

RESPONSIBILITY REPORT

2021





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

Therefore, we care for our employees, clients, suppliers and partners, and act responsibly towards the communities where we operate and the environments we share. Sucden’s approach and business activities aim to create long-lasting solutions and fair business opportunities.

Sucden creates opportunities

CHAIRMAN’S MESSAGE



2021 has again been a challenging year, but one which allowed the Sucden Group to show its resilience when faced with a volatile and complex environment. Despite the challenges that threatened our business, our staff succeeded in continuing to meet clients’ needs, offering our suppliers innovative solutions, and grasping opportunities.

Our teams’ dedication to adapting Sucden’s way of doing business in such an environment led the Group to achieve a record-breaking financial performance in 2021.

The problem-solving mindset is one of our Group’s strongest assets, and I genuinely believe it will be instrumental when working, with our partners, to address the world’s most significant sustainability challenges. As members of the Global Compact, we aim to translate our license to operate into a high-quality environmental and social performance, based on the following principles:

- **Responsibility and generating value as key principles of our business practices:** we look to service both our clients and customers. We are conscious of the responsibility we share with our partners in the supply chain and industry.
- **Long-term objectives:** we take the long view when setting our strategy and guiding our decisions.
- **Partnerships:** our role in the supply chain is instrumental in connecting supply and demand, and we rely upon partners to achieve effective and optimized results, in particular working with dedicated experts and NGOs. Similarly, we can only succeed in our business when working with solid financial institutions, and we can only be sustainable when providing reliable services to our clients and customers.
- **Improving our positive impact:** our staff are best placed to identify opportunities to generate positive impact, and our corporate Foundation has been designed to support them in contributing to a more-resilient and responsible world.

Our dual objectives of achieving a strong performance, while promoting the values of responsibility, are strongly rooted in Sucden’s DNA. In 2022, we will use our core values to guide us when addressing the major challenges we face.

It is more important than ever that we share with our suppliers and customers our responsibility to supply consumers with responsible agricultural commodities. Along with our partners in the supply chain, we are taking many proactive steps to improve our business practices, such as monitoring our carbon footprint (including our scope 3 emissions). Within the agricultural commodity sector, we have a collective aim to reduce carbon emissions, improve production standards, and increase consumer confidence in agricultural supply chains. Adapting to a fast-changing world has been fundamental to the Group’s approach to business over the last 70 years, and we will continue to apply our expertise, in partnership with our stakeholders, to innovate and to meet our commitments towards a sustainable future.

Serge Varsano
Chairman

GROUP OVERVIEW

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 70 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.

USD7.1 billion

SUCDEN GROUP TURNOVER IN 2021

9.4 million tons

OF SUGAR ORIGINATED AND SHIPPED OR DISTRIBUTED IN 2021

569,000 tons

OF COCOA-BEAN-EQUIVALENT ORIGINATED IN 2021

309,000 tons

OF COFFEE BEANS ORIGINATED IN 2021

FOUR VERTICALLY INTEGRATED LINES OF BUSINESS:

1

SUGAR, ETHANOL, COCOA AND COFFEE TRADING AND DISTRIBUTION

Sugar – Sucden:
is market leader in the global sugar business.

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

originates and ships or distributes **9.4 million tons of sugar**.

analyses and publishes sugar-market trends quarterly on its website

Cocoa – Sucden:
is one of the leading traders of cocoa beans and products

serves a diverse client base from all over the world

provides tailor-made solutions for the cocoa and chocolate industry

manages each step of the supply chain from cocoa origination through logistics, risk mitigation and final delivery

originates **569,000 tons of cocoa-bean equivalent**

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

trades about **309,000 tons**.

Ethanol – Sucden:
was established in 2007

runs key activities including trading, origination and marketing

219,000 tons

OF SUGAR-BEET PULP PELLETS SOLD IN 2021

154,000 tons

OF MOLASSES SOLD IN 2021

2

AGRO-INDUSTRY

In Russia, we are a major sugar producer, processing **36,500 tons of sugar beet a day**

Our four factories (Dobrinski and Eletski in Lipetsk region, Atmis-Sakhar in Penza region, Tbiliski in Krasnodar region) have a production capacity of over **800,000 tons of crystal sugar a year**.

We manage more than **250,000 hectares of land**, growing sugar beet as well as wheat, corn, and sunflowers

Additionally, we produce milk from **a herd of 2,600 cows**.

250,000 hectares

OF LAND UNDER MANAGEMENT IN RUSSIA IN 2021

3

BROKERAGE

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

Sucden Financial Limited is authorized and regulated by the Financial Conduct Authority.

4

SHIPPING

Sucden Armateurs is a fleet management company with **four Handymax vessels, each with a capacity of 43,000 tons**. These are some of the most environmentally friendly bulk carriers in the world.

2021 highlights

We worked with our banking pool to successfully refinance our Revolving Credit Facility to make it sustainability linked through an innovative incentive mechanism.

We launched Sucden Ventures, aiming to provide venture capital for disruptive technologies that can transform the future of food and agriculture.

Dobrinski sugar factory in Russia in 2021 reduced its water consumption per ton of produced sugar by 7% and its CO₂ emissions per ton of produced sugar by 5%, thanks to investments in the beet-pulp pressing process.

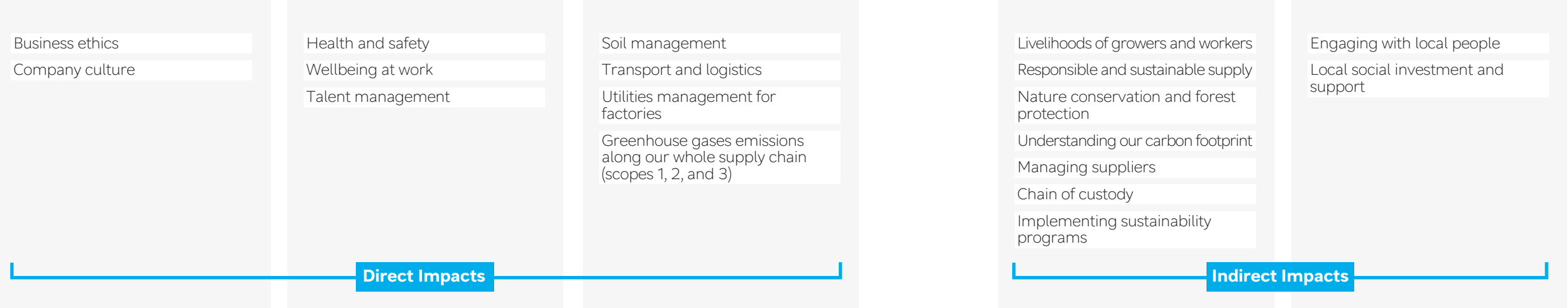
We almost doubled our Bonsucro certified sugar sales.



OUR APPROACH TO 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 below.

Our material issues



Our action areas

BUSINESS PRACTICES

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

PEOPLE

How we interact with people defines us as a business. We commit to 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.

ENVIRONMENT

Our main business is linked to soft-commodities production, so the way we treat the world around us will inevitably affect our future. Therefore, we are committed to constantly reducing our environmental impact and conserving natural resources.

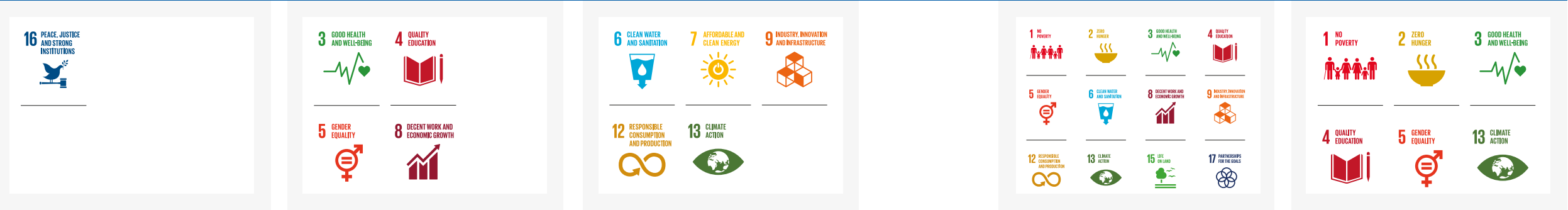
SUPPLY CHAIN

Our supply chain affects communities in the areas we source from. We are protecting forests in the coffee and cocoa supply chains through innovative tree planting programs. We are looking to better understand our overall carbon footprint in this critical part of our business.

COMMUNITIES

We aim to invest in the communities we interact with. We will make the most of our employees' local knowledge and involvement and to effect positive change and identify innovative solutions.

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 the positive impact we have. 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 to our responsibilities. We disclose potential risks and issues in this report, identified based on French and EU regulations, as well as on the UN Sustainable Development Goals.

Step 2 – Know our impacts and identify our material risks
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.

- Business ethics
- 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.

- Health and safety
- Wellbeing at work
- Talent management

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

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
- Transport and logistics
- Utilities management for factories
- Greenhouse gases emissions along our whole supply chain (scopes 1, 2, and 3)

Indirect impacts

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 and sustainable supply
- Nature conservation and forest protection
- Understanding our carbon footprint
- Managing suppliers
- Chain of custody
- Implementing sustainability programs

Communities

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.

- Engaging with local people
- 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 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 contributing to developing 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

With the above framework, the Board aims to make the most of our desire to keep improving our sustainable way of doing business, and thus our license to operate. We have set the following guidelines:

Commitments

We go public with our convictions, as demonstrated by memberships and public positions such as Global Compact, Cocoa & Forest Initiative, and the International Cocoa Initiative.

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. As well as being commitments, these certifications encourage us to strive for excellence.

Direct actions 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, as well as internal processes, to ensure we apply our values across the Group. Our Compliance Framework is part of this demanding 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, environment and social issues. It lets us make a distinct and significant contribution to the community by funding of two types of project:

- Those with personal employees involvement.
- Those that enhance the positive impact we have on the environment and communities where we operate.

PERFORMANCE REPORTING

Sucden will always monitor and report on its involvement in, and strategy for, addressing compliance, environmental and social issues.

To be able to conduct our business ethically and with integrity, we continue to 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 aims to conduct its business in accordance with all laws that apply where we operate. This includes a growing amount of rules and regulations issued by the French, EU, US and other relevant countries' authorities, and by international organizations.

It is also a legal obligation under French law (Transparency, anti-corruption & economic modernization Act 2016-1691 of 9 December 2016 'loi Sapin II') to do what is necessary to prevent and detect all possible types of corruption. More generally, we have procedures to ensure we conduct business activities in compliance with our obligations for international sanctions, anti-money-laundering, prevention of corruption, and against the financing of terrorism. These are especially important when we source or sell commodities in countries considered at risk.

