use of Agro-Inputs for Coffee in Vietnam (2021-2024) – Pre-competitive action to improve the responsible use of agro-inputs in Vietnam's coffee production by developing alternative practices.

<https://www.globalcoffeeplatform.org/collective-action-initiatives/2020/responsible-use-of-agro-inputs/>

GCP Ugandan Youth for Coffee Initiative (2022-2026) – Pre-competitive action to improve the livelihoods of Uganda's coffee-producing communities by creating employment opportunities for young men and women.

<https://www.globalcoffeeplatform.org/latest/2021/mobilizing-ugandan-youth-for-coffee/>

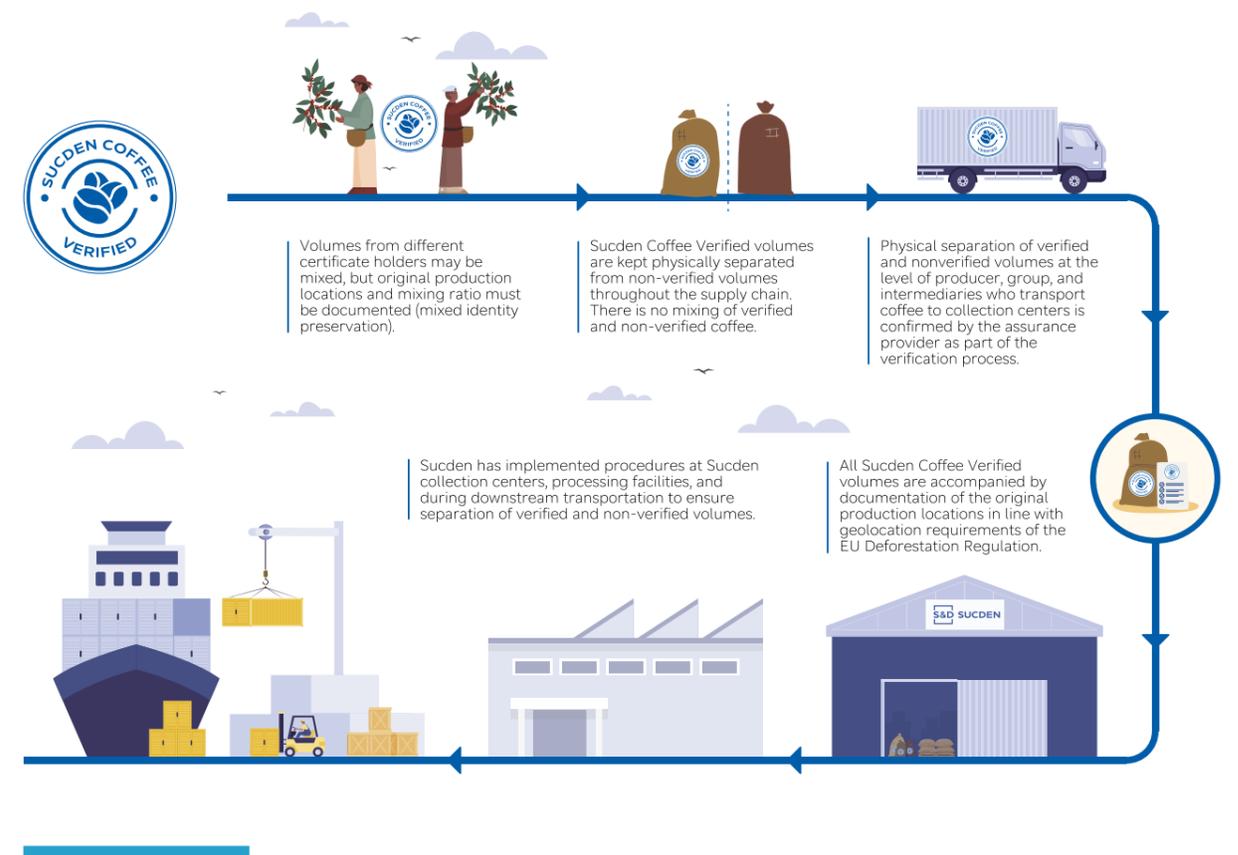
Coffee, Forest, Climate Agreement in Colombia (since 2022) – Agreement between the Colombian government, international organizations, global coffee companies and exporting countries with the main goals of combating deforestation and contributing to climate adaptation and mitigation.

