



**RESPONSIBILITY**  
REPORT

**2022**





# CONTENTS

## 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.

**CHAIRMAN'S  
MESSAGE**

4

**BUSINESS  
MODEL**

6

**OUR APPROACH  
TO RESPONSIBILITY**

8

**PERFORMANCE  
REPORTING**

11

**01**

**BUSINESS  
PRACTICES**

12

**02**

**PEOPLE**

16

**03**

**ENVIRONMENT**

22

**04**

**SUPPLY CHAIN**

30

**05**

**COMMUNITIES**

44

**KEY  
PERFORMANCE  
INDICATORS  
MONITORING**

46

**AUDITOR'S  
REPORT**

48



# CHAIRMAN'S MESSAGE



**Serge Varsano**  
Chairman

**Over the years, our employees, clients, suppliers, bankers, and service providers all had a pivotal role in Sucden's growth and history. We were thrilled to celebrate our 70<sup>th</sup> anniversary with them at the Natural History Museum in London.**

"In 1952, when Sucres et Denrées sold their first bags of sugar, tea, and salt, the small family business could not have imagined growing into the leading player in soft commodities trading it is today.

From the start, our founders strongly believed in team spirit and recruiting talent; they knew the importance of building long-term relationships with business partners and creating shared value for stakeholders. Over the years, our employees, clients, suppliers, bankers, and service providers have all played a pivotal role in Sucden's growth and history. We were thrilled to celebrate our 70<sup>th</sup> anniversary with them at the Natural History Museum in London.

The year 2022 has nevertheless held major challenges.

The Russia-Ukraine conflict has resulted in a high level of volatility in commodity markets; we have worked diligently to remain steadfast in our beliefs and values. As access to agricultural commodities, and especially food, is a fundamental need, we have continued to connect supply and demand. And when routine operations such as importing spare parts for tractors became more complex, we have adapted our processes and logistics to comply with new regulations and contractual obligations.

Establishing a New Grains and Oilseeds trading activity has been our second challenge. The incorporation of these commodities into Sucden's portfolio lays the groundwork for future growth.

It furthers our business strategy of continuously generating value through long-lasting partnerships with suppliers and clients. It also supports the Group's ambition to broaden our contribution to the world's food supply chain.

Lastly, setting targets to reduce the Group's Scope 3 carbon emissions has also been on our agenda. We have continually assessed our indirect carbon footprint and established key milestones. As our supply chains indirectly embed hundreds of thousands of cocoa, coffee, and sugar cane producers, these efforts remain particularly challenging. Our teams are working hand in hand with them to find innovative solutions. In a context of growing regulations pertaining to human rights, carbon emissions, and deforestation, as well as higher consumer expectations, we strive to support all our stakeholders to help them prepare and follow best practices.

At the start of 2023, as in previous years, we see evidence that our way of conducting business brings value to local communities, our stakeholders, and the planet. The Group's management will therefore continue to encourage innovation, bold thinking, and personal commitment within our teams. Deeply rooted in our DNA, these skills are key to navigate potential turbulences related to geopolitics, climate, and market volatility. Confidence and transparency with our partners have also been instrumental to Sucden's successful journey over the last 70 years. I believe that these values will remain integral to our next 70-year chapter."

# BUSINESS MODEL

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

To do so, we trade on the world's major exchanges in a wide range of products and services, including sugar, coffee, cocoa, ethanol, ocean freight, as well as undertaking futures and options brokerage. To support this, we are active in agriculture and sourcing, processing, logistics, distribution, merchandising, financing, research and risk management. We combine global know-how with local expertise to connect supply and demand in a sustainable way.

We are an independent company with 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.

## RESOURCES

Long term shareholders

**70** years  
Family owned company - **1.5 billion \$** equity

Long lasting bank relationship - **1.8 billion \$** debt

**5,341**  
employees worldwide

Long-term supplier relationships in all producing countries

Assets

**4** sugar plants & 250 thousand ha land

**4** vessels

Offices in **25** countries

## ACTIVITIES

**01.**

### SOFT COMMODITIES TRADING AND DISTRIBUTION

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

Provide financing to selected counterparties

11.4 million tons of sugar

546,000 tons of cocoa

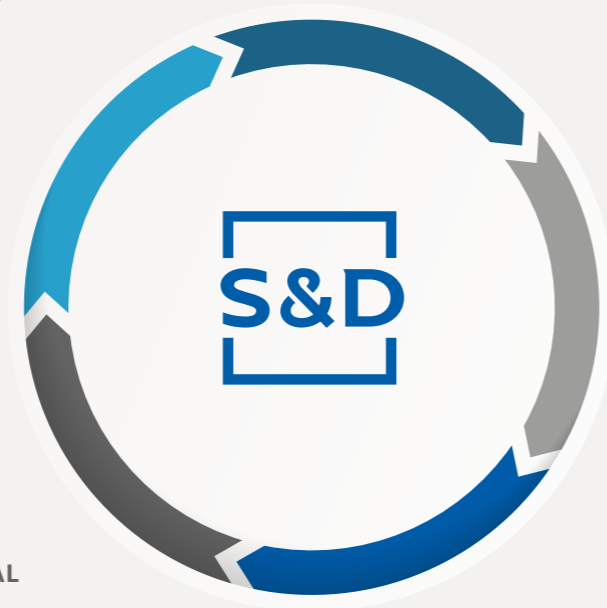
383,000 tons of coffee

200,000 m<sup>3</sup> of ethanol

**05.**

### VENTURE CAPITAL

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



## RISK MANAGEMENT & SUSTAINABILITY

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

**02.**

### AGRICULTURAL & INDUSTRIAL PRODUCTION

Produce grains and high-quality sugar in Russia

661,000 tons of cereals

576,000 tons of sugar

**03.**

### BROKERAGE

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

**04.**

### SHIPPING

Operate fleet of four breakbulk carriers

Capacity of 172,000 tons

## BUSINESS MODEL

# PERFORMANCE & VALUE CREATION

FOR OUR BUSINESS PARTNERS  
Connect supply and demand

**13.4 million tons sourced**

Contribute to design responsible supply chains through programs at origin

**9.1 billion \$** spent in 2022

FOR OUR PEOPLE  
Promote Well-being at work

**13.5%** staff turnover

**192 million \$** salaries paid to employees

FOR THE ENVIRONMENT

Optimise and reduce GHG emissions on scope 1,2, and 3

**20,5 million** tons of CO<sub>2</sub> in 2022

Optimise and reduce water consumption reduction

**3.2 m<sup>3</sup>/ton** of sugar produced

Promote best agricultural practices (input management, etc.)