Expectations and opportunities

Demand for sustainable and responsible commodities will continue to grow in the coming years. Being close to producers of sugar, cocoa, coffee and ethanol, we are well placed to support this demand, by tracking origins and supporting local populations in responsible development.

In addition, as our way of doing business very much stresses building ethical long-term relationships with our business partners, we believe responsibility and sustainability will become just as important to our customers.

OUR STRATEGY, POLICIES AND PERFORMANCE

Conducting business ethically, lawfully, and in compliance

Our Code of Conduct¹ sets out the rules, principles and values all employees should always follow when working. It is an all-encompassing 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 conduct business in line with any laws and regulations that apply, and in line with the principles and values in our Code of Conduct.

Among other things, the Compliance Framework includes:

- a risk map to identify the main risks we may face
- 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 decide 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 2021

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

This year, 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 through internal audit. We also ensured employees were well aware of our whistleblowing policy, to further strengthen our goal of fair business practices. There were no whistleblowing events during the year.



Commitments towards global initiatives

We are always keen to share our view on responsibility with our business partners 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 2021

Our commitments include corporate initiatives as well as sector-specific ones, 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:
 - Cocoa & Forest Initiative (CFI)², which encourages industry efforts to protect forests and ensure traceability of cocoa.
 - International Cocoa Initiative (ICI)³, 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)⁴ 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.

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

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

³ <https://cocoainitiative.org/>

⁴ <https://www.maritime-acn.org/>

BUSINESS PRACTICES



OUR STRATEGY, POLICIES AND PERFORMANCE CONTINUED



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, to demonstrate the reliability of our processes and traceability of our products
- certifying our asset-based activity: our vessels and plants in Russia work to a certification strategy that addresses environmental, health and safety, supply chain, and social practices.



Our performance in 2021

We renewed and improved the assessments initiated in previous years, with the following main 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 2021, our main French entity maintained its gold level¹.
- Sugar. Several offices and subsidiaries of the Group are certified to trade Bonsucro² sugar, a standard for promoting sustainable sugarcane production, processing and trade around the world. This year, we expanded our certification to be able to provide Bonsucro-certified sugar to all clients, and sold more than 140,000 tons of it.
- Sugar-beet pulp pellets. In 2021, we renewed our GMP+ certification, an animal-feed safety-assurance certification that allows customers full traceability of products, as well as insurance on hazard management at each stage of the supply chain.
- Cocoa. We are certified to trade Rainforest Alliance and Fairtrade. Overall, in 2021, we sold about 58,000 tons of certified cocoa.
- Coffee. We are certified to trade Rainforest Alliance, 4C, Fairtrade, Café Practices and Organic-certified coffee. In 2021, we sold 78,000 tons of certified coffee.
- Ethanol. We are certified according to the International Sustainability & Carbon Certification (ISCC) system.

Sucden in Russia

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

- 100% of sugar beet cultivated by Sucden's agrofirms in Russia are verified at FSA Gold Level. It represents 56% of total volume of sugar beet processed by our four plants in 2021.
- EcoVadis: All four plants are undertaking the EcoVadis assessment process, with two reaching bronze level, and two silver level.
- 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 maintain certifications for ISO 9001 / ISO 14001 / ISO 45001
- Sedex: All our plants have been audited by Sedex over the past two years.



Sucden at sea

In line with our certification strategy, our four vessels maintained certification to ISO 9001 (Quality Management) and ISO 14001 (Environmental Management).

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 quickly to new threats. Therefore we are constantly improving our cybersecurity, along four lines of strategy:

- Organizing security within the group by dedicated cybersecurity teams, who define and promote standards, rules, and policies.
- Promoting security awareness amongst everyone we work with, through security training and regular phishing 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 employees to know about our values and commitment to sustainability. We ask local management to consider all five pillars of our responsibility strategy, and promote them locally. This approach helps us address smaller issues not detailed in this report, but which are very useful for helping everyone be a part of our responsibility strategy. For example, helping reduce the environmental impact of our activity through waste-reduction plans and similar office challenges.



¹ Gold level is granted to the top 5% of performers.
² <https://www.bonsucro.com/what-is-bonsucro/>

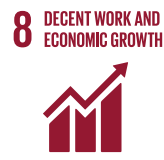


PEOPLE

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

It's an approach that has led to our success as a business, and that strengthens 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 be. 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 covers three key themes: maintaining our image as a top employer, developing and retaining talented people, and ensuring wellbeing at work.

We have a thorough recruitment system that aligns individuals with roles, and a working environment that helps people develop, by encouraging them while at the same time, challenging them.

We are keen to retain talented people by providing tasks and projects that are ambitious, varied and intellectually challenging, alongside attractive pay and real opportunities for development. Throughout each employee's career, this helps create a sense of belonging and pride in working for the company.

SUCDEN EMPLOYEES AROUND THE WORLD

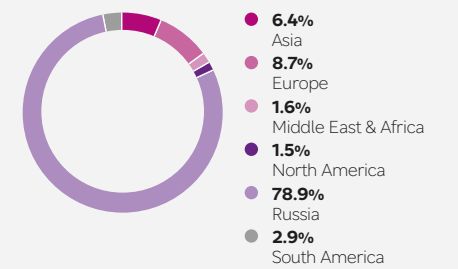
About 80% of our workforce is based in Russia, working in a range of agro-industrial activities. The other 20% are involved in our trading activities and services, in areas ranging from sugar, coffee, cocoa and ethanol, to ocean freight, and futures and options brokerage.

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.

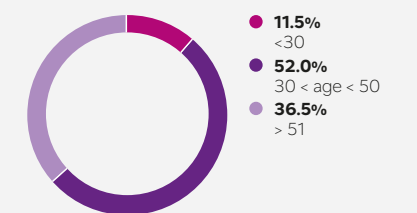
Through our efforts in managing people's skills and sharing knowledge, we gain some significant business advantages: an increase in individual and collective skills, retention of sensitive know-how, and reinforced cohesion within teams; an increased motivation for senior employees, an accelerated learning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



Employees by region



Employees by age group



Sucden employees in numbers at December 31st, 2021

Region	2021	2020	Men	Women	<30	30<age<50	>50	Temporary workers	Permanent workers
Asia	341	357	257	84	70	230	41	86	255
Europe	467	489	339	128	102	243	122	12	455
Middle East & Africa	86	83	66	20	7	69	10	3	83
North America	80	82	41	39	12	43	25	1	79
Russia	4,237	4,330	2,890	1,347	408	2,106	1,723	735	3,502
South America	156	149	101	55	21	102	33	0	156
Total	5,367	5,490	3,694	1,673	620	2,793	1,954	837	4,530



PEOPLE



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 Russia, where we aim for a no-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 for 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 2021

Russian management signed a Safety policy for all our industrial plants, to support the CSR Charter signed in 2019. It demonstrates our commitment to preventing all near-miss situations.

In 2021 the Dobrinski and Atmis-Sakhar plants renewed their ISO 45001 certification.

The frequency rate¹ of occupational accidents was 2.8 for the year (1.2 for activities in Russia), and the severity rate² was 0.08 (0.09 for activities in Russia), compared to 1.1 and 0.06 in 2020 respectively.

Wellbeing at work – we're adaptable

We focus on the wellbeing of our employees in the workplace. A satisfied employee is absent less, and more creative, committed and productive. We also promote social³ and cultural dialogue, as well as diversity and gender equality. Starting with the head office, we follow our gender equality index that is based on identified best practices and regulations, and items such as remuneration and internal promotion.

These days, young professionals choose companies that encourage them to flourish. And, more generally, employees now rate empowerment and the quality of human relations high in their motivation. The rate of absenteeism at Group level indicates our achievements – this year, it was 3.6%, compared to 4.2% in 2020. Staff turnover is a further indicator of overall satisfaction. Excluding Russia, the absenteeism rate was 12% compared to 10% and 12% in 2020 and 2019 respectively, so broadly flat and in line with expectations. In Russia, the rate is much higher (18.1%), as our plants do not operate all year long, but only in the sugar-beet production period. At Group level, our goal is to find the right balance between new hires and experienced employees. The results shown here for our industrial sites in Russia 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 in our agricultural processes and renovating our canteens. We also promote physical activity and sport. Paris offices have a gym and propose personal coaching.

Flexibility at work

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

The pandemic has been a turning point in how we organize work. We will continue working from home, though through a clearly defined framework, as agreed with employees, and we plan to create more space by reducing the number of desks.

Employee shareholding: a stronger commitment to the Sucden adventure

Our employee share scheme complements other schemes such as profit-sharing and incentive schemes, and a social protection program that guarantees minimum social benefits for all employees worldwide. This social policy is one of the 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.

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

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

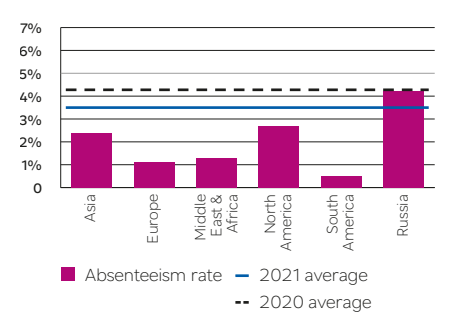
3 In France, existing collective agreements cover gender equality and employment of seniors.

Turnover rate by region in 2021

Region	Permanent employees	Number of people hired	Departures	Terminated at the employer's initiative	Turnover rate 2021 ¹	Turnover rate 2020
Asia	255	29	25	0	9.8%	3.8%
Europe	455	59	65	23	14.3%	11.5%
Middle East & Africa	83	5	4	1	4.8%	7.5%
North America	79	14	14	6	17.7%	16.0%
Russia	3,502	406	635	28	18.1%	22.5%
South America	156	25	16	7	10.3%	10.8%
Group average	4,530	538	759	65	16.8%	19.8%

1 Turnover rate is calculated by dividing the number of departures by the total number of permanent employees.

Absenteeism rate





PEOPLE



ENVIRONMENT

OUR STRATEGY, POLICIES AND PERFORMANCE CONTINUED

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 fostered close relationships with top French universities, as well as with agronomic schools. We also contribute to various business schools by paying apprenticeship tax. In addition, our employees are active in alumni networks and look 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, and we require these for employment at Sucden.