https://www.solidaridadnetwork.org/press_release/colombia-becomes-first-country-to-sign-landmark-agreement-on-coffee-climate-change-and-forests/

OUR ACHIEVEMENTS IN 2023

Highlights from origins:

- In Colombia, with the support of our client, we completed the distribution of more than 800,000 coffee seedlings to smallholder farmers, and we are actively working on piloting a carbon reduction and removal strategy in our supply chain.
- In Vietnam, we continued working within the IDH Landscape program in Central Highlands on regenerative agriculture, low-carbon production and improving rural livelihoods.
- In India, we partnered with a local non-governmental organization to mitigate human-elephant conflict. We are working on empowering the rapid response team and raising awareness of best practices among the population when facing elephants.
- We helped establish carbon footprint baselines for Robusta coffee production in two origins in Southeast Asia: Central Highlands, Vietnam and Southern Sumatra, Indonesia. The study resulted in defining the main producer archetypes in the region and defining the carbon footprint per kg of GBE (Green Bean Equivalent) produced.
- In some origins, we are involved in projects which aim to establish a producer rewarding mechanism for carbon sequestration.





05. COMMUNITIES

OUR STRATEGY, POLICIES AND PERFORMANCE

We have a positive impact on our local communities and further afield by dealing with local producers, employing people, paying our taxes, and supplying food ingredients to consumers around the world. We aim to boost this positive impact by helping our employees support other causes.

KEY CHALLENGES, RISKS AND OPPORTUNITIES

Contributing to the following UN Sustainable Development Goals



As a trading house, we have an international footprint, with premises in 25 countries and employees traveling to almost all countries in the world. Our reputation is based on the conduct of our employees everywhere we operate. We want our business partners to see our employees consistently demonstrating our values at all times.

Our 5,600 employees frequently encounters or becomes acquainted with local concerns such as nutrition and health, education, environment, and social and livelihood issues. They willingly engage with local communities and contribute to solving these issues. Such a positive impact instills confidence in our partners and we look forward to maintaining this by continually supporting these activities.



We support programs and projects that enable us to make a distinct contribution to the community. We rely on the expertise of our employees to create opportunities for collaborating with our clients and other strategic partners and, most importantly, to solve problems rather than simply treat symptoms.

We allocate over 1% of our consolidated net income to these activities, either directly or through our corporate foundation. This works in three main ways:

- **Employee initiatives**
We strive to generate a positive impact on local communities by encouraging and supporting employees' personal involvement in projects outside of their work. They can apply for funding from the Sucden Foundation for projects in which they or their close relatives are involved.
- **Generating a positive local impact**
We aim to make a positive impact in the regions in which we operate, to improve the lives of local communities as well as the environment, and encourage employees to identify initiatives we can participate in.

- **Supporting universal causes**
We provide support to causes we believe in as a company.



OUR PERFORMANCE IN 2023

In 2023, we contributed more than USD 3.8 million, versus USD 4.0 million in 2022, either from our Foundation or through our local entities, to various organizations and initiatives; this amount represents about 1.3% of our consolidated net income. Some examples of charities and projects supported by Sucden or its corporate Foundation in 2023:

- **Restaurants du coeur¹³**
The association aims to help and provide voluntary assistance to the socially deprived, particularly in the food sector by providing free meals, and by contributing to their social and economic integration, as well as taking any action to combat poverty in all forms. As of 2024, the organization has around 73,000 volunteers.
- **Coup de Pouce¹⁴**
Coup de Pouce works in partnership with communities and state funded schools in France to give every child, regardless of their socioeconomic background, a path towards academic success.
- **NOC¹⁵**
NOC is an initiative that uses art to improve the livelihood of children facing long-term diseases such as cancer. Art lessons and activities are delivered to children, in partnership with hospital doctors.

- **Tree planting program**
We supported an initiative in Ghana to set up an agroforestry pilot project with 100 farmers by coaching and supporting the implementation of a medium- to high-density agroforestry model (targeting 50-70 trees per hectare).
- **VSLA**
In Ghana we supported a project to implement Village Savings & Loan Associations in ten communities in five districts, each of which is part of the Ghana Cocoa Sector. The target was to cover at least 250 direct beneficiaries and provide them with basic financial skills.
- **Empowerment of women coffee farmers**
Through collaboration with our roaster partners, and two associations in Colombia, 51 women lacking access to clean drinking water and facing frequent power outages have received extensive training in gender equality, safe water practices, first aid, and coffee quality enhancement. This initiative has not only empowered the women with vital skills and infrastructure but also provided 200 individuals with access to clean drinking water directly on the farms, fostering healthier and more sustainable communities.
- **Minas d'Agua**
The project aims to restore and preserve the water resources of rural properties encompassing the headwaters of the Guaxupé River in Minas Gerais. The project provides both the needed materials and the support for local producers to preserve, restore, and protect the streams that flow through their properties.

