

Sucden Forests Protection Policy for the Cocoa Supply Chain

Purpose & Scope

Deforestation for global agriculture is a major source of carbon emissions with consequent negative impacts on biodiversity, ecosystems, and critical habitats. The production of crops typically associated with deforestation also carries social risks. As a large global trading company originating significant volumes of cocoa beans and products for our customers, Sucden recognises its responsibility to address deforestation risks within the cocoa supply chain. These risks are particularly acute in West Africa where they are interlinked with complex challenges around productivity and livelihoods, but they are also present in other cocoa growing regions around the world.

The following Policy articulates Sucden's commitment to ensure that our cocoa bean sourcing is not driving deforestation and that cocoa originating from protected areas does not enter our supply chain, with an initial implementation focus on Ghana and Cote d'Ivoire.

Governance

Sucden strives to act responsibly in all of its business activities. In our cocoa origination activity forest protection is considered a key priority. To maximise our impact and optimise the efficiency of the implementation of Forests Protection Policy through the action plan, the governance of this policy is fully embedded into the Group's sustainability management structure, through the following bodies:

- **The Sucden Management board** providing oversight on corporate responsibility issues and meeting at least twice a year. It will review the progress of implementation of the action plan for the Group at least once a year as part of that role.
- **The Sucden Cocoa Management** are responsible for setting the Forests Protection Policy strategy, implementing the action plan and ensuring that the strategy can be deployed on-the-ground.
- **Sucden Cocoa Sustainability team** will apply the strategy and report at least annually on progress and performance to the Sucden Management Board. The team are also part of the Group's CSR Forum that meets quarterly. They will also update that forum on progress versus the action plan and seek to align implementation amongst the business units of the group, sharing best practices and the lessons learned.

Through the Cocoa & Forests Initiative (CFI) Sucden will also be reporting progress on forest protection initiatives aligned to this collaborative effort on a formal annualised basis.

In addition to this governance framework, Sucden has set specific objectives and commitments that are disclosed in the policy below. The policy specifically underlines Sucden's commitment to prevent deforestation and degradation, achieve traceability, and contribute to the rehabilitation and conservation of landscapes.

Policy Content

In seeking to build a sustainable cocoa supply chain, Sueden commits to:

- 1. No sourcing of cocoa which contributes to the deforestation or degradation of any forest land as defined by national or internationally applicable forest definitions, including the High Carbon Stock (HCS) and High Conservation Value (HCV) methodologies.**
- 2. No sourcing of cocoa from areas that are legally protected for conservation purposes, such as national parks or wildlife reserves.**
- 3. Achieve traceability in our direct supply chain, by identifying and mapping the farms from whom we are sourcing, to improve the evaluation of the origins of our cocoa purchasing.**
- 4. Prioritise the supply chain mapping process, using risk assessment to support the identification to of where deforestation is most likely to occur in the future and to plan for farm and landscape intervention.**
- 5. Supplier compliance to our Cocoa Supplier Code(s) of Conduct which prescribes our expectations around no child or forced labour, freedom from discrimination, freedom of association, fair wages and commitment to the well-being of employees.**
- 6. Promote sustainable livelihoods and production for smallholder cocoa farmers in our supply chain as a means to reduce pressure for further land conversion, to build climate change resilience and to encourage healthy and vibrant cocoa communities.**
- 7. Contribute to the rehabilitation and conservation of degraded landscapes, through direct intervention or multi-stakeholder collaboration and involvement in landscape programs.**
- 8. Implement agroforestry activities in targeted programs.**
- 9. Engage our suppliers on the content and expectations of our Policy.**
- 10. Develop a time bound action plan with clear performance indicators for the implementation of our policy, including a plan for actively implementing our policy commitments across all origins.**
- 11. Report annually on our progress in implementing our commitments.**