Sucden in Russia

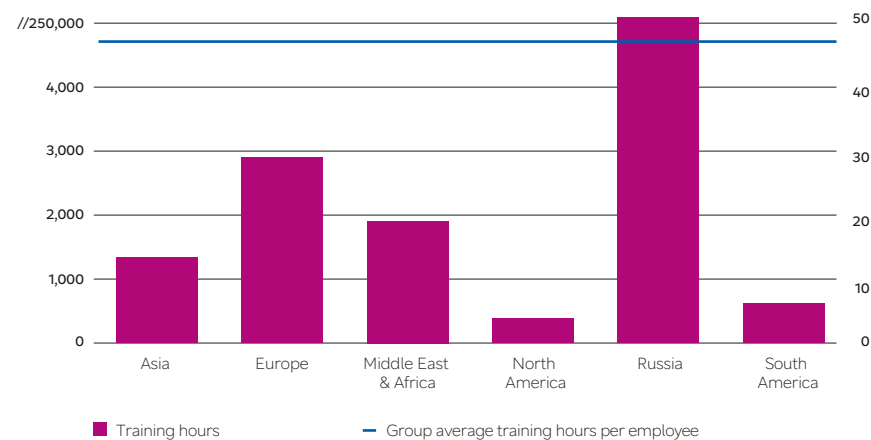
The recruitment¹ of qualified employees in Russia is difficult, given the rural location of our industrial sites. We therefore spend significant time and resources on developing and training our employees.

Our performance in 2021

Training overview in 2021

Region	Training hours	Number of employees	Training hours/ employee
Asia	1,533	341	4
Europe	2,901	467	6
Middle East & Africa	1,907	86	22
North America	379	80	5
Russia	248,612	4,237	59
South America	616	156	4
2021 Group	255,948	5,367	48
2020 Group	198,932	5,490	36

Training hours



Sucden in Russia

Working alongside the district of Beloglinsky, our agricultural training center aims to provide courses for agronomists, mechanics, and drivers. This facility is recognized by

local authorities as an official exam center. In 2021, this center continued its development of employees for our four agrofirma regions.

¹ As for the whole Group, recruitment processes reflect the commitment to encourage diversity and avoid all types of discrimination.

We monitor our impact on the planet, focusing particularly on our asset-based activities in Russia, and at sea with our fleet of Handymax vessels. Our processes aim to minimize our direct environmental impact, while we can reduce our indirect impact through our employees' careful selection of suppliers or awareness when making travel decisions.

Contributing to the following UN Sustainable Development Goals



KEY CHALLENGES, RISKS AND OPPORTUNITIES

Main contributors to Sucden's direct carbon footprint

Our industrial and agricultural business activities in Russia, 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 and accidental risk

We operate four sugar-beet factories in Russia that can produce about 800,000 tons of sugar a year, and we manage about 250,000 hectares of land. To reduce risks to the environment, our teams in Russia 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 business so as to limit the environmental impact of production, using techniques common across the sector.

Climate change risk

Climate change affects agricultural production around the world. In Russia we work to mitigate this risk by continually confirming 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 support farmers in adapting their production to the long-term risks related 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 look to improve our understanding of this material impact. We explain in more detail on pages 24 to 35.





OUR STRATEGY, POLICIES AND PERFORMANCE



Improving environmental management and site safety

Sucden in Russia
Sucden Russia has adopted a local policy for implementing Group strategy and managing the business ethically and responsibly. This includes focusing on certifying our environmental-management systems, and on 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 Russian industrial or agricultural entity has environment officers who support management in dealing with environmental issues and concerns. This structure also helps ensure compliance with the standards that apply locally.

Sucden at sea
In line with 2020 IMO regulations, all our vessels now run on cleaner fuel with a lower sulfur content, thereby reducing our environmental impact. Along with this use of cleaner fuel, we have equipped each vessel with a brand-new fuel-purifying system that can filter up to 80% more residual fines, allowing a further improvement in fuel quality and a reduction in carbon emissions.

We have also installed mineral-water plants onboard the entire fleet. These produce drinking water from sea water, using the existing fresh-water generator. This system covers all drinking-water consumption on board and allows us to cut 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 Russia
We aim to reduce our energy consumption and carbon footprint, as it is both beneficial for the environment and helps reduce our costs. In addition, cutting production of waste and optimizing our energy use are key to ensuring our overall plant efficiency and the reliability of our industrial processes.

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

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% compared to 2015, 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 by ton of produced sugar, and have set ambitious targets for 2025.

In our agricultural business, we invest in high-performance, modern tractors and beet harvesters, so we can optimize the management of cultivated land both by energy consumption and quality of tillage. In addition, our analytical crop management includes energy consumption as one of its key parameters.

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 specifically 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.

Our performance in 2021

Sucden in the world
The following table shows the energy consumed by our operations. We calculate greenhouse-gas (GHG) 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 Russia
In 2021, we invested more than two million US Dollars to reduce our energy consumption and GHG emissions from our sugar factories.

- In the Eletski plant, we improved sugar-beet logistics to reduce the number of trucks and the waiting time at the plant, and insulated the last 15,000 mt silo to save energy in sugar storage.
- In Tbiliski, we reduced gas consumption by replacing the pulp-press screens.
- In Kamenski and Tbiliski, we boosted on-site generation of electricity by increasing heat transfer areas in the evaporators.
- In Dobrinski, we optimized the pressing of beet pulp with sulfuric acid.

In 2021, weather conditions led to a decrease of the sucrose content of beets (10%), which led to an increase in energy consumption as plants had to process more beet for less sugar. In addition, plant efficiency has proven to be quite volatile with three plants out of four improving their performance. The remaining plant suffered from some industrial events, and could not meet its CO₂ emissions target.

This brought the following results:

- CO₂eq per cultivated hectare – 331 kg in 2021, compared to 318 kg in 2020 and 425 in 2019
- CO₂eq per ton of sugar produced – 553 kg in 2021, compared to 482kg in 2020
- CO₂eq per ton of beet processed – 92 kg in 2021, compared to 101 in 2020

Compared to 2015, CO₂eq per ton of sugar produced has decreased by 25%, and we are targeting an additional 5 percentage points by 2025.

Sucden at sea
The Energy Efficiency Design Index for our vessels is 4.18 grams of CO₂ per ton-mile, compared to a standard target for this vessel's category of 5.90 grams of CO₂ per ton-mile. Our vessels are compliant with International Maritime Organization regulations through to 2024. 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.

331 kg CO₂ eq
PER CULTIVATED HECTARE

553 kg CO₂ eq
PER TON OF SUGAR PRODUCED

Energy consumption and GHG emissions

Zone	Gas	Electricity	Fuel and gasoline	Energy consumption		GHG emissions	
	MWh	MWh	MWh	MWh 2021	MWh 2020	teq CO ₂ 2021	teq CO ₂ 2020
Asia	14	1,555	444	2,012	2,168	1,158	2,324
Russia	1,790,172	38,389	249,886	2,078,447	2,142,237	448,196	465,524
Shipping	0	0	186,425	186,425	191,973	50,250	53,753
South America	679	952	76	1,707	968	345	852
Total	1,790,864	40,896	436,831	2,268,592	2,337,346	499,950	522,453

OUR STRATEGY, POLICIES AND PERFORMANCE
CONTINUED

Monitoring and acting on our global carbon footprint

As a commodity trader, our global carbon footprint lies mostly in our supply chain. Therefore, it is a priority to look at the long-term view when assessing our indirect GHG emissions.

Indeed, in addition to scope 1 and 2 emissions, that are mainly linked to our direct operations, purchased commodities create significant carbon emissions in the upstream agricultural and industrial phases, due to the use of energy, fertilizers, fuels or other materials. Transportation is also a significant component, as we ship significant volumes around the globe. We manage long journeys by sea in containers or bulk, while short distances are covered by train or truck.

We intend to monitor our carbon impact each year, and to use the findings to proactively reduce or optimize our impact. In practice, we calculate our footprint using a country-based assessment, using the best available emission factors from public or private research.

Our performance in 2021

For the first time, in 2021, we calculated our extended scope 3 emissions, adding upstream activities to the transportation activity that had been included since 2020.

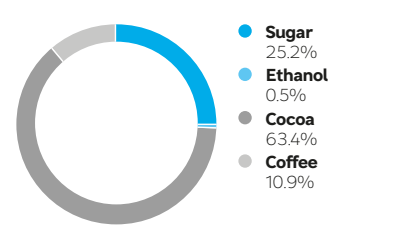
Our employees need to travel to visit clients, suppliers and our global businesses, and for other ongoing business needs. Because of

the Covid-19 pandemic, GHG emissions resulting from business travel have significantly decreased since 2019 and in 2021 represent about 532 tons of CO₂, compared to 1,978 in 2019.

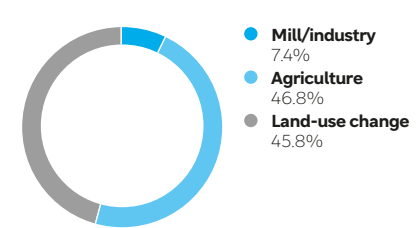
Sucden global footprint in 2021

		Scope 1 & 2	Scope 3
		teq CO ₂	teq CO ₂
Trading	Purchased goods	ns	20,179,943
	Transportation	ns	220,309
Russia	Sugar	448,196	315,000
	Transportation	ns	51,428
Shipping	Transportation	50,250	ns
Other industrial activities	Scope 1 and 2	1,503	ns
	Business travels	ns	532
Total		499,950	20,767,212

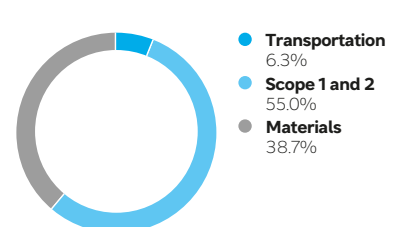
Trading – Purchased goods by commodity
% of GHG emissions



Trading – Impact per upstream phase:
% of GHG emissions

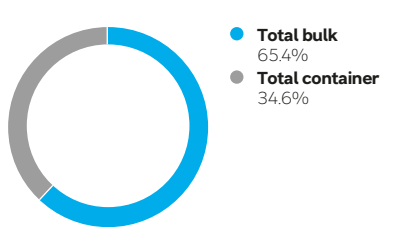


Russia
% of GHG emissions



Other crop materials are considered not significant.

Trading – transportation:
% of GHG emissions



CO₂ emissions for container transportation are calculated with an average emission factor of 14 gCO₂e/(t x nm). For bulk, factors are taken from EEDI specification for each vessel when available, and at the average emission factor of 7.3 gCO₂e/(t x nm) when unavailable.

Managing our waste products and production residues

Sucden in Russia

Sugar production generates valuable by-products 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 2021

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

Sucden in Russia

Pulp management:

- At Dobrinski, investment in a pelleting press made it possible to eliminate the output of non-recoverable by-products.
- We achieved our sugar-beet pulp-recovery objectives in Kamenski and Tbiliski.