¹³ <https://www.restosducoeur.org/>
¹⁴ <https://www.coupdepouceassociation.fr/>
¹⁵ <https://www.asso-noc.fr/>

SUMMARY OF KEY GOALS AND KPIS

SUMMARY OF KEY GOALS AND KPIS

TOPIC	KEY CHALLENGES, RISKS AND OPPORTUNITIES	KEY PERFORMANCE INDICATOR	
PEOPLE	Sucden employees around the world	Total number of employees	
		Absenteeism rate	
	Wellbeing at work	Turnover rate	
		Number of training hours per employee	
	Attracting talent and managing skills	Men to women ratio	
		Frequency rate of occupational accidents (LTIFR)	
	Building a safe environment	Severity rate of occupational accidents (LTISR)	
		ISO 45001 certificates	
	ENVIRONMENT	Optimizing our direct carbon footprint (Scope 1 & 2 GHG emissions)	GHG direct emissions (Scope 1 & 2)
			CO ₂ e per cultivated hectare (CIS)
CO ₂ e per ton of sugar produced (CIS)			
Monitoring and optimizing our global carbon footprint		GHG indirect emissions – Upstream and managed downstream supply chain (Scope 3)	
		GHG emissions related to business trips	
		Average bulk EEDI	
Managing our waste products and production residues		Volume of hazardous wastes	
Optimizing our water consumption		Water consumption per ton of sugar produced	
SUPPLY CHAIN		Promoting responsible labor and improving farming practices	Percentage of smallholder farmers trained (on child labor issues) directly by Sucden, out of a total number of suppliers of Sucden's direct supply chain during the crop cycle (October 1 st and September 30 th) in cocoa plantations in Côte d'Ivoire, and in Ghana (US destination)
			Percentage of smallholder farmers trained (on child labor issues) directly by Sucden, out of a total number of suppliers of Sucden's direct supply chain during the crop cycle (October 1 st and September 30 th) in cocoa plantations in Côte d'Ivoire, and in Ghana (US destination)
		Number of households covered by a CLMRS (or equivalent)	
		Number of smallholder farmers for which Sucden owns polygons / GPS points	
	Protecting forests	Number of trees seeds distributed by Sucden to farmers in cocoa plantations during the crop season (Oct 1 st to Sept 30 th) and in coffee plantations during the year	
		Number of tree seedlings distributed by Sucden to farmers in cocoa plantations	
		Number of tree seedlings distributed to coffee plantations during the year	
		Number of shade trees monitored through GPS tracking in Côte d'Ivoire during the previous Crop (21/22)	
		Tree mortality in Côte d'Ivoire during the previous Crop (21/22)	
	Sourcing responsible commodities	Volume of Bonsucro certified sugar sales	
Share of certified coffee sales			
Share of certified (Rainforest Alliance and Fair Trade) cocoa sales			
Share of direct supply chain of cocoa purchases			
COMMUNITIES	Having a positive impact in our communities	Donations to local development and general interest programs	
		Funds allocated to sustainability programs on behalf of third parties	
		Share of consolidated net income allocated to general interest programs	

16 Direct supply chain relates to the World Cocoa Foundation's definition.
All disclosed indicators are reported at the consolidated level on a calendar year basis (unless otherwise specified).