**88%** suppliers trained in direct supply chain

Mitigate deforestation risk

**391,715** tree seedlings distributed

FOR COMMUNITIES  
Certification & development programs

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

Trainings on child labour in the direct supply chain

**93%**

Contribute to local countries' services

**30 M\$** taxes paid

Support universal causes

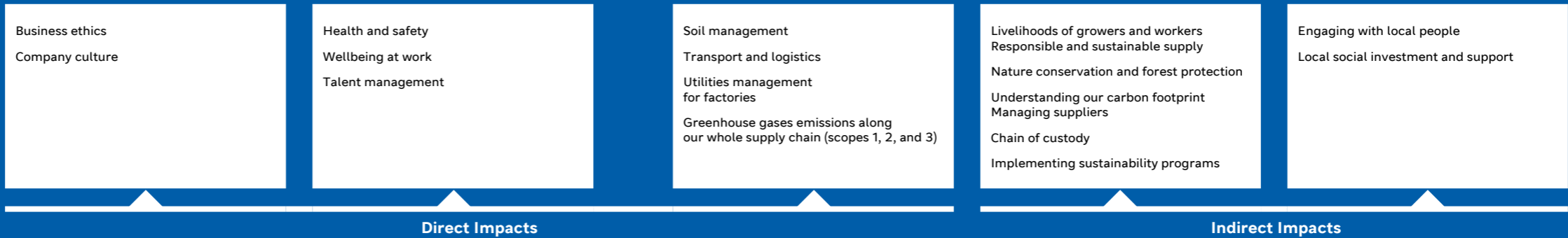
**4.0 M\$** donated in 2022

# OUR APPROACH TO CORPORATE RESPONSIBILITY

## OUR APPROACH TO CORPORATE RESPONSIBILITY

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

### OUR MATERIAL ISSUES



### OUR ACTION AREAS



### IMPACT ON SDGS





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

**STEP 1 – RISK ASSESSMENT AND COMPLIANCE PRINCIPLES**

On any matter we identify as significant to our activities<sup>1</sup>, we make sure to conduct a risk and opportunity assessment. This creates a clear focus for our responsibilities. We disclose potential risks and issues in this report, identified based on French and EU regulations and the UN Sustainable Development Goals.

This materiality assessment process has been supervised by our CSR teams and reviewed by internal audit. An iterative approach has been designed, involving the CSR forum that meets quarterly and includes sustainability network officers as well as business heads. Value was found in the dialogue between sustainability and Business Units teams as well as in the discussions with some of our key external stakeholders. This materiality assessment has been approved by the Management Board and is reviewed once a year.

**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

**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

**INDIRECT IMPACT**

**Supply chain**

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

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

**Community involvement**

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

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

**Ensuring responsibility and sustainability everywhere**

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

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

**Improving internal and external communication**

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

**STEP 4 – DEFINE HOW WE WILL REACH OUR OBJECTIVES**

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

**Commitments**

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

**Certifications**

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

**Direct action and internal processes**

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

**Partnerships to initiate local action**

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

**Corporate foundation**

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

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



**PERFORMANCE REPORTING**

**SUCDEN WILL ALWAYS MONITOR AND REPORT ON ITS INVOLVEMENT IN AND STRATEGY FOR ADDRESSING COMPLIANCE, ENVIRONMENTAL AND SOCIAL ISSUES.**



# 01. BUSINESS PRACTICES

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 wherever we operate. This includes a growing number of rules and regulations issued by the French, EU, US and other relevant country authorities, and by international organizations.

It is also a legal obligation under French law (Transparency, anti-corruption & economic modernization Act 2016-1691 of December 9, 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 is strongly focused on building ethical long-term relationships with our business partners, we believe responsibility and sustainability will become just as important to our customers.

## 01. BUSINESS PRACTICES

# OUR STRATEGY, POLICIES AND PERFORMANCE

### CONDUCTING BUSINESS ETHICALLY, LAWFULLY, AND IN COMPLIANCE

Our Code of Conduct<sup>2</sup> sets out the rules, principles and values our 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 determine our compliance strategy, monitor issues, and to implement and make decisions about the compliance program.

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

### OUR PERFORMANCE IN 2022

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

In 2022, 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 audits. 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 TO 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 2022

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

- Global Compact: an overarching public commitment for the Group and all its diversified activities.
- For cocoa, we are a member of the:
  - o Cocoa & Forest Initiative (CFI)<sup>3</sup>, which encourages industry efforts to protect forests and ensure traceability of cocoa.
  - o International Cocoa Initiative (ICI)<sup>4</sup>, 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)<sup>5</sup> 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.

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

**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 2022**

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 2022, our main French entity maintained its Gold level<sup>6</sup>.
- Sugar. Several offices and subsidiaries of the Group are certified to trade Bonsucro<sup>7</sup> 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 about 80,000 tons of it.
- Sugar-beet pulp pellets. In 2022, 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 UTZ, part of the Rainforest Alliance, as well as Fairtrade, and organic-certified cocoa. Overall, in 2022, we sold about 62,000 tons of certified cocoa.
- Coffee. We are certified to trade UTZ, Rainforest Alliance, 4C, Fairtrade, Café Practices, and organic-certified coffee. In 2022, we sold more than 118,000 tons of certified coffee.
- Ethanol. We are certified according to the International Sustainability & Carbon Certification (ISCC) system, and supply certify ethanol.

**Sucden in Russia**

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

- 100% of sugar beet cultivated by Sucden's agofirms in Russia are verified at FSA Gold level. It represents 40% of the total volume of sugar beet processed by our four plants in 2022.
- CDP: since 2018, we have disclosed environmental data to the CDP platform.
- Food Safety System Certification 22000: All our plants are certified FSSC 22000.
- Three plants maintain certifications for ISO 9001 / ISO 14001 / ISO 45001.
- Sedex: All our plants were audited by Sedex over the past two years

**Sucden at sea**

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

<sup>6</sup> Gold level is granted to the top 5% of performers.  
<sup>7</sup> <https://www.bonsucro.com/what-is-bonsucro/>

**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 among everyone we work with, through security training and regular phishing awareness campaigns.
- Frequent audits and updates to manage our vulnerabilities.
- Deploying and standardizing advanced security tools to proactively detect threats and protect our assets.

**ESTABLISHING SUSTAINABILITY AND VALUES IN OUR COMPANY CULTURE**

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





# 02. PEOPLE

## 02. PEOPLE

### SUCDEN EMPLOYEES AROUND THE WORLD

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 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.



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.

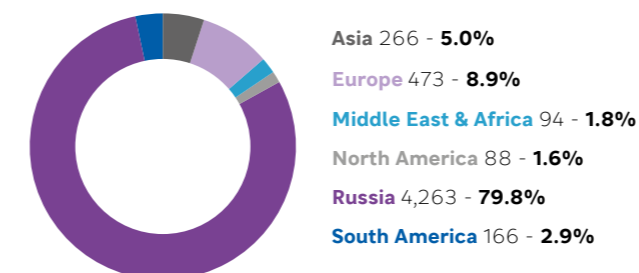
Through our efforts in managing people's skills and sharing knowledge, we gain some significant business advantages: an increase in individual and collective skills, retention of sensitive know-how, and reinforced cohesion within teams; increased motivation among senior employees, an accelerated learning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



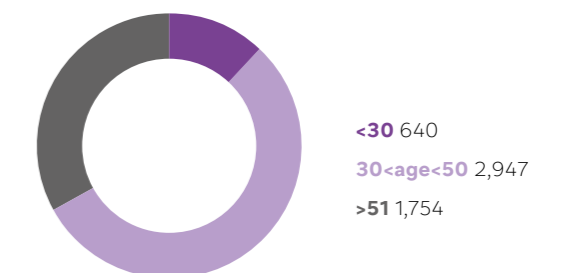
#### SUCDEN EMPLOYEES IN NUMBERS AT DECEMBER 31, 2022