Waste production quantity and recovery rate (thousands of metric tons)

Zone	Non-hazardous	Hazardous	Total waste production		Recycled volume	Recovery rate
	1,000 metric tons	1,000 metric tons	2021 1,000 metric tons	2020 1,000 metric tons	1,000 metric tons	%
Asia	87	0	87	47	36	41%
Russia ¹	186,156	2,357	188,513	304,110	187,714	100%
Shipping	0	195	195	199	0	0%
South America	285	32	317	282	317	100%
Total	186,527	2,584	189,111	304,638	188,067	99%

1 A change of waste report methodology in accordance with local regulation of one of our agrofirms can partly explain the decrease of non-hazardous waste in 2021 as compared to 2020.



OUR STRATEGY, POLICIES AND PERFORMANCE
CONTINUED

Optimizing our water consumption

Sucden in Russia
Reducing water consumption is one of the key measures of our sustainability policy our Russian managers focus on, particularly reducing the volume of discharged water. In the sugar-beet refining process, we can re-use 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 produced sugar and have set a clear 2030 target to reduce water withdrawals by 50% compared to our 2018 baseline.

We plan significant investments for 2022 to further improve closed water circuits (cooling towers in Tbiliski, Kamenski and Dobrinski).

4.7 m³
WATER CONSUMPTION /
TON OF SUGAR PRODUCED,
COMPARED TO 3.8 IN 2020.

Our performance in 2021

This 21% increase in water consumption per ton of sugar produced compared to 2020 is mainly the result of technical issues in the pipe systems of one of our plants. To solve this problem, we will make additional investment in 2022. In addition, lower sugar content in another plant also contributed to more water consumption per ton of sugar produced, even though the consumption per ton of sugar beet decreased consistently in 2021.

Sucden in Russia
Sugar beet are more than 70% water. Once considered inconvenient, this attribute has become an asset. In 2020, we started an investment program in Dobrinski to reuse water from sugar beet and thus reduce pumping water from the natural environment. During and after the sugar beet process, we store excess water in retention basins near the sugar plant.

After decanting, we use it to irrigate the nearby land during summer. We developed this fertigation technique in 2021 at Dobrinski after testing in 2020 on corn fields.

Water consumption

Region	2021	2020
	m ³	m ³
Asia	9,650	11,501
Russia	3,238,026	3,111,059
Shipping	0	0
South America	11,899	8,567
Total	3,259,575	3,131,127

Fertigation test

	Irrigated areas	Recycled water	Yields without irrigation	Yields with irrigation
	ha	m ³	q	q
2020 project	50	180,000	20	47
2021	200	450,000	52	84

Fertigation technique

In 2021, we have defined the investment needed to reach our 2030 target, which includes installing water cooling tower. We will complete the first steps of this program in 2022, with an expectation of decreasing the water we pump from rivers by at least 10%.

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 Russia
We set up an agrochemical soil analysis program in the Dobrinski district to measure soil quality. We analyze all fields once every five years and monitor annual applications of mineral and organic fertilizers closely.

Sucden at sea
Our ships travel from one continent to another, and we take great care not to alter local biodiversity as a result of our activity. To this end, our vessels are equipped with advanced water-ballast treatment systems. These 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.

Our performance in 2021

We keep abreast of the latest agroecological approaches and constantly adapt our practices accordingly.

- We introduced selected varieties of seeds that are more resistant to traditional sugar-beet-related problems such as wild beets or cuscuta.
- We enhance work in the fields with long-term trials of the strip-till technology - limitation of tillage - which enables better soil protection and helps reduce tractor use.

We use no GMO (which are banned in Russia), and all our phytosanitary products meet the Russian standards and are revised every year.

Animal welfare
In addition to our main activity of cereal and sugar production in Russia, we produce milk from the 2,600 cows on our farms. We oversee animal welfare in our milk-herd management, and base our analysis on the five fundamental freedoms stated in the CIWF (Compassion in World Farming) criteria. These are to ensure animals: do not suffer from hunger or thirst; do not suffer from discomfort; do not suffer pain, injury or illness; are able to express natural behavior; do not experience fear and distress. In 2021, we have continued implementing comfort, ventilation, training, and feed balancing to apply these principles.



SUPPLY CHAIN

We look to work with producers who act responsibly, take care of their environment and people working in the field, and who are willing to help us further demonstrate the sustainability characteristics of the commodities we trade. We work with our clients to implement many sustainability programs. We are reinforcing our understanding by monitoring our supply chain closely, to measure cocoa-related and coffee-related impact at a community and household level.

Contributing to the following UN Sustainable Development Goals



KEY CHALLENGES, RISKS AND OPPORTUNITIES



Sugar

As sugar was our original historical commodity, our sugar trading is based on long-term relationships with suppliers. Aligning our goals with our suppliers' is a key priority. As such, our trading teams aim to continue to create long-lasting relationships with suppliers who are conscious about their role in the sugar supply chain, and aim to improve their agricultural practices as well as their environment and social performance.

Cocoa

Cocoa is a smallholder crop, grown only in the tropics, and 75% of cocoa is sourced from West Africa. It is predominantly grown by farmers on plots of two to three hectares. The geographic location of farms, and their size, contributes to the specific vulnerabilities of cocoa farmers to climatic and livelihood challenges.

As a trader and merchant, Sucden serves as a link between production and consumption, and we take our role very seriously as a key service provider to the cocoa sector. Given our direct interaction with farmer associations and suppliers, we are at the forefront of identifying potential solutions to the challenges facing cocoa-farming families.

To tackle these many challenges, we agreed the following objectives in 2021:

- To support farmers with strategies that increase climate resilience of farms.
- To develop a tailored service-delivery model with the potential of improving farming family incomes.

With the support of our partners, in 2021 we successfully scaled the implementation of agroforestry projects and the distribution of multi-purpose trees that improve soil fertility and moisture retention, thereby reducing the potential for further deforestation.

We adopted new strategies and activities that target entire farming families (instead of simply targeting the farmer) within our portfolio of programs, as a means of strengthening the overall income of farming families.

Finally, we engaged in initiatives that tie together the different themes within our programs, because many of the root causes of the multi-faceted challenges that we face in the cocoa sector are interrelated.

To have a greater impact, we are strengthening our partnerships with stakeholders in the cocoa sector, bringing the expert knowledge and the wider perspectives needed to tackle these significant challenges.

Coffee

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

Although mechanical harvesting is becoming more common, coffee cherries are still harvested manually in many places, and harvesting remains the most labor-intensive stage of production. In this way, growing coffee creates income opportunities for millions of workers worldwide. Beyond its economic importance, coffee also provides the opportunity to integrate nature conservation within the productive system. In particular, 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 work. As a result, millions of livelihoods are at stake, as is the future of coffee supply, including its quality and diverse origins.

We recognize the undeniable role coffee has in human livelihoods, culture and productive landscapes. Therefore, we take a share of the responsibility for the supply chain we rely on for our coffee business, and participate in tackling the challenges endangering its very existence.

OUR STRATEGY, POLICIES AND PERFORMANCE

Sugar

Our work with suppliers on responsibility matters is based on training our commercial and finance teams who talk to suppliers regularly. 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.

On both the buy and sell side, we ensure we talk about sustainability issues and understanding our partner's approach, with a clear goal of sharing knowledge and improving processes and practices for a sustainable supply chain. As such, we continuously support our clients who are willing to source Bonsucro sugar.

Our performance in 2021

In 2021, in addition to our existing framework, we have brought in a sugar-supplier Code of Conduct that we provide to all suppliers, offering to discuss with them or support them in reaching the highest standards. We also joined Bonsucro's Members council to offer our experience and contribute to the success of this sector initiative.

142,432
TONS OF BONSUERO CERTIFIED SUGAR SOLD IN 2021



SUPPLY CHAIN



OUR STRATEGY, POLICIES AND PERFORMANCE CONTINUED

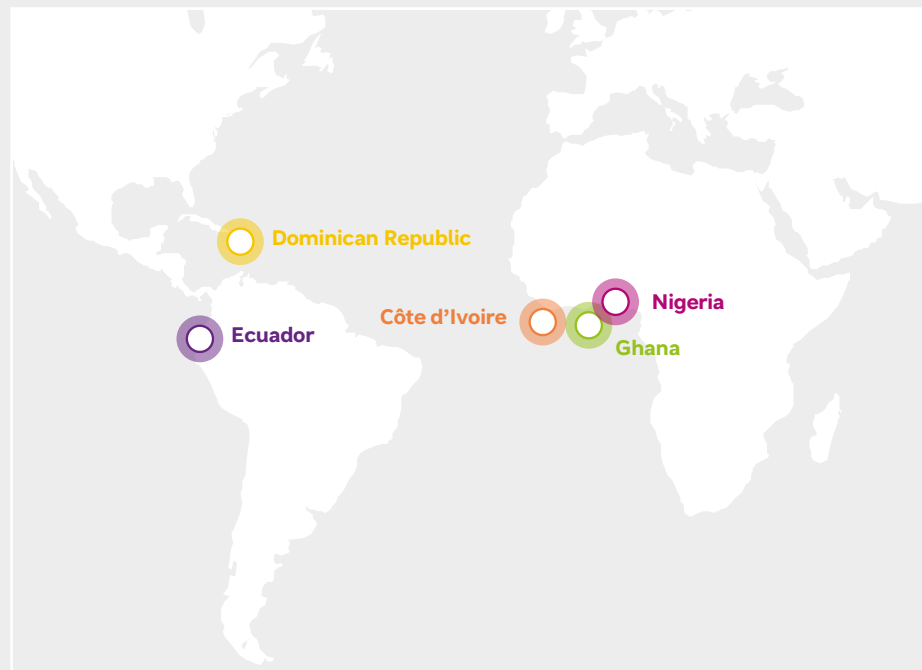
Cocoa

2021 was a major turning point for cocoa sustainability initiatives. Throughout the year, the cocoa sector was challenged by many stakeholders, such as consumers, civil society, and governments of producing and consuming countries, to reflect on the effectiveness and efficiency of ongoing programs. In the context of the climate crisis and smallholder farmers' vulnerability, we actively participated in significant efforts to support the building of a more inclusive and climate-resilient cocoa sector.



As a cocoa trader, we work with farmers, their organizations, clients, civil society, and governments to identify potential solutions to the complex and significant environmental and human rights challenges within the sector.

In 2021, given the impetus to accelerate the impact of sustainability efforts, we decided to pilot innovations within the three service-focused, interlinked pathways we have developed as part of our strategy to expand our sourcing and supply of sustainable cocoa.



Our performance in 2021

In 2021, we had three principal sustainability objectives:

- to expand the scope of existing sustainability programs to include a larger number of farmers and farmer groups
- to innovate within existing sustainability programs
- to increase the number of origins where we provide farmers with support through our sustainability programs.