PERFORMANCE IN 2023	PERFORMANCE IN 2022	REGULATORY REFERENCE	PAGE
5,578	5,341	R.225-105 II. A.1.f)	20-21
4.15%	4.25%	R.225-105 II. A.1.b)	22-23
13.9%	13.5%	R.225-105 II. A.1.a)	22-23
67	48	R.225-105 II. A.1.e)	22-23
2.33	2.19	R.225-105 II. A.1.a)	20-21
3.37	2.83	R.225-105 II. A.1.c)	22
0.03	0.04	R.225-105 II. A.1.c)	22
2	1	R.225-105 II. A.1.c)	22
589,538 t CO₂ e	566,160 t CO ₂ e	R.225-105 II. A.2.d)	27-28
524 kg CO₂ e	326 kg CO ₂ e	R.225-105 II. A.2.d)	27-28
573 kg CO₂ e	602 kg CO ₂ e	R.225-105 II. A.2.d)	27-28
22,346,900 t CO₂ e	19,885,106 t CO ₂ e	R.225-105 II. A.2.d)	29-30
1,199 t CO₂ e	491 tCO ₂ e	R.225-105 II. A.2.d)	29-30
6.6 gCO₂e/t x nm⁻¹	7.4 gCO ₂ e/t x nm ⁻¹	R.225-105 II. A.2.d)	29-30
1,288 t	1,706 t	R.225-105 II. A.2.c).i	31
3.0 m³	3.2 m ³	R.225-105 II. A.2.c).ii	32
83%	93%	R.225-105 II. A.3.b)	36-45
82%	93%	R.225-105 II. A.3.b)	36-45
54,312	24,675		36-45
77,527			36-45
504,142	391,715	R.225-105 II. A.2.e)	36-49
437,177	323,611	R.225-105 II. A.2.e)	36-45
66,965	68,104	R.225-105 II. A.2.e)	46-49
232,196	181,552	R.225-105 II. A.2.e)	36-45
20%	20%	R.225-105 II. A.2.e)	36-45
226,103	78,844	R.225-105 II. A.3.b)	34
19%	31%	R.225-105 II. A.3.b)	36-45
11%	10%	R.225-105 II. A.3.b)	36-45
31%	31%	R.225-105 II. A.3.b)	46-49
USD 3.8 million	USD 4.0 million	R.225-105 II. A.3.a)	50-51
USD 24.3 million	USD 17.6 million	R.225-105 II. A.3.a)	50-51
1.3%	1.5%	R.225-105 II. A.3.a)	50-51

The methodology outlined herein ensures the accuracy and reliability of the data presented.

PERIMETER

Unless explicitly stated otherwise, this report covers Sucden's consolidation scope for the period January 1 – December 31, 2023. Please note that some indicators may pertain to a different reporting period. This is typically the case for certain cocoa-related KPIs, as the crop period does not align with the civil year. In 2023, we consolidated for the first time a small entity in South America which was not included in the previous reports. Other significant changes in the reporting perimeter in 2023 include the sale of one vessel operated by Sucden, the acquisition of a minority stake in Moroccan sugar producer Cosumar, and the creation of a Grain subsidiary in Australia.

SOCIAL INDICATORS

Our social indicators cover all employees that are directly employed by Sucden entities. Frequency rate calculation: number of lost-time accidents x 1,000,000/number of hours worked during the reporting period. Severity rate calculation: number of calendar days lost (fatalities excluded) during the year x 1,000/ number of hours worked during the year. Turnover rates are calculated on an average total of employees during the year.

GHG EMISSIONS

Scope 1 & 2 Calculation Methodology

GHG emissions are calculated using the best available emissions factors. Please be aware that some entities may be excluded from environmental indicators. This is because their carbon footprint is deemed insignificant, as is often the case with small offices.

Scope 3 Calculation Methodology:

Purchased Goods and Services: Emissions from purchased goods are calculated based on primary data collected from all executed sales and net volumes by origin and commodity that Sucden physically traded over the calendar year. The emission factors are sourced from primary emission factor data or third-party providers such as Ecoinvent.

Upstream Transportation and Distribution / Downstream Transportation and Distribution: This category encompasses emissions from transporting materials to the company and to customers. The upstream category primarily addresses third-party transportation of materials and is calculated using fuel consumption data and region-specific fuel emission factors. Downstream primary data is provided by the Sucden logistics department for freight, where the shipping company's primary emission factor is applied per ton/nautical mile, or Ecoinvent data is used if primary emission factors are not available.

Business Travel: Data collection occurs at the entity level for major offices, with a controlled methodology at the consolidated level. Ecoinvent emission factors for travel are applied.

Other Scope 3 categories have been assessed as insignificant to the Sucden Group's annual emissions; hence, they are not included in the accounting and reporting process.