As of 31.12.2022	2021	2022	Men	Women	<30	30<age<50	>50	Temporary workers	Permanent workers
Asia	341	266	200	66	51	188	27	7	259
Europe	467	473	349	124	102	237	134	12	461
Middle East & Africa	86	94	71	23	10	73	11	3	91
North America	80	88	45	43	17	45	26	3	85
Russia	4,237	4,263	2,905	1,358	438	2,302	1,523	700	3,563
South America	156	157	99	58	22	102	33	1	156
<b>Total</b>	<b>5,367</b>	<b>5,341</b>	<b>3,669</b>	<b>1,672</b>	<b>640</b>	<b>2,947</b>	<b>1,754</b>	<b>726</b>	<b>4,615</b>

#### EMPLOYEES BY REGION



#### EMPLOYEES BY AGE GROUP





# OUR STRATEGY, POLICIES AND PERFORMANCE

## CREATING A SAFE ENVIRONMENT

We have developed internal processes to ensure we meet both the regulations and best practices for safety. This is especially a priority for our industrial operations in 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 2022

In December 2021, Russian management signed a safety policy for all our industrial plants, to support the CSR Chart signed in 2019. This commitment to preventing all near-miss situations was reinforced in July 2022 with the appointment of a Group Safety Engineer. Under the direct supervision of the Industrial Director, the Group Safety Engineer will work closely with general managers of the sugar plants. In 2022, his first mission was to set up a general roadmap according to the three main pillars of safety: People, Processes and Assets. In line with this roadmap, four Safety Committees were organized in each sugar plant in autumn 2022 to measure the promotion of the monthly action plan and check that the planned preventive and corrective actions are correctly implemented.

At the end of 2022, four executive safety audits were performed with the following program: system visibility evaluation, procedures and permits control, facility safety checklists and employee participation.

The frequency rate<sup>8</sup> of occupational accidents was 2.8 for the year (1.2 for activities in Russia), and the severity rate<sup>9</sup> was 0.04 (0.03 for activities in Russia), compared to 2.8 and 0.08 in 2021 respectively.

<sup>8</sup> Frequency rate calculation: number of lost-time accidents x 1,000,000/number of hours worked during the reporting period.

<sup>9</sup> Severity rate calculation: number of calendar days lost (fatalities excluded) during the year x 1,000/ number of hours worked during the year.

## WELLBEING AT WORK - WE'RE ADAPTABLE

We focus on the wellbeing of our employees in the workplace. A satisfied employee is absent less often and more creative, committed and productive. We also promote social and cultural dialogue, as well as diversity and gender equality.

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 was 4.3% in 2022, compared to 3.6% in 2021. Staff turnover is a further indicator of overall satisfaction. Excluding Russia, this was 13% in 2022 compared to 12% and 10% in 2021 and 2020 respectively, so broadly flat. In Russia, the rate is higher (13.7%), 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 into our agricultural processes and renovating our canteens. Paris offices have a gym and propose personal coaching.

### FLEXIBILITY AT WORK

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

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

### EMPLOYEE SHAREHOLDING: A STRONGER COMMITMENT TO THE SUCDEN ADVENTURE

Our employee 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 sharing of the rewards we reap from our growing business.



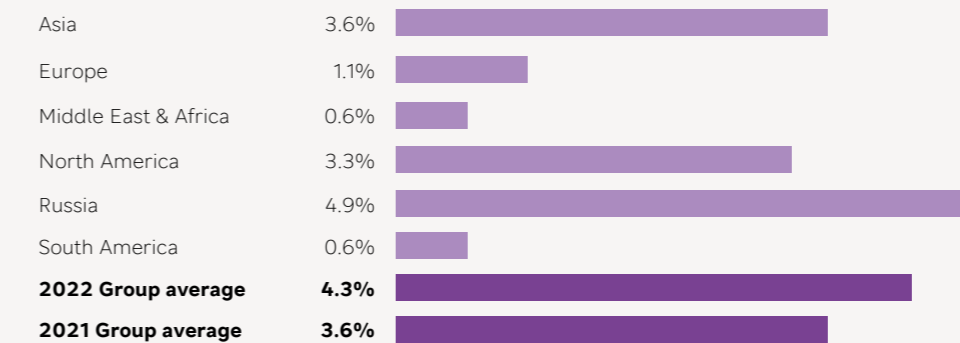
## OUR PERFORMANCE IN 2022

### Sucden in Russia

Conscious of the importance of health and wellbeing at work, in 2022 Russian management introduced a free lunch policy for all sugar plant employees, regardless of their job category and type of employment contract.

In the South, our agrofirma Ouspenski owns a bakery. In 2022, the 12 employees provided the local population with 226,632 loaves of bread.

### SUCDEN'S ABSENTEEISM RATE BY REGION IN 2022



### TURNOVER RATE BY REGION IN 2022

Region	Permanent employees	Number of people hired	Departures	Terminated at the employer's initiative	Turnover rate 2022	Turnover rate 2021
Asia	259	48	44	0	17.0%	9.8%
Europe	461	66	60	1	13.0%	14.3%
Middle East & Africa	91	13	5	1	5.5%	4.8%
North America	85	10	4	5	4.7%	17.7%
Russia	3,563	548	487	19	13.7%	18.1%
South America	156	23	23	10	14.7%	10.3%
<b>Total</b>	<b>4,615</b>	<b>708</b>	<b>623</b>	<b>36</b>	<b>13.5%</b>	<b>16.8%</b>



## 02. PEOPLE

### ATTRACTING TALENT AND MANAGING SKILLS - WE CREATE OPPORTUNITIES

Encouraging our employees to acquire new skills and knowledge is critical to our success, and our managers are responsible for providing development opportunities and support. We have 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 recruitment 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. Besides that, we cooperate with the Voronezh State Technical University, Russia's most distinguished institute for agricultural professions. We organize on-site visits of our facilities for future graduates (technologists, microbiologists, mechanics etc).

### OUR PERFORMANCE IN 2022

#### SUCDEN'S TRAINING OVERVIEW IN 2022

Region	Training hours	Number of employees	Training hours per employee
Asia	838	266	3
Europe	2,545	473	5
Middle East & Africa	1,794	94	19
North America	208	88	2
Russia	250,396	4,263	59
South America	496	166	3
<b>2022 Group</b>	<b>256,276</b>	<b>5,341</b>	<b>48</b>
<b>2021 Group</b>	<b>255,948</b>	<b>5,367</b>	<b>48</b>



### SUCDEN IN RUSSIA

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

#### These programs are structured into the main HR pillars:

1. Technical and technological training (internal)
2. Management training
3. Individual coaching

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







# 03. ENVIRONMENT

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 our employees help to reduce our indirect impact by making conscientious choices about suppliers and travel.

Contributing to the following UN Sustainable Development Goals



## KEY CHALLENGES, RISKS AND OPPORTUNITIES

### MAIN CONTRIBUTORS TO SUCDEN'S DIRECT ENVIRONMENTAL

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 OR ACCIDENTAL RISK

We operate four sugar beet factories in Russia that can produce about 800,000 tons of sugar a year, and we cultivate about 230,000 hectares of land. To reduce the risk of accidents, 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.