With regard to the first goal, we have successfully increased the number of farmers and farmer groups in our sustainability programs in Côte d'Ivoire, Ghana and Nigeria.

In Côte d'Ivoire, we reached 25,000 farmers, members of 28 farmer groups. Similarly, in Ghana and Nigeria, we were able to reach 18,624 farmers and 5,919 farmers respectively, through a total of four farmer groups in 2021.

We were also able to innovate within our sustainability programs in 2021, to provide more integrated and holistic solutions to tackle the root causes of risks within the supply chain. Specifically, we brought a gender lens to many of our initiatives to support farming families as a whole as beneficiaries of our programs, rather than the individual farmer alone.

We also worked more on community-based approaches to landscape restoration as a means of ensuring the buy-in of communities, local government and farmers within these initiatives, potentially improving the long-term sustainability of these efforts.

Finally, we continued to build our presence in Latin America, initiating a new program in Ecuador. Here, we worked with over 100 farmers through our local partner GrandSouth, building on the 449 farmers we have worked with in the Dominican Republic, through the exporter, Roig.



Support farming families Tackling child labor Côte d'Ivoire

As part of our efforts to tackle child labor, we expanded coverage of our direct Child Labor Monitoring and Remediation Systems (CLMRS), from 10,000 households and 20,000 children in 2020, to 15,366 households, and 35,522 children in 2021.

During the year, we also changed the staffing structure of CLMRS. Instead of hiring field agents based in the cocoa-growing communities, we began to support our partner farmer groups in hiring more-experienced field agents based at the district level. This new model results in simplified logistics management and better reliability, allowing us to improve both the quality of data collected and the proposed remediation solutions for farming families.

In total, as part of our CLMRS, we trained 24 child-protection officers and 160 field agents in preserving childhood, fighting child labor and forced labor, protecting workers' rights and fighting gender-based discrimination. In addition, through the support of a client, the International Cocoa Initiative (ICI) implemented an additional seven CLMRS with 6,730 farmers within our cocoa supply network.

In 2021, our CLMRS enabled the removal of 2,262 children from child labor.

The remediation solutions proposed by our field agents are needs-based and can be targeted at the child (school kits), or at the community (school rehabilitation or extension and women's empowerment projects). Remediation always entails in-depth sensitization sessions with the affected household and child.

As direct remediation for the child labor cases identified, we, with the support of our clients, refurbished 22 classrooms with tables and benches, provided 152 children with birth certificates and 3,785 children with school kits.

In addition, to tackle some of the causes of child labor related to farmer poverty and the lack of gender equity within the cocoa sector, we developed and piloted programs aimed at improving women and their families' incomes. These programs are rooted in research that finds strong correlations between women's incomes and the health and educational outcomes of their children. These programs are detailed in the 'Support Women and Communities' section of the report.

Ghana

Child labor is a challenge in Ghana, and one we have prioritized throughout our sustainability programs.

As part of this effort, in 2021, Child Rights International (CRI) set up community-based CLMRS in 40 communities that are part of our



SUPPLY CHAIN

OUR STRATEGY, POLICIES AND PERFORMANCE CONTINUED

Our performance in 2021 continued



partner Kuapa Kokoo's sourcing network. As a first step to setting up the CLMRS structures, CRI completed a community-needs assessment to identify the 40 communities most at risk of child labor, to focus support where it is most needed. Subsequently, the CRI team facilitated discussions with community leaders to develop Community Action Plans, which outlined specific activities to improve community infrastructure, which will remediate and prevent child labor. Through the community-based CLMRS, CRI identified cases of child labor and worked with the community to remediate cases. Monitoring and remediation are currently ongoing in these 40 communities.

In addition, during 2021, we worked with the Kuapa Kokoo Farmers' Union (KKFU) and Fludor Ghana Limited to establish supply-chain-based CLMRS, covering every household in our sourcing network.

As a first step, ICI trained all teams on the concepts of child labor and forced labor and the principles of CLMRS. This included both

an overview of international labor laws and definitions, as well as practical information on how to collect data and handle sensitive data requests with participating households. Subsequently, the teams reviewed the data collection tools we had developed, to provide feedback to refine the tool in advance of running the CLMRS.

KKFU and Fludor also began to recruit and assign ten district-level child-protection managers and 93 community-liaison personnel to lead the data collection for the CLMRS. We aimed to pilot and develop a similar structure to that in Côte d'Ivoire, through which we hire fewer, more-experienced field agents at the district level, rather than a higher number of community-level child-liaison officers.

With our supplier, Cocoa Abrabopa Association (CAA) and the assistance of ICI, we implemented a supply-chain-based CLMRS. Like the approach carried out with other partners in Ghana, members of CAA were trained on the child-labor monitoring tools. In 2021, this

in-depth training involved five managers and 13 child-development officers. These officers carried out the monitoring activity at the farming households. During 2021, CAA monitored 2,725 households for child labor.

In following up with households when needed, CAA convened an internal 'Assess and Address' committee of our council members and senior staff. This group discusses what to do, based on the findings of the CLMRS information.

Nigeria

Our team in Nigeria has been informing farmers of the concept of child labor for several seasons, but we did not have a full CMRS in place in our cocoa sourcing communities. Therefore, in 2021, we prepared to implement a supply-chain CLMRS to cover our entire sourcing network by the end of the 2021/2022 season. This includes training all relevant staff, developing the necessary data-collection tools and processes, and planning for staffing. We worked with ICI to train our team and that of our partner Olatunde International, on the relevant concepts of child labor and forced labor and the principles of a CLMRS. This included an overview of international labor laws and definitions, as well as practical information on how to implement the data-collection process and handle sensitive data requests from participating households.

We selected a Human Rights Officer (Child Labor and Forced Labor specialist) from within our existing team of IMS Managers, to lead the implementation in Nigeria, including hiring other CLMRS staff.

Dominican Republic

During 2021, we contracted Winrock to conduct a human-rights risk assessment of the cocoa supply chain in the Dominican Republic, which covered child labor and provided important insights on how the community and farmers perceive the issue of child labor and what is culturally accepted as child labor. Even if the risk of child labor in the agricultural sector in the Dominican Republic is relatively low compared to that in urban areas, we are working closely with Roig to raise awareness of the issue at organizational and farmer levels.

17,987

FARMERS TRAINED IN GOOD AGRICULTURAL PRACTICES
AND AGAINST CHILD LABOR IN CÔTE D'IVOIRE

264,447

SHADE TREE SEEDLINGS DISTRIBUTED

We are also supporting Roig in developing a strong grievance mechanism to report cases of child labor.

Ecuador

Since the pandemic and its effects on the economy may have caused increased rates of absenteeism from school in rural areas, we have made efforts to strengthen our supplier, GrandSouth's, internal management system. We helped them develop a human-rights policy that acknowledges international ILO (International Labor Organization) conventions on child labor and the worst forms of child labor, while also establishing the principles to prevent cases of child labor in our supply chain. GrandSouth has established a grievance mechanism through which farmers can lodge complaints at any of the collection centers. A committee will analyze and remediate identified cases.

Tackling forced labor

Côte d'Ivoire

During 2021, we began a more focused set of activities to address the issue of forced labor proactively. While our efforts to address child labor have been ongoing for many years, the recent work of various expert groups has indicated that we should approach forced labor differently, given that it is rare, and typically hidden. The experts say it is best to put monitoring systems in place that look for evidence of the risk of forced labor, rather than attempting to uncover actual incidents, especially within the context of a vast, smallholder crop like cocoa.

As a first step, we developed a risk assessment tool to evaluate the systems our suppliers have in place to identify and mitigate the risk factors

most strongly related to the presence of forced labor. In this, we use the forced-labor risk-indicator framework developed by the ILO. This provides a description of risks within three categories: general vulnerability, involuntariness, and threat of penalty. In addition to having suppliers become more aware of how to identify these risks, we support our suppliers in implementing a strict grievance mechanism.

In our direct supply chain, we have been able to use our child-labor monitoring systems to raise awareness in the communities, assess risks related to forced labor and detect problematic cases. Our 24 Child Protection officers were trained by the ICI on the definitions and indicators of risk of forced labor, the existing legal and institutional framework for combating it, our causes and consequences, as well as alert and remediation mechanisms they can implement in the cocoa-growing communities.

Throughout 2021, together with the ICI, we have been working with a technology company to investigate whether we can collect actionable risk-indicator information using telephone-based questions and responses. We expect to receive more information on this approach during 2022.

Ghana

In 2021, we began efforts in Ghana to combating forced labor with our partner, Kuapa Kokoo Farmers' Union. We organized training, led by Vérité, for KKFU management in December 2021, to help them better understand the risk indicators of forced labor. The training covered the concepts and international labor laws for forced labor, and its relevance to the cocoa sector in Ghana. The training also covered methods for monitoring their supplier communities for the risk of forced labor, and the sensitivities that exist in collecting data on victims of forced labor, as they are in a highly vulnerable position. Following the training, KKFU reviewed the questions in the CLMRS surveys to ascertain whether the risk indicators for forced labor were adequately covered in the data-collection exercise. In addition, KKFU will add concepts of forced labor into training of the people running CLMRS surveys.

For Cocoa Abrobopa Association's efforts regarding preventing and detecting forced labor, Verité ran a training session funded by one of our clients. The virtual training, provided over five days, included senior staff





SUPPLY CHAIN

OUR STRATEGY, POLICIES AND PERFORMANCE CONTINUED

Our performance in 2021 continued

from CAA as well as Sucden. It was designed to illustrate the primary risk indicators for forced labor (as defined by the ILO) and help CAA staff be more aware of how to observe if the risk indicators are present within their supply chain.

Nigeria

In Nigeria, we developed a grievance mechanism to promote accountability throughout the supply chain – from our staff to intermediaries to farmers. This included establishing suggestion boxes in all program communities for anyone to submit complaints, anonymously or not. We trained farming communities on what the box was, and the variety of grievances they could lodge: anything from poor business ethics to reporting cases of child labor or forced labor. Our officers check the boxes regularly and send any submissions to our field office management for further action.

Improving farm practices Côte d'Ivoire

In Côte d'Ivoire, we worked with our local partner to train and help farmers in adopting sustainable agricultural practices, both during group sessions during Farmer Field Schools (FFS) and through tailored, individual coaching.

We taught 77 field agents to train other farmers in Good Agricultural Practices (GAPs), climate-smart agriculture, agroforestry practices and Côte d'Ivoire's New Forest Code. Other modules in the training program included FFS training methodologies, plotting, farm diagnostics, adoption monitoring techniques and coaching.