OTHER

CLMRS or equivalent definition based on ICI (International Cocoa Initiative, where Sucden is a Member) approach. Essentially, the definition boils down to a system being considered as equivalent to CLMRS when it provides the 4 functional attributes as noted here:

- Raise awareness on child labor and resulting harm amongst farmers, children, and members of the wider community.
- Identify children in child labor through an active, and risk-based, monitoring process, using standardized data collection tools.
- Provide both prevention and remediation support to children in child labor, and others at risk, and document the support provided.
- Follow-up with children identified in child labor to monitor their status on a regular basis until they have stopped engaging in child labour



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

Year ended December 31st 2023

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 (COFRAC) under number 3-1884¹, we have undertaken a limited assurance engagement on the historical information (observed or extrapolated) in the consolidated non-financial statement, prepared in accordance with the entity's procedures (hereinafter the «Guidelines»), for the year ended December 31st, 2024

(hereinafter, the «Information» and the «Statement» respectively), presented in the Group's management report pursuant to the legal and regulatory provisions of Articles L. 225 102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code (code de commerce).

CONCLUSION

Based on the procedures we performed as described under the «Nature and scope of procedures» paragraph and the evidence we obtained, nothing has come to our attention that causes us to believe that the consolidated non-financial statement is not prepared in accordance with the applicable regulatory provisions and that the Information, taken as a whole, is not presented fairly in accordance with the Guidelines, in all material respects.

PREPARATION OF THE NON-FINANCIAL PERFORMANCE STATEMENT

The absence of a commonly used generally accepted reporting framework or of a significant body of established practices on which to draw to evaluate and measure the Information allows for different, but acceptable, measurement techniques that can affect comparability between entities and over time.

Consequently, the Information needs to be read and understood together with the Guidelines, summarized in the Statement and available on the Entity's website or on request from its headquarters.

INHERENT LIMITATIONS IN PREPARING THE INFORMATION

The Information may be subject to uncertainty inherent to the state of scientific and economic knowledge and the quality of external data used. Some information is sensitive to the choice of methodology and the assumptions or estimates used for its preparation and presented in the Statement.

RESPONSIBILITY OF THE ENTITY

Management of the entity is responsible for:

- selecting or establishing suitable criteria for preparing the Information,
- preparing a Statement pursuant to legal and regulatory provisions, including a presentation of the business model, a description of the main non-financial risks, a presentation of the policies implemented considering those risks and the outcomes of said policies, including key performance indicators,
- preparing the Statement by applying the entity's "Guidelines" as referred above, and
- designing, implementing, and maintaining internal control over information relevant to the preparation of the Information that is free from material misstatement, whether due to fraud or error.

The Statement has been prepared by the Management Board

RESPONSIBILITY OF THE STATUTORY AUDITOR, APPOINTED AS INDEPENDENT THIRD PARTY

Based on 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 historical information (observed or extrapolated) provided pursuant to part 3 of sections I and II of Article R. 225-105 of the French Commercial Code, i.e., the outcomes of policies, including key performance indicators, and measures relating to the main risks.

As we are engaged to form an independent conclusion on the Information as prepared by management, we are not permitted to be involved in the preparation of the Information as doing so may compromise our independence.

It is not our responsibility to report on the entity's compliance with other applicable legal and regulatory provisions and on the compliance of products and services with applicable regulations.

APPLICABLE REGULATORY PROVISIONS AND PROFESSIONAL GUIDANCE

We performed the work described below in accordance with Articles A. 225-1 et seq. of the French Commercial Code, the professional guidance issued by the French Institute of Statutory Auditors

(Compagnie Nationale des Commissaires aux Comptes) applicable to such engagements, in particular the professional guidance issued by the Compagnie Nationale des Commissaires aux Comptes, "Intervention du commissaire aux comptes - Intervention de l'OTI - Déclaration de performance extra-financière", acting as the verification program, and with the international standard ISAE 3000 (revised)².

INDEPENDENCE AND QUALITY CONTROL

Our independence is defined by the provisions of Article L. 822-11 of the French Commercial Code and the French Code of Ethics for Statutory Auditors (Code de déontologie) of our profession. In addition, we have implemented a system of quality control including documented policies and procedures aimed at ensuring compliance with applicable legal and regulatory requirements, ethical requirements and the professional guidance issued by the French Institute of Statutory Auditors

(Compagnie Nationale des Commissaires aux Comptes) relating to this engagement.

MEANS AND RESOURCES

Our work engaged the skills of six people between January 2024 and April 2024 and took a total of four weeks.