## 03. ENVIRONMENT

### 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 this in more detail on pages 30 to 43.



## 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 CO<sub>2</sub>.

### 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% 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 sugar produced, 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. Energy consumption is also a key parameter of our analytical crop management.

#### SUCDEN AT SEA

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



**OUR PERFORMANCE IN 2022**

**Sucden in the world**

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

**Sucden in Russia**

In 2022, Sucden Russia GHG emissions (kg CO<sub>2</sub>/ton of white sugar produced) increased by 9%. Environmental performance of the Dobrinski and Eletski sugar plants was largely below expectations due to meteorological factors.

Indeed, the sugar content was at the lowest level of the last ten years, i.e., down approximately 15% compared to 2022 as a result of precipitations during and after the beet campaign, which did not allow the beets to reach the expected 18.5% sugar content. These rains coupled with severe cold in the fall caused an exceptionally high quantity of mud to stick to the beets, which led to beet washing issues and thus increased energy consumption.

In 2023, provided that climatic conditions are normal, we should be able to reduce GHG emissions with investments in Kamenski and Tbiliski (improvement of pulp pressing). **Our goal remains to decrease our GHG emissions by 30% in 2030 as compared to 2015.**

This produced the following results:

- CO<sub>2</sub>eq per cultivated hectare – **326 kg in 2022** compared to 331 kg in 2021, and 318 kg in 2020.
- CO<sub>2</sub>eq per ton of sugar produced – **602 kg in 2022** compared to 553 kg in 2021, and 482 kg in 2020.

Compared to 2015, CO<sub>2</sub>eq per ton of sugar produced has decreased by 25%, and we were targeting an additional five percentage points by 2025. Due to the above explanation and bad weather conditions over the past two years, the target is being adjusted to 2030..

**Sucden at sea**

The Energy Efficiency Design Index (EEDI) for our vessels is 4.18 grams of CO<sub>2</sub> per ton-mile, compared to a standard target for this vessel's category of 5.9 grams of CO<sub>2</sub> per ton-mile. Our vessels are compliant with International Maritime Organization regulations through to 2024. They have lower fuel consumption and higher fuel efficiency than standard designs. Fuel consumption for our vessels is just over 20 metric tons a day at 13.5 knots, compared to a standard 27-28 metric tons for similarly sized vessels at the same speed.



**ENERGY CONSUMPTION AND GHG EMISSIONS**

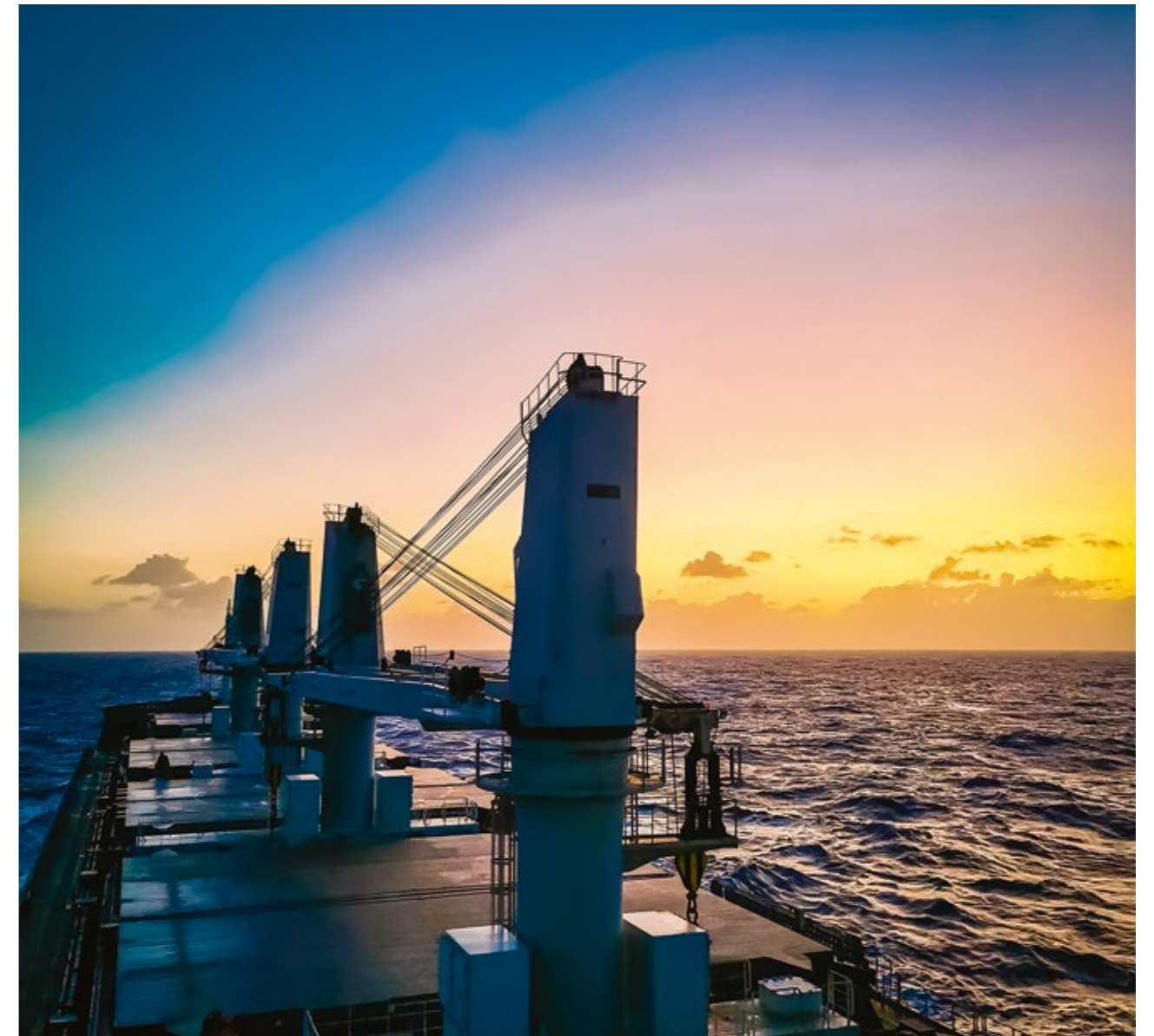
As of 12.31.2022	Gas	Electricity	Fuel & Gasoline	Energy consumption		GHG emissions	
	MWh	MWh	MWh	2022 MWh	2021 MWh	2022 tCO <sub>2</sub> e	2021 tCO <sub>2</sub> e
Asia	129	1,942	2,458	4,529	2,012	3,212	1,158
Russia	2,143,479	36,137	251,526	2,431,142	2,078,447	520,225	448,196
Shipping	0	0	138,267	138,267	186,425	42,700	50,250
South America	612	1,245	125	1,982	1,707	22	345
<b>Total</b>	<b>2,144,220</b>	<b>39,324</b>	<b>392,377</b>	<b>2,575,920</b>	<b>2,268,592</b>	<b>566,159</b>	<b>499,950</b>

**MONITORING AND OPTIMIZING 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, which 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, based on the best available emission factors from public or private research.