Once trained, the field agents established 285 FFSs across all cooperatives that hosted group sessions, reaching 14,356 farmers.

We established 57 demo plots to make training realistic, help foster adoption, and act as examples of sustainable agricultural practices and agroforestry techniques.

We also held individual coaching sessions, to provide trained farmers with tailored recommendations based on farm conditions

and agricultural practices. With our implementation partner, we developed a digital application for this.

Ghana

In 2021, through our three suppliers CAA, KKFU, and Fludor, we continued to provide training on GAPs to 13,952 program farmers to help them produce more on less land, and to promote environmentally friendly farming activities.

To support the incomes of farmers through improved productivity, we engaged CAA and KKFU to distribute cocoa seedlings to farmers. In 2021, KKFU distributed 205,680 cocoa seedlings from 30 nurseries in the Western Region, to 1,049 farmers, achieving a 90% germination rate. To optimize the survival of the seedlings, farmers received technical advice from KKFU's field staff on planting and maintenance activities, based on the soil conditions and the tree layout on individual farms. CAA assessed which program farmers needed additional cocoa trees to rehabilitate their farms and, in 2021, supplied 53,000 cocoa seedlings to 110 of our program farmers.

Nigeria

In 2021, through the Olakoko Project, we participated in the CocoaSoils program, which is funded by the Norwegian Agency for Development Cooperation (NORAD). Its objective is to help farmers grow more cocoa on less land, thereby reducing potential expansion of farms into forested lands. Through the program, we trained 1,217 farmers on Integrated Soil Fertility Management on 13 trial sites, covering modules such as soil erosion and fertility, shade tree management, use of crop protection products, and farming as a business.

We also distributed 57,870 cocoa seedlings from nurseries throughout the program's areas, produced from improved cocoa pods from the Cocoa Research Institute of Nigeria (CRIN). We provide ongoing training on nursery maintenance to members of the farming communities, to build local capacity to manage nurseries and ensure high germination rates.

Dominican Republic

Farmer training is carried out by Roig's expert agronomist and internal control system staff. Both are responsible for addressing topics including soil-fertility management, integrated pest management, fair labor practices, keeping records, and compliance with the code of conduct. As the pandemic affected movement throughout the Dominican Republic and group training, in 2021, Roig's field staff conducted one-on-one training and coaching, reaching around 450 farmers.

Ecuador

At GrandSouth, one of our newest partners in supplying sustainable cocoa, the training curriculum has been strategically tailored in a way that addresses the most pressing needs among cocoa farmers. For example, aligned with the principle of rational use of crop-protection products, in 2021 GrandSouth's team of agronomists collected soil samples and sent them to a lab to quantify the nutrients available for the cocoa trees. The training on soil-fertility management that will be conducted during 2022, combined with this soil analysis, will benefit farmers, as it will help them optimize fertilizer application to individual soil needs, instead of applying a standard dose.

Supporting women and communities Côte d'Ivoire

In Côte d'Ivoire, we have been working with experts to design and deploy women's-empowerment projects in cocoa-growing communities, aimed at building women's financial and entrepreneurial capabilities, helping them set up income-generating activities (IGAs). We also train women on good nutritional practices nutritional practices for infants and young children in their communities, and to start income generation focused on nutritional food.

Income-generating activities are also linked to Village Savings and Loans Associations (VSLAs), which allow women to further invest in their businesses. These are self-managed, small groups of people who collectively save money so members of the group can access loans for starting businesses or paying school fees.

After a few years, there is the potential to connect VSLAs to formal financial institutions, thus promoting financial inclusion.

With the support of the Sucden Foundation, we worked with the local NGO, Fraternité Sans Limites, to support 22 women's groups in establishing 22 VSLAs and start 43 IGAs, including for the production and marketing of cassava, maize, rice and other crops.

To support these VSLAs and build the financial and entrepreneurial capabilities of women participants, the project also provided tailored coaching. In addition, We coached 151 women to become nutrition champions, whose role is to raise awareness and train VSLA members on good nutritional practices that can improve food security in cocoa-growing communities.

Ghana

In 2021, we continued our efforts to support women and their communities. These efforts previously included training on IGAs through KKFU. One challenge identified during this training is the difficulty in launching any new ventures with limited access to formal finance. To address this, in 2021 we started working with Solidaridad to start ten VSLAs in ten cocoa-growing communities, to provide a community-based mechanism for finance to purchase farm inputs or launch IGAs. At the end of the year, the VSLAs had 187 members, including 108 women, and membership is expected to grow.

In addition, CAA, has set up a group-sponsored Personal Pension Scheme, the Cocoa Abrabopa Pension Scheme (CAPS). This aims to improve the livelihoods of cocoa farmers by providing innovative pensions and financial education to all CAA members. CAPS has two components. First, the farmers have access to a savings account to encourage them to save for their short-term needs, especially between harvests, so reducing their borrowing. Secondly, there is a retirement account.

Nigeria

In Nigeria, one issue facing communities is a lack of access to nutritional food or an understanding of its importance, which results

in nutritional deficiencies in families, and especially among children. Recognizing the importance of this issue, we developed a specific module in our GAP training called 'Nutrition; Deficiency in Various Food Groups'. It aims to support women in improving nutritional outcomes for their families, and includes the importance of a varied diet and specific nutritional needs, such as for pregnant women, elderly people, and children). The module also includes practical guidance on planning affordable meals, adapted to individual family income. Many women who participated subsequently set up backyard gardens to provide their families with vegetables and to create an additional income stream.

Safeguard the planet Agroforestry and multipurpose tree distribution

Côte d'Ivoire

Our objective is to tailor our approach to agroforestry based on the individual needs of farmers. As such, we developed three different agroforestry models that promote a different density of shade trees on farms.

Low-density model

Through working with Foncier-Foresterie-Agriculture (FOA), an Ivorian forestry expert group, we helped farmers access shade trees to meet the Rainforest Alliance's minimum shade-tree requirements (16 shade trees/ha). In developing this low-density agroforestry model, with technical support from FOA, we established 19 nurseries in 12 regions of Côte d'Ivoire. We focused on gender and youth empowerment, as women and youth have key roles in nursery maintenance and management.

We involved 362 women and 661 youth in the established nurseries. FOA technicians also monitored tree-germination rates in the nurseries. To improve the survival rates of shade trees on farms, FOA trained 11,955 farmers on tree maintenance, the New Forest Code of Côte d'Ivoire and land rights. In total, we distributed 133,954 seedlings to 5,032 farmers. After they received the seedlings, FOA also provided on-farm planting assistance to train farmers on optimal planting methods.





SUPPLY CHAIN

OUR STRATEGY, POLICIES AND PERFORMANCE CONTINUED

Our performance in 2021 continued

Medium-density model

To build on the low-density model and to accelerate the positive environmental impacts derived from agroforestry, we piloted a medium-density model, with match-funding from the development finance organization DEG, through public funds from develoPPP, a funding program of the German federal Ministry for Economic Cooperation and Development (BMZ).

This model consists of planting 25 to 40 shade trees per hectare with 1,160 farmers across five farmer groups. To support farmers in adopting an agroforestry system that optimizes their farms, this project aims to recommend the best combinations of tree species taking into account local availability, ecological criteria and market conditions. The farmers were incentivized to join the program with payments for environmental services (PES) and with land certificates to protect their farms from unwanted forest exploitation. Through this model, we developed five nurseries, supported the development of agroforestry systems on 928 hectares.

High-density model

In 2021, we continued to implement our high-density model through PUR Projet, because high-density agroforestry can help farmers diversify their incomes and generate significant positive environmental impacts. The program aims to support farmers in achieving a density of 80 to 110 shade trees per hectare. Through the program, we helped 610 farmers plant 63,292 trees on 690 hectares, and 599 farmers received PES.

Ghana

In Ghana, we have supported efforts to distribute multi-purpose tree seedlings to program farmers for planting on farms, providing shade and a potential additional source of income, depending on the tree species. Our partner, KKFU, significantly expanded our efforts to promote on-farm diversity by launching a multi-purpose tree-seedling distribution program. In 2021, they distributed 18,043 multi-purpose tree

seedlings to 32 communities, sourced from the Forestry Commission as well as private nurseries. 1,458 farmers received six species of shade trees, including varieties of timber and fruit tree.

CAA completed training on agroforestry for program farmers, focusing on the benefits of having shade trees on their farms and the negative impact of deforestation. During internal inspections, CAA staff assessed the number of shade trees each farmer required, to ensure as many as possible met the definition of having agroforestry in development. CAA distributed 4,564 seedlings to 173 farmers, including six different species of shade trees. CAA selected these for their dense canopies, deep roots and speed of growth.

Nigeria

Through our operations in Nigeria, we distributed 3,800 multi-purpose shade trees to 206 farmers across three states. Our team selected one variety of shade tree (the Lucina tree) because it grows fast, provides a wide canopy for shade, and is a nitrogen-fixing plant, with the potential to improve soil fertility.

Off-farm restoration

Côte d'Ivoire

In Côte d'Ivoire, we also began a pilot to implement community-based off-farm restoration of 17 hectares of degraded land in the Bayota region. Farmers planted 11,000 tree seedlings of 22 species, both local and exotic. This reforestation project takes a community approach and provides land certificates to owners to protect the reforested parcels from deforestation. To monitor the project, we supported the establishment of a multi-stakeholder community-based management structure. A key component of the program is Payment for Environmental Services (PES), with the reforestation management committee monitoring the split of the PES, some directed to the VSLA group to fund IGAs, with the remainder distributed to landowners of the reforested land as an incentive to maintain their trees.

Supporting farmer yields

Dominican Republic

For each origin and farm, there is a unique context that needs to be considered, when implementing sustainability programs. Most farmers we work with through Roig grow cocoa within dense agroforestry systems. We are currently assessing how to help these farmers grow more on existing farms, to reduce the incentive to expand to new, potentially forested areas.

Ecuador

Ecuador's long history in cocoa has yielded important breakthroughs in the last 30 years. It has bred new cocoa varieties and farming techniques has become more efficient in water use, fertilizer application and pest management. However, farmers do not necessarily apply the latest expert techniques and technologies, and still use practices unsuited to the new cocoa varieties, extreme weather conditions and phytosanitary challenges. GrandSouth has an experienced team of field agronomists who visited farmers individually to provide tailored technical assistance, as there is no 'one size fits all'. In 2021, their recommendations focused on soil and water conservation.

Provide trustworthy cocoa

As part of our efforts to provide trustworthy cocoa to our clients, in Côte d'Ivoire we traced all cocoa in our direct supply chain from farm to client, and polygon mapped 23,092 cocoa plots. In Ghana and Nigeria, we polygon mapped an additional 1,105 farms. In the Dominican Republic, we polygon mapped 371 farms through our partner, Roig.