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

NATURE AND SCOPE OF PROCEDURES

We are required to plan and perform our work to address the areas where we have identified that a material misstatement of the Information is likely to arise.

The procedures we performed were based on our professional judgment. In carrying out our limited assurance engagement on the Information:

- We obtained an understanding of all the consolidated entities' activities, and the description of the main related risks,
- We assessed the suitability of the criteria of the Guidelines with respect to their relevance, completeness, reliability, neutrality and understandability, taking into account, where appropriate, best practices within the sector,
- We verified that the Statement includes each category of social and environmental information set out in article L. 225-102-1 III of the French Commercial Code and includes, where applicable, an explanation for the absence of the information required under article L. 225-102-1 III, paragraph 2 of the French Commercial Code,
- 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 main risks,
- We verified that the Statement presents the business model and a description of main risks associated with all the consolidated entities' activities, including where relevant and proportionate, the risks associated with their business relationships, products or services, as well as policies, measures and the outcomes thereof, including key performance indicators related to the main risks,

- We referred to documentary sources and conducted interviews to:

- assess the process used to identify and confirm the main risks as well as the consistency of the outcomes, including the key performance indicators used, with respect to the main risks and the policies presented,
- corroborate the qualitative information (measures and outcomes) that we considered to be the most important presented in the Appendices. Concerning certain risks (Having a positive impact in our communities, Business ethics), 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 consolidated scope, i.e. all the entities within the consolidation scope 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 implemented, and assessed the data collection process aimed at ensuring the completeness and fairness of the Information,

- For the key performance indicators and other quantitative outcomes that we considered to be the most important, presented in the Appendices, 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 definitions and procedures and reconcile the data with supporting documents. This work was carried out on a selection of contributing entities³ and covers between 18% and 100% of the consolidated data relating to the key performance indicators and outcomes selected for these tests,

- We assessed the overall consistency of the Statement based on our knowledge of all the consolidated entities' activities.

The procedures performed in a limited assurance review are less in extent than for a reasonable assurance opinion in accordance with the professional guidance of the French Institute of Statutory Auditors (Compagnie Nationale des Commissaires aux Comptes), a higher level of assurance would have required us to carry out more extensive procedures.

Paris-La Défense, 20 avril 2023

KPMG S.A.

Laurent Chillet
Partner

Raffaele Gambino
ESG Expert

¹ Accreditation Cofrac Inspection, number 3-1884, scope available at www.cofrac.fr

² ISAE 3000 (Revised) - Assurance Engagements Other Than Audits or Reviews of Historical Financial Information

³ Monitoring and optimizing our global carbon footprint, having a positive impact in our communities, business ethics

APPENDIX

QUALITATIVE INFORMATION (ACTIONS AND RESULTS) CONSIDERED MOST IMPORTANT

System in place to ensure safety
Measure taken to promote well-being at work
Measure in favor of work life balance
Actions in favor of employee parenthood
Employee health policy
Mechanism established for waste management
Sustainable agricultural practices
Actions implemented to preserve soil fertility
Partnership actions
Certifications ensuring traceability and risk management in the supply chain
Certifications and process evaluation schemes

KEY PERFORMANCE INDICATORS AND OTHER QUANTITATIVE RESULTS CONSIDERED MOST IMPORTANT

Total number of employees
Absenteeism rate
Turnover rate
Number of training hours per employee
Frequency rate of occupational accidents
Severity rate of occupational accidents
Energy consumption
Water consumption per ton of sugar produced
Greenhouse gas direct and indirect emissions (scopes 1 and 2)
Volume of hazardous wastes
Waste recycling rate
Share of certified coffee sales
Percentage of smallholder farmers trained (on child labor issues) directly by Sucden, out of a total number of suppliers of Sucden's direct supply chain during the crop cycle (October 1 st and September 30 th) in cocoa plantations in Côte d'Ivoire
Percentage of smallholder farmers trained (on child labor issues) directly by Sucden, out of a total number of suppliers of Sucden's direct supply chain during the crop cycle (October 1 st and September 30 th) in cocoa plantations in Côte d'Ivoire, and in Ghana (US destination)
Number of trees' seeds distributed by Sucden to farmers in cocoa plantations during the crop season (Oct 1 st to Sept 30 th) and in coffee plantations during the year
- Number of tree seedlings distributed by Sucden to farmers in cocoa plantations
- Number of tree seedlings distributed by Sucden to farmers in coffee plantations

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