### 03. ENVIRONMENT

#### OUR PERFORMANCE IN 2022

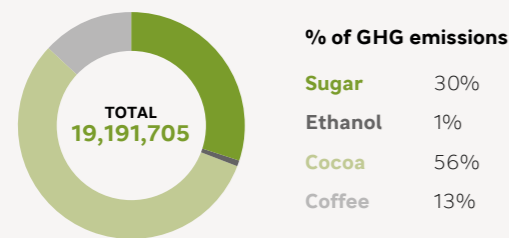
Since 2021, we calculate our extended scope 3 emissions, adding upstream activities to the transportation activity.

#### SUCDEN GLOBAL FOOTPRINT IN 2022

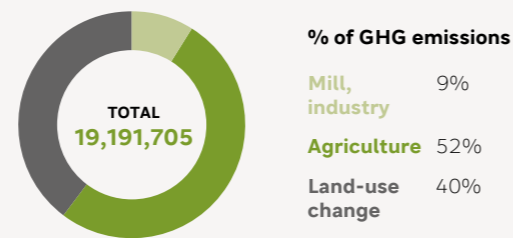
		Scope 1 & 2 in tCO <sub>2</sub> e	Scope 3 in tCO <sub>2</sub> e
Trading	Purchased goods	ns	19,191,705
	Transportation	ns	304,273
Russia	Sugar	520,225	345,407
	Transportation	ns	43,229
Shipping	Transportation	42,700	ns
Other industrial activities	Scope 1 and 2	3,234	ns
	Business travels	ns	491
<b>Total</b>		<b>566,159</b>	<b>19,885,106</b>

#### BREAKDOWN OF TRADING ACTIVITIES GLOBAL FOOTPRINT

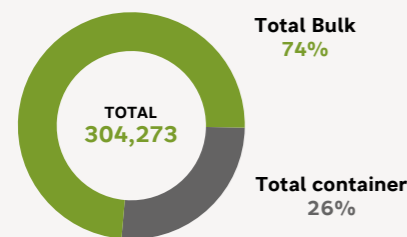
##### Trading - purchased goods



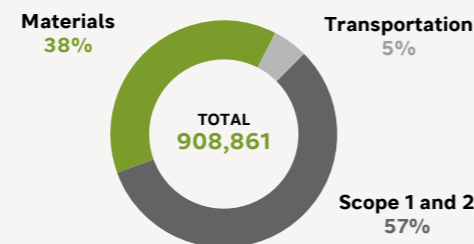
##### Trading - purchased goods



##### TRADING - TRANSPORTATION (% of GHG emissions)



##### GHG EMISSIONS IN RUSSIA (% of GHG emissions)



CO<sub>2</sub> emissions for container transportation are calculated with an average emission factor of 14 gCO<sub>2</sub>e/(t.nm). For bulk, factors are taken from EEDI specifications for each vessel when available, and at the average emission factor of 7.4 gCO<sub>2</sub>e/(t.nm) when unavailable.

Other crop materials are considered not significant. Our employees need to travel to visit clients, suppliers and our global businesses, and for other ongoing business needs. Because of the Covid-19 pandemic, GHG emissions resulting from business travel have significantly decreased compared to 2019. In 2022, it represents about 491 tons of CO<sub>2</sub> (compared to 532 in 2021), which remains lower than 2019 assessment of 2,178 tons of CO<sub>2</sub>.

### 03. ENVIRONMENT

#### MANAGING OUR WASTE PRODUCTS AND PRODUCTION RESIDUES

##### SUCDEN IN RUSSIA

Sugar production generates valuable by-products<sup>10</sup> 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 2022

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

#### WASTE PRODUCTION QUANTITY AND RECOVERY RATE

Region	Non-hazardous	Hazardous	Total waste production		Recycled volume	Recovery rate
	metric tons	metric tons	2022 metric tons	2021 metric tons	metric tons	%
Asia	310	0	311	87	101	33%
Russia	234,178	1,519	235,696	188,513	208,923	89%
Shipping	0	187	187	195	1	1%
South America	319	0	319	317	319	100%
<b>Total</b>	<b>234,807</b>	<b>1,706</b>	<b>236,513</b>	<b>189,111</b>	<b>209,344</b>	<b>89%</b>

##### 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.
- In 2022, we launched a cleaning cycle of the tailing ponds in Dobrinski which resulted in an increase of waste production.

<sup>10</sup> Sugar and pellets we consider as products; molasses and beet pulp we consider as by-products. By-products are included in the waste reporting disclosed in this report. We consider this waste as recovered.

**OPTIMIZING OUR WATER CONSUMPTION**

**SUCDEN IN RUSSIA**

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

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

Water consumption in Russia (m<sup>3</sup>/ton of white sugar produced) was reduced by 31% in 2022, as a result of:

- Investment in a cooling tower at our Tbiliski sugar plant (-59% of river water consumption).
- Modernization of cooling tower and better water management at our Eletsy sugar plant (-54% of river water consumption).

Alongside this, water consumption was reduced by 7% at the Kamenski sugar plant, and increased by 12% in Dobrinski, due to technical issues during beet season.

In 2023, we should continue to decrease water consumption with investments in Dobrinski (cooling tower for turbogenerator) and Kamenski (cooling tower and pulp pressing improvement).

**Our goal remains to halve our water consumption by 2030 compared to 2015.**



**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.

**OUR PERFORMANCE IN 2022**

**WATER CONSUMPTION**

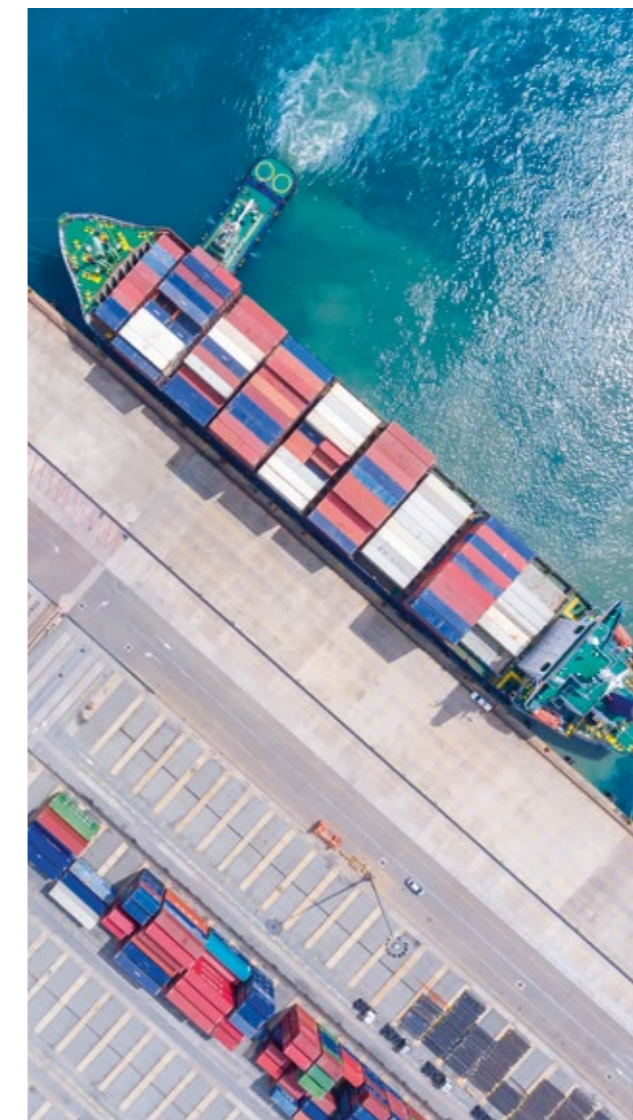
Region	2022	2021
	m <sup>3</sup>	m <sup>3</sup>
Asia	9,248	9,650
Russia	2,237,148	3,238,026
Shipping	0	0
South America	5,779	11,899
<b>Total</b>	<b>2,252,175</b>	<b>3,259,575</b>

**3.2 M<sup>3</sup>**

**WATER CONSUMPTION/TON OF SUGAR PRODUCED, COMPARED TO 4.7 IN 2021**

**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.

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 than 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 the use of tractors.