Partnerships

Partnerships have the potential to combine the many perspectives needed to identify solutions to the world's most pressing and complex challenges. Therefore, we continued to work in partnerships, in an effort to tackle the challenges of building a climate-resilient and inclusive cocoa sector.

To support the building of a more climate-resilient cocoa sector, we continued to engage in the World Cocoa Foundation's

Cocoa and Forests Initiative in Côte d'Ivoire and Ghana. This partnership has three focus areas: Forest protection and restoration, Sustainable production and farmer livelihoods; Community engagement and social inclusion.

In addition, with the support of Agri-Logic, an expert consultancy, we mapped our Scope 3 footprint in Côte d'Ivoire by gathering field data on land-use change, input use, agroforestry, and energy consumption.

Sucden participated in the Supplier Leadership on Climate Transition (SLOCT) capability building consortium to curb GHG emissions. This is a global effort designed and funded with 12 of the world's largest consumer goods companies, including several of Sucden's cocoa clients. The multi-year program, initiated in early 2021, guides companies to develop their greenhouse gas footprints and targets consistent with the international pathways recommended to address climate protection this decade.

In support of the Jacobs Foundation education effort and as a contributor to the Child Learning and Education Facility (CLEF), globally the largest public-private-partnership in education focusing on a single country, officially launched during mid-2022, Sucden also provided additional support to the research project SEME (Soutenir les Enfants à la Maison et à l'École / Support to Children at Home and at School) under the CLEF umbrella. SEME aims to investigate the relationships between income, access to quality education and child labor, in a view to better understand how to address the root causes of child labor in the cocoa sector.

It includes a Randomized Control Trial (RCT) in which four components will be tested to determine their impacts on child labor. The program is taking place within more than 130 communities, across two areas in Central and Western Côte d'Ivoire. Through a donation from the Sucden Foundation, an additional nine communities were added to the trial. Components to be tested are a cash transfer, along with a Village Savings & Loan Association intervention. Another component is a remediation intervention, grouping children



in grades 3 to 5 according to their actual learning level to determine if this will help the children to achieve better results. Given that this work is targeted at the women within the communities and the households, this will also work to bring greater equity and women's empowerment to those participants.

Our relationship with the International Cocoa Initiative (ICI) is an instrumental part of our activities relating to child labor and forced labor. Besides participating in several of ICI's subgroups, we work directly with ICI in a number of our cocoa-supplier networks and uses the tools and research findings provided by ICI to strengthen those efforts.

Finally, we continued to participate in the European Cocoa Association (ECA). This industry trade association is increasingly instrumental in helping European cocoa-industry participants liaise with European Union Institutions and governments. During 2021, we offered input to the association and its members on the EU Commission organized Cocoa Talks, a series of informational exchanges on the pending legislation on the prevention of deforestation and due-diligence requirements for human rights within the cocoa supply chain.

Looking forward

We recognize the need to both expand and accelerate our efforts to have a more significant impact at cocoa farm and household levels within the cocoa supply chain. This has given rise to serious consideration of how we can support the evolution of our sustainability programs. Over the coming seasons, we will act towards two principal objectives: to provide farmers and their families, through efforts with our partners, with a range of more-tailored services to support improved incomes; and to facilitate the transition of cocoa farms to incorporate the principles of regenerative agriculture. To achieve these goals, we must continue to engage in meaningful multi-stakeholder partnerships and pilot new approaches. We accept this challenge and are now working with several partners on more-innovative approaches. These have the potential to provide the needed skills enable improvements among the cocoa farmers and the cocoa-farming families that supply us, and ultimately our clients. We look forward to telling you more about the impact of these approaches as we make progress.



SUPPLY CHAIN



OUR STRATEGY, POLICIES AND PERFORMANCE CONTINUED



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 step one on the path to a common strategy and long-lasting impact. Sucden Coffee is therefore committed to the sector's 2050 Sustainability Goals and 2025 Targets, as introduced by Sustainable Coffee Challenge and Global Coffee Platform.

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

Together with our clients, we invest in projects in various origins. These enable us to extend our network of direct supply chains and provide technical services to coffee producers. We build on the work of experts, such as the World Agroforestry Center (ICRAF), to provide high-quality advice and assistance to farming communities. Alongside our project work, we are a partner to various initiatives in areas that require coordinated action and financing.



Our performance in 2021

Highlights from origins

- In Colombia, we digitalized most of our sustainable supply chains and trained 4,000 farmers in good agricultural practices. 50% of volume traded from Colombia was certified.
- In Indonesia, working with our client and the World Agroforestry Center (ICRAF), we trained 500 farmers in agroforestry and distributed 12,700 seedlings within the Empower project.
- In India, our implementing partner, the Forestry College in Ponnampet, produced 9,000 shade tree seedlings to be distributed to farmers in our supply chain.
- In Vietnam, we have joined the IDH Landscape program in Central Highlands, working on regenerative agriculture, low-carbon production and improving rural livelihoods.
- In Brazil, working with our local supplier and partner, we supported the Minas d'Água project aimed at preserving and restoring water streams on farm properties. As a result, we distributed 4,000 native tree seedlings and protected nearly 200 hectares of land.

New partnerships

- Sucden Coffee has become a partner to World Coffee Research, a leading agricultural research organization focused on coffee breeding.
- Sucden Coffee has made a financial contribution to the Collective Action Initiative on Responsible Use of Agro-Inputs for Coffee in Vietnam, facilitated by the Global Coffee Platform (GCP).

Our commitments and progress

Coffee: ensure resilient supply

Sucden Coffee target 2025:

Train at least 15,000 smallholder farmers a year on good agricultural practices.

Progress 2021:

Globally, we provided technical assistance and training on good agricultural practices to 7,500 farmers through our regular extension service or through projects.

Markets: increase sustainable sourcing

Sucden Coffee target 2025:

Increase the share of certified coffee in our trade, to achieve 50% in 2025.

Progress 2021:

Globally, we sold 24% of certified coffee in 2021.

People: Increase wellbeing and prosperity of farmers and farm workers

Sucden Coffee target 2025:

Involve at least 5,000 farmers in income-diversification projects.

Progress 2021:

We involved 200 farmers in agroforestry-related activities (700 farmers since 2020).

Planet: conserve nature

Sucden Coffee target 2025:

Increase tree cover in our main coffee-sourcing landscapes by providing access to 300,000 seedlings to be planted on coffee farms and community land.

Progress 2021:

Globally, we have distributed 26,000 shade trees to be planted on coffee farms and community land (48,000 since 2020).





COMMUNITIES

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 increase this positive impact by helping our employees support other causes.

Contributing to the following UN Sustainable Development Goals

1 NO POVERTY



2 ZERO HUNGER



3 GOOD HEALTH AND WELL-BEING



4 QUALITY EDUCATION



5 GENDER EQUALITY



13 CLIMATE ACTION



KEY CHALLENGES, RISKS AND OPPORTUNITIES

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

Our 5,367 employees often experience, or are introduced to, local concerns such as nutrition and health, education, environment, and social and livelihood issues. They voluntarily cooperate with local communities and contribute to solving issues. This positive impact generates the confidence our partners have in us, and we look forward to maintaining this by constantly supporting these activities.

OUR STRATEGY, POLICIES AND PERFORMANCE

We support programs and projects that let us make a distinct contribution to the community. We look to our employees to use their expertise 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 look to generate a positive impact on local communities by encouraging and supporting employees' personal involvement in projects outside their work. They can apply for funding from the Sucden Foundation for projects they, or their close relatives, are involved in.
- **Generating positive local impact** We aim to have a positive impact in the regions where we work, to improve the lives of local communities as well as the environment, and so encourage our 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 2021

In 2021, we contributed more than 2.8 million US Dollars, either from our Foundation or through our local entities, to various organizations and initiatives; this growing amount (2.1 million US Dollars in 2020) represents about 1.2% of our consolidated net income.

Some examples of charities and projects supported by Sucden or its corporate Foundation in 2021:

- **HIV / AIDS** Sucden Foundation has been a partner to Sidaction¹, a French agency dedicated to the elimination of HIV/AIDS in West Africa, for the last five years. In 2020, the Foundation renewed its support for the next three years. The work is run by organizations in Côte d'Ivoire, Cameroon and Togo, aiming to prevent the proliferation of HIV/AIDS, especially in pregnant women, and helping to distribute medical treatment to those infected.
- **Enfants du Mékong / Children of the Mekong** We supported an employee's personal involvement in the association's effort to buy tons of food for children and families in the Mékong.
- **Institut du Cerveau – ICM² (Paris Brain Institute)** ICM is an international brain and spinal cord research center, the only institute of its kind in the world. It brings patients, doctors and researchers together in developing treatments for disorders of the nervous system, and enables patients to benefit from them as quickly as possible. In 2021, we renewed this partnership for three years.

¹ <https://www.sidaction.org/>

² <https://icm-institute.org/en>

USD 2.8 million

DONATED JANUARY TO DECEMBER, 2021

1.2%

NET INCOME DONATED IN 2021

- **Order of Malta** We supported the opening of a healthcare center in south-west France.
- **Tree-planting** programs in Côte d'Ivoire
- **In Russia**, we contribute to improving people's livelihood by supplying equipment, contributing to the construction of community buildings, and providing financial support for local schools and children.

In 2021, Sucden Foundation also organized conferences, where groups we support offer their view on causes supported by the Foundation. In addition to contributing to the open-mindedness of our staff, it also encourages people to dedicate personal time to the initiatives the Foundation supports. Although not specifically monitored, this link between the financial support from the Foundation and the commitment of our staff is a valuable gift to the future of our communities.

KEY PERFORMANCE INDICATORS MONITORING

All disclosed indicators are reported at the consolidated level on a calendar year basis (unless otherwise specified). For Environment indicators, office activities are considered as non-significant and therefore not included.

Topic	Key challenges, risks and opportunities	Key performance indicator	Performance in 2021	Performance in 2020	Regulatory Reference	Page
People	Sucden employees around the world	Total number of employees	5,367	5,490	R.225-105 II. A.1.f)	13
	Wellbeing at work	Absenteeism rate	3.6%	4.2%	R.225-105 II. A.1.b)	14-15
		Turnover rate	16.8%	19.8%	R.225-105 II. A.1.a)	14-15
	Attracting talent and managing skills	Number of training hours per employee	48	36	R.225-105 II. A.1.e)	16
		Men to women ratio	1.39	1.15	R.225-105 II. A.1.a)	13
	Building a safe environment	Frequency rate of occupational accidents (LTIFR)	2.78	1.11	R.225-105 II. A.1.c)	14
		Severity rate of occupational accidents (LTISR)	0.08	0.06	R.225-105 II. A.1.c)	14
		ISO 45001 certificates	2	2	R.225-105 II. A.1.c)	14
Environment	Optimizing our direct carbon footprint (Scope 1 & 2)	GHG direct and indirect emissions (Scope 1 & 2)	499,950 tCO ₂ e	522,423 tCO ₂ e	R.225-105 II. A.2.d)	19
		CO ₂ e per cultivated hectare (Russia)	331 kgCO ₂ e	318 kgCO ₂ e	R.225-105 II. A.2.d)	19
		CO ₂ e per ton of sugar produced	553 kgCO ₂ e	482 kgCO ₂ e	R.225-105 II. A.2.d)	19
	Monitoring and optimizing our global carbon footprint	GHG indirect emissions – Upstream and managed downstream supply chain (Scope 3)	20,767,212 tCO ₂ e	–	R.225-105 II. A.2.d)	20
		GHG emissions related to business trips	532 tCO ₂ e	314 tCO ₂ e	R.225-105 II. A.2.d)	20
		Average bulk EEDI	7.3 gCO ₂ e/(t x nm)	9.1 gCO ₂ e/(t x nm)	R.225-105 II. A.2.d)	20
	Managing our waste products and production residues	Volume of hazardous wastes	2,584,222 t	1,908,321 t	R.225-105 II. A.2.c).i	21
	Optimizing our water consumption	Water consumption per ton of sugar produced	4.7 m ³	3.8 m ³	R.225-105 II. A.2.c).ii	22
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 ¹ during the crop cycle (October 1st and September 30th) in cocoa plantations in Côte d'Ivoire	72%	–	R.225-105 II. A.3.b)	27-30
		Share of direct supply chain suppliers trained in good agricultural practices and against child labor in Ghana (US destination)	81%	–	R.225-105 II. A.3.b)	27-30
		Share of direct supply chain suppliers trained in good agricultural practices and against child labor in Ghana (non US destination)	70%	–	R.225-105 II. A.3.b)	27-30
		Share of direct supply chain suppliers trained in good agricultural practices and against child labor (all origins)	71%	–	R.225-105 II. A.3.b)	31-32
	Protecting forests	Number of trees' seeds distributed by Sucden to farmers in cocoa plantations during the crop season (Oct 1st to Sept 30th) and in coffee plantations during the year	279,814		R.225-105 II. A.2.e)	31-35
		Number of tree seedlings distributed by Sucden to farmers in cocoa plantations	253,484		R.225-105 II. A.2.e)	31-32
		Number of tree seedlings distributed by Sucden to farmers in coffee plantations	26,330		R.225-105 II. A.2.e)	35
		Number of shade trees monitored through GPS tracking in Côte d'Ivoire during the previous Crop (19/20)	136,318		R.225-105 II. A.2.e)	31-32
		Tree mortality in Côte d'Ivoire during the previous crop (19/20)	18%		R.225-105 II. A.2.e)	31-32
	Sourcing responsible commodities	Volume of Bonsucro certified sugar sales	142,432	77,000	R.225-105 II. A.3.b)	25
		Share of certified coffee sales	24%	–	R.225-105 II. A.3.b)	27-33
		Share of certified (Rainforest Alliance and Fair Trade) cocoa sales	10%		R.225-105 II. A.3.b)	27-33
		Share of direct supply chain of cocoa purchases	10%		R.225-105 II. A.3.b)	27-33
Communities	Having a positive impact in our communities	Donations to local development and general interest programs	USD 2.8 million	USD 2.1 million	R.225-105 II. A.3.a)	37
		Funds allocated to sustainability programs on behalf of third parties	USD 12.9 million		R.225-105 II. A.3.a)	37
		Share of consolidated net income allocated to general interest programs	1.2%	2.0%	R.225-105 II. A.3.a)	37

1 Direct supply chain relates to the World Cocoa Foundation's definition.

AUDITOR’S REPORT

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

For the year ended 31 December 2021

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 COFRAC under number 3-1049¹, we have undertaken a limited assurance engagement on the historical financial information (actual or extrapolated) of the consolidated non-financial statement, prepared in accordance with the entity’s procedures (hereinafter the “Guidelines”), for the year ended 31st December 2021 (hereinafter, respectively, the “Information” and the “Statement”), included in the Group’s management report pursuant to the requirements of Articles L. 225 102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code (*Code de commerce*).

Limited assurance conclusion

Based on the procedures performed, as set out in the “Nature and scope of our work” section of this report, and the information collected, nothing has come to our attention that causes us to believe that the Statement is not presented in accordance with the applicable regulatory requirements and that the Information, taken as a whole, is not presented fairly in accordance with the Guidelines, in all material respects.

Preparation of the Statement

The absence of a commonly used generally accepted reporting framework or a s 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, the main elements of which are presented in the Statement (or available on request from the entity’s registered office).

Inherent limitations in preparing the Information

The Information may be subject to inherent uncertainty because of incomplete scientific and economic knowledge and the quality of external data used. Some information is sensitive to methodological choices, assumptions and/or estimates used for their preparation and presentation in the Statement.

Responsibility of the entity

The Board of Management is responsible for:

- Selecting or establishing suitable criteria for preparing the Information;
- Preparing a Statement in accordance with legal and regulatory requirements, including a presentation of the business model, a description of the main extra-financial risks, a presentation of policies applied to mitigate these risks and the outcomes of those policies, including key performance indicators
- Implementing 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 was prepared by applying the entity’s Guidelines as mentioned previously.

**Responsibility of the Statutory Auditor,
appointed as independent third party/
independent third party**

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

- The compliance of the Statement with the requirements of Article R. 225-105 of the French Commercial Code;
- The fairness of the historical financial information (actual or extrapolated) provided in accordance with Article R.225-105-I(3) and II of the French Commercial Code concerning action plans and policy outcomes, including the key performance indicators on the main risks.

As it is our responsibility to provide an independent conclusion on the Information as prepared by Management, we are not authorized to help prepare said Information, as that could compromise our independence.

However, it is not our responsibility to comment on:

- the entity’s compliance with other applicable legal and regulatory requirements;
- the compliance of products and services with the applicable regulations.

Regulatory provisions and applicable professional guidance

We performed our work described below in accordance with the provisions of Articles A. 225 1 and following of the French Commercial Code, the professional guidance issued by the French Institute of Statutory Auditors (*Compagnie nationale des commissaires aux comptes*) relating to this engagement and International Standard on Assurance Engagements 3000 (Revised)².

Our independence and quality control

Our independence is defined by the provisions of Article L. 822-11-3 of the French Commercial Code and the French Code of Ethics (*Code de déontologie*) for statutory auditors. Our firm maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with applicable legal, regulatory and ethical requirements and the professional guidance issued by the French Institute of Statutory Auditors relating to this engagement.

Means and resources

Our work was carried out by a team of six people between November 2021 and April 2022 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 our work

We planned and performed our work to address the areas where we identified that a material misstatement of the Information was likely to arise.

We believe that the work carried out, based on our professional judgment, is sufficient to provide a basis for our limited assurance conclusion:

- We obtained an understanding of all the consolidated entities’ activities, and the description of the principal risks associated;
- We assessed the suitability of the criteria of the Guidelines with respect to their relevance, completeness, reliability, neutrality and understandability, with due consideration of industry best practices, where appropriate;
- We verified that the Statement includes each category of social and environmental information set out in article L. 225-102-1 III;

- We verified that the Statement provides the information required under article R. 225-105 II of the French Commercial Code, where relevant with respect to the principal risks, 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 presents the business model and a description of principal risks associated with all the consolidated entities’ activities, including where relevant and proportionate, the risks associated with their business relationships, their products or services, as well as their policies, measures and the outcomes thereof, including key performance indicators associated to the principal risks;
- We referred to documentary sources and conducted interviews to:
 - assess the process used to identify and confirm the principal risks as well as the consistency of the outcomes, including the key performance indicators used, with respect to the principal risks and the policies presented;
 - corroborate the qualitative information (measures and outcomes) that we considered to be the most important³, 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 entities⁴⁻⁵.
- We verified that the Statement covers the scope of consolidation, i.e. all the consolidated entities in accordance with article L. 233-16 of the French Commercial within the limitations set out in the Statement;
- We obtained an understanding of internal control and risk management procedures the entity has put in place and assessed the data collection process to ensure the completeness and fairness of the Information;

- For the key performance indicators and other quantitative outcomes that we considered to be the most important⁶, as we implemented:
 - analytical procedures to verify the proper consolidation of the data collected and the consistency of any changes in those data;
 - tests of details, using sampling techniques, in order to verify the proper application of the definitions and procedures and reconcile the data with the supporting documents. This work was carried out on a selection of contributing entities and covers between 15% and 87% of the consolidated data selected for these tests;

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

The procedures performed in a limited assurance engagement are less in extent than for a reasonable assurance engagement performed in accordance with the professional guidance issued by the French Institute of Statutory Auditors; a higher level of assurance would have required us to carry out more extensive procedures.

Paris-La Défense, on 26th of April, 2022
KPMG S.A.

Fanny Houlliot
Partner Sustainability Services

Laurent Genin
Partner

Laurent Chillet
Partner

1 Accreditation Cofrac Inspection, number 3-1049, scope available at www.cofrac.fr
2 ISAE 3000 (Revised) - Assurance Engagements Other Than Audits or Reviews of Historical Financial Information.

3 Talent and skills management policies; Commitments and measures taken for prevention of accidentogenic situations; Investments and other measures taken to reduce the environmental impact of activities; Sustainable agricultural practices; Principles and procedures to ensure business ethics and integrity; Actions against deforestation and child labour; Certifications and measures taken to evaluate processes (factories and supply chains).
4 Investments and other measures taken to reduce the environmental impact of activities; Principles and procedures to ensure business ethics and integrity; Actions against deforestation and child labour; Certifications and measures taken to evaluate processes (factories and supply chains).
5 SDI (Russia); Sucden Coffee B.V. (Netherlands).
6 Number of employees; Turnover rate; Number of training hours per employee; Absenteeism rate; Frequency rate of occupational accidents (LTIFR); Severity rate of occupational accidents (LTISR); Energy consumption; Water consumption per ton of sugar produced; Greenhouse gas direct and indirect emissions linked (scopes 1 and 2); Volume of waste produced; Waste recycling rate; Share of certified coffee sold; 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 1st and September 30th) in cocoa plantations in Côte d’Ivoire; Number of trees’ seeds distributed by Sucden to farmers in cocoa plantations during the crop season (Oct 1st to Sept 30th) and in coffee plantations during the year.



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