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

**SUCDEN AT SEA**

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

**ANIMAL WELFARE**

In addition to our main activity of cereal and sugar production in Russia, we produce milk from the 2,700 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 Compassion in World Farming (CIWF) 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 2022, we continued implementing comfort, ventilation, training, and feed balancing to apply these principles.



# 04. SUPPLY CHAIN

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

**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 those of our suppliers is a key priority. As such, our trading teams aim to continue building 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 environmental and social performance.

### COCOA

Cocoa is a smallholder crop, grown within 20 degrees of the equator, and around 70% of the world's cocoa crop is grown in West Africa. Cocoa farmers typically manage plots of land equivalent to a total of two to three hectares, with little access to labor, financing, or an institutional framework that motivates cocoa farmers to invest at scale in improvements for their farms. This context drives the vulnerability of both cocoa farming families and their workers, often resulting in poor labor practices on farms, low household incomes, and difficulties in managing shocks related to, for example, climate change.

As a trader and merchant, Sucden operates within a critical link of the cocoa supply chain, connecting farmers, their associations, cooperatives, and buyers to markets – from cocoa processors to chocolate manufacturers. This positioning allows us to tailor the services that we deliver to cocoa farmers across the world in a manner that effectively addresses the challenges these farmers face. In addition, our position in the cocoa supply chain means that we are at the forefront of preparing farmers, farmer groups, and suppliers for regulations on human rights and environmental practices that will soon be in place in many large consuming countries. These regulations are designed to tackle the risks highlighted above and which are related to the very vulnerabilities of farming families, their workers, and their operators.

## 04. SUPPLY CHAIN

In 2022, when designing and implementing Sucden's sustainability programs for cocoa farmers, we built on the main objectives that we set for our programs in 2021 – creating strategies that increase the climate resilience of farms and developing a tailored service delivery model with the potential to improve farming family incomes. We therefore strengthened our sustainability efforts by focusing on two key innovations:

Adapting our agroforestry model to facilitate farmers' transition to regenerative agriculture, including the use of biochar and the monitoring of carbon impacts.

Modeling a strategy to support farmers to close the living income gap by leveraging access to finance, as well as a tailored service delivery, based on farmer segmentation.

In 2022, with the support of our partners, we continued to scale the implementation of agroforestry projects and the distribution of multi-purpose trees with a goal of improving soil fertility and moisture retention, thereby reducing the incentive to expand cocoa farming to forested areas.

We also worked closely with IDH, the Sustainable Trade Initiative, to refine a farmer segmentation model, based on a Service Delivery Model Assessment conducted by IDH. The aim of this assessment and resulting model is to help farmers to improve their incomes by providing them with a set of services tailored to their individual circumstances in relation to household size, farm size, age of the farm, and farmers' individual aspirations, among other factors. Based on this analysis, Sucden is currently developing a financing model, which would support farmers with financial products, taking into account how they fit within our segmentation model.

By building partnerships with experts, we have refined our agroforestry model and our strategy to address the living income gap. The insights and outside perspectives brought by these partners have pushed us to innovate and adapt, building on past work to strengthen the support that we provide to farmers.

### 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. Hence, 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 production 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.

- About 320,000 producers contribute to Sucden's supply chain
- 250 people work directly for Sucden's supply, and 500 indirectly<sup>11</sup>

## 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 2022

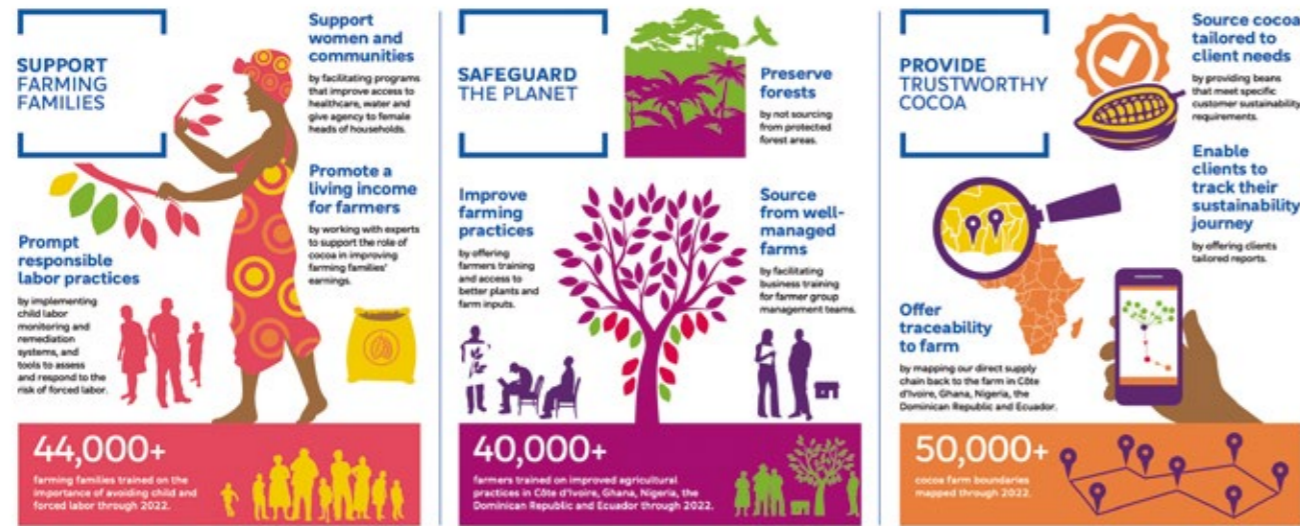
**In addition to our existing framework, we have brought in a sugar supplier Code of Conduct that we provide to all suppliers, offering to discuss with them or support them in reaching the highest standards. We also joined Bonsucro's Members council to offer our experience and contribute to the success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

<sup>11</sup> The number of producers in our supply chain is calculated based on average production per farmer by origin multiplied by coffee sold by Sucden Coffee in 2022 by origin. Figured are sourced from the report 'Responsible Coffee Sourcing: Towards a living income for producers' by CCSI

COCOA

In 2022, consuming countries released final versions and drafts of several regulations that seek to tackle supply chain risks. These regulations will have an impact on the future of the cocoa supply chain since they directly address many of the social and environmental challenges associated with cocoa smallholder farming. As such, as a stakeholder with strong links to farmers, their organizations and suppliers, Sucden has sought to prepare these stakeholders for the upcoming legislation.

Through our sustainability strategy, we have looked to anticipate future regulatory requirements and prevent the possible exclusion of these stakeholders from certain markets in the future, thereby potentially contributing to a further deterioration of farmers' circumstances.



As a connector between producing and consuming markets, we have leveraged our engagement with all relevant stakeholders in the supply chain to identify potential and cross-cutting solutions that can support farmers, their organizations, and suppliers in meeting the evolving needs and requirements of consumers in importing countries.

Given the pace of regulatory developments in 2022, we have been pushed to reflect on how we can support the cocoa sector to innovate, thereby ensuring the future compliance of stakeholders in producing countries. We have also worked to expand our sustainability footprint through our three service-focused and interlinked pathways.



OUR PERFORMANCE IN 2022

In 2022, we successfully expanded our programs in Côte d'Ivoire, Ghana, Nigeria, and Ecuador, allowing us to incorporate a greater number of farmers, farmer organizations and suppliers into these programs and therefore to scale their impact.

In Côte d'Ivoire, we expanded our programs' reach to 26,671 farmers in 32 farmer organizations. In Ghana and Nigeria, we increased our footprint and worked with 17,330 farmers and 6,294 farmers, respectively, supplying a total of 18 farmer groups. In Ecuador, we initiated programs with 1,030 farmers who supply six exporters, while in the Dominican Republic we continued to work with 481 farmers supplying one exporter.

To assist with this expansion, we engaged in new partnerships with experts in implementation to deliver a range of services to farmers, allowing us to reinforce our sustainability strategy of supporting farming families, safeguarding the planet, and providing trustworthy cocoa. In total, we worked with 14 partners with expertise in topics ranging from community development, agroforestry, human rights, gender, and good agricultural practices.

In close collaboration with our partners, we also built on learnings from program implementation in Côte d'Ivoire to improve program implementation in other West African origins, such as Ghana and Nigeria. In practice, this meant piloting agroforestry systems and training on agroforestry in a manner adapted to the local context, as well as expanding the implementation of our child labor monitoring and remediation systems to all our programs, across West Africa.

Finally, we effectively adapted our approach to farmer support and our strategy for tackling the key risks in the cocoa supply chain to the Latin American context. To carry out this work, we examined the principal social and environmental risks in the cocoa sector of these countries and collaborated closely with suppliers to adapt their management systems to address these risks effectively.

Support farming families  
TACKLING CHILD LABOR

Sucden's approach to protecting children's rights strives to be holistic by involving families and communities to participate actively in identification and remediation of child labor cases through Child Labor Monitoring and Remediation Systems (CLMRS) and by supporting the financial empowerment of cocoa farming families.

CÔTE D'IVOIRE

As part of our efforts to tackle child labor, we expanded the coverage of our direct CLMRS, from 15,366 households and 35,522 children in 2021 to 24,675 households and 38,737 children in 2022.

With the support of the International Cocoa Initiative (ICI), we trained 190 child protection officers and 335 field agents on: preserving childhood, fighting child and forced labor, protecting workers' rights, and fighting gender-based discrimination. This work enabled us to support the removal of 4,489 children out of child labor in 2022.

The remediation solutions proposed by our field agents are needs-based and can be targeted towards the child (school kits), or the community (school rehabilitation or extension and women's empowerment projects). Remediation always entails in-depth awareness sessions with the affected household and child. As direct remediation for the child labor cases identified, we refurbished 15 classrooms with tables and benches and provided 2,152 children with school kits, with the support of our clients. To tackle some of the causes of child labor related to farmer poverty and the lack of gender equity within the cocoa sector, we continued to implement programs aimed at improving the income of women and their families. 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 'Supporting Women and Communities - Côte d'Ivoire' section of the report.

GHANA

In 2022, we continued our collaboration with the Kuapa Kokoo Farmers' Union (KKFU) and Fludor Ghana Limited to establish supply-chain-based CLMRS. Through the CLMRS, we covered 10,907 households that supply cocoa to KKFU and Fludor, monitoring a total of 14,223 children for their risk of child labor. To support the effective identification of child labor, we trained 59 field agents on child labor, forced labor, discrimination, and workplace violence/harassment. Looking forward, Sucden will ensure that CLMRS data collection and monitoring systems cover all households who supply cocoa to KKFU and Fludor in 2023. We will also work with KKFU and Fludor to develop remediation plans to address cases of child labor.

Our partner, Cocoa Abrabopa Association (CAA), built on its existing CLMRS with the support of the ICI. Field officers carried out the monitoring activity at farming households and monitored 3,577 households for child labor. As a result of identifying cases of child labor through the CLMRS, CAA was successfully able to remove 201 children from child labor in 2022. The cases were remediated by educating the children and their parents on acceptable forms of labor.

NIGERIA

In 2022, Sucden Nigeria was able to successfully launch and implement a supply chain CLMRS. This system, established in partnership with ICI, included training relevant staff, developing necessary data collection tools, and staff recruitment. As part of the sustainability program that Sucden directly implements within its Olakoko Project, we have put in place a CLMRS system, through which we cover 4,813 children and 4,110 households. Furthermore, our partner, Olatunde, initiated the implementation of a CLMRS, which covered an initial 37 children and 439 households in 2022.

Both Olakoko and Olatunde engage child labor staff to conduct the CLMRS surveys. This includes surveying all households in the program to profile them for the risk of child labor, then following up with unannounced farm visits and interviews of children deemed to be at risk. Looking forward, Sucden will work with Olakoko and Olatunde to develop and implement remediation solutions for identified cases of child labor.



**DOMINICAN REPUBLIC**

In 2022, we began working with the non-profit Save the Children Dominican Republic to assess and strengthen our exporting partner's procedures and tools to prevent and remediate cases of child labor and forced labor. Given the regulatory framework related to child protection in the Dominican Republic, which has improved in recent years, we are focusing on strengthening organizational capacity and alignment of both in-office and field staff in the Dominican Republic to further prepare for upcoming and existing due diligence regulations. Looking forward, STC DR will establish, monitor, and implement a short- and medium-term action plan to ensure due diligence and compliance with national policies and regulations on child labor.

**ECUADOR**

Given the lower prevalence of child labor in Ecuador than in other origins, our efforts have focused on reinforcing the management systems of our six exporting partners: Aromatic Cocoa Export SA, Babahoyoexport SA, Eco-Kakao SA, Biocacao de Ecuador SA, La Nueva Casa del Cacao Casacao, and GrandSur SA. As part of this process, we are supporting our partner exporters to develop human rights policies that align with the International Labor Organization (ILO) conventions on child labor and the worst forms of child labor, while also establishing the principles to prevent cases of child labor in the supply chain. In doing so, we ensure that every supplier has a human rights policy and grievance mechanism in place.

In 2022, we also began to collect socioeconomic data at the household level in order to identify risk factors that could lead to cases of child labor, such as parents' education level, income, school attendance, or number of children. As a next step, we will support all exporting partners to develop appropriate procedures for when cases are identified or grievances are lodged.



**TACKLING FORCED LABOR**

**CÔTE D'IVOIRE**

In 2022, we built on the risk assessment tool developed in 2021, by raising suppliers' awareness of forced labor risk indicators and using the Supplier Handbook on Forced Labor as a training resource. We also continued to refine our due diligence procedure in close collaboration with our suppliers, liaising closely with ICI through its subgroup on Forced Labor.

We trained 190 child protection officers and 335 field agents in our direct supply chain on forced labor and protecting workers' rights, with the support of the ICI.

Specifically, during the 2021/22 season, field agents were trained on forced labor definitions and risk indicators. They were also informed about policy and procedures and were given work contract templates and data collection tools, including tools for monitoring the risk of forced labor. The idea is that field agents can use these tools within the CLMRS of their respective Farmer Groups. These tools were integrated into the CLMRS workflow and the CLMRS household awareness sessions. Sucden has also established a standard operating procedure for forced labor risks in Côte d'Ivoire and a supplier handbook on this issue, which are currently being reviewed by Vérité.

**GHANA**

We continued our efforts to combat forced labor in Ghana by engaging and collaborating with the Kuapa Kokoo Farmers' Union and Cocoa Abrabopa Association to better understand the risk indicators of forced labor. After conducting a thorough training of KKFU management in December 2021, we ensured that the questions in KKFU CLMRS surveys integrated concepts and indicators of forced labor. Our partner, Cocoa Abrabopa Association, underwent training in 2021, and in 2022 staff integrated questions on the risk of forced labor into CLMRS questionnaires. Child Protection Agents (CPAs) and Child Protection Field Officers (CPFOs) started to raise awareness of the topic within farming households during home visits. They have reached over 3,920 people, utilizing the training materials provided to them by ICI during the training sessions. Sucden has also established a standard operating procedure for forced labor risks in Ghana and a supplier handbook on this issue, which are currently being reviewed by Vérité.

**NIGERIA**

In 2022, we implemented a novel grievance mechanism to promote accountability throughout the entire supply chain, from farmers to cooperatives to our in-country staff. This grievance mechanism included introducing suggestion boxes throughout the program communities and cocoa warehouses for anyone to submit complaints. We ensured that farming communities were informed of the purpose of these boxes, and the range of grievances that communities can lodge. Our field officers regularly monitor the boxes and ensure submissions are sent to the management for further action and follow up.

**DOMINICAN REPUBLIC**

In 2022, we worked to establish roadmaps to strengthen our suppliers' policies and practices relating to forced labor. Sucden engaged Save the Children DR to establish plans to assess and reinforce our exporting partner's child labor procedures. As part of this work, we will continue to evaluate the integration of due diligence practices to mitigate and remediate the risks of forced labor within our supplier's operations and to identify compliance gaps. As a next step, STC DR will prepare and monitor the implementation of an action plan for effectively ensuring compliance with national policies and regulations on forced labor.

**ECUADOR**

To ensure that our exporting partners have the proper management systems in place to prevent and remediate instances of forced labor, in 2022 we initiated the process of helping our suppliers develop human rights policies that align with ILO conventions on forced labor. In 2022, we also established individualized roadmaps tailored to specific suppliers' needs, as a way to strengthen suppliers' institutional capacity and focus on how they can best set up effective grievance mechanisms. In 2023, we will continue to align our exporting partners' procedures and tools with best practice due diligence procedures, as they relate to the prevention and remediation of forced labor in the supply chain.

**IMPROVING FARMING PRACTICES**

**CÔTE D'IVOIRE**

We continued to work with our local partner to train farmers to adopt sustainable agricultural practices, both during group sessions as part of Farmer Field Schools (FFS) and through tailored, individual coaching and farm development plans. We began to develop a farmer segmentation model with the objective of better tailoring our training and coaching service delivery to individual farmers' needs and contexts.

We built capacity among 335 field agents to train farmers on Good Agricultural Practices (GAP), 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.

This year, we decided to expand our training curriculum to include the topic of regenerative agriculture. Regenerative agriculture emphasizes farm and ecosystem resilience through supporting the symbiotic relationships between soil, microbes, insects, plants, and water systems. Used as a defense against the negative effects of monocropping, the intention is to promote resilient and regenerative farm management practices. These practices, when properly implemented, can increase yields without degrading soil health or water quality. Through regenerative agriculture, agroforestry trees and other plant species are intentionally planted alongside cocoa trees to further economic, environmental, and landscape benefit.

Once trained, the field agents established 248 FFS across all cooperatives that hosted group sessions, reaching 26,671 farmers, compared to 14,356 farmers during the previous season.

As part our segmentation approach, 15,387 advanced farmers received more individualized farmer coaching services. Field trainers used a farm diagnostic and adoption observations tool, designed to assess and monitor 21 adoption observations at plot level. These adoption observations cover cocoa production practices, agroforestry and regenerative agriculture.

Based on the plot-level assessment, the coach and the farmer co-determine actions for improvement. This tool is used as a basis to develop and establish long-term farm improvement plans, based on individual recommendations.

**GHANA**

In 2022 we expanded program implementation from three to five sourcing partners. Through these partners: CAA, KKFU, Fludor, Federated Commodities, and Adikanfo, we continued to provide training on Good Agricultural Practices to 13,622 program farmers to support them to produce more cocoa on less land, and to promote environmentally friendly farming practices. These trainings cover a variety of topics including integrated pest management (IPM), farm maintenance and sanitation, waste management, and nursery management, and were conducted through Farmer Field Schools.

To support the incomes of farmers through improved productivity, we engaged CAA, KKFU, and Fludor to distribute cocoa seedlings to farmers. KKFU achieved a 70% germination rate in growing and distributing 197,715 cocoa seedlings from 22 nurseries to 510 farmers. CAA assessed which program farmers needed additional cocoa trees to rehabilitate their farms and, in 2022, supplied 53,000 cocoa seedlings to 110 of our farmers. Finally, Fludor distributed 90,000 hybrid cocoa seedlings to 319 farmers. In total, through our program efforts, we supported the distribution of 340,725 cocoa seedlings in Ghana.





**NIGERIA**

Through Sucden’s Olakoko Project, we utilize a group training approach to disseminate key messages on a variety of agricultural, social, environmental, and certification topics throughout the year. Specifically, Olakoko field officers lead Farmer Field Schools, which train around 25-30 farmers on various topics, including the following: climate change and agroforestry, regenerative agriculture, pruning, weeding, soil erosion, and more topics on improving agricultural production and resilience. In total, these FFS trained 5,604 program farmers in 2022.

Through Olakoko Project, we distributed 77,264 cocoa seedlings from nurseries throughout the program’s areas to 2,108 farmers, which is an increase compared to the 57,870 distributed in 2021. These cocoa seedlings were produced from improved cocoa pods, supplied by a Nigerian government entity.

Through our partner Olatunde, 4,710 cocoa farmers benefited from field visits to receive training in good agricultural practices. The training topics included: climate change and agroforestry, regenerative agriculture, pruning, weeding, soil erosion, and more topics on improving agricultural production and resilience. In addition, Olatunde field officers completed 403 coaching visits to program farmers. The farmers were specifically coached on pruning, farm maintenance, integrated pest management strategies and the responsible use of approved pesticides. Through our partnership, Olatunde established nurseries in all 19 farming communities to raise cocoa seedlings and shade trees to distribute to community farmers. In total, the nurseries raised 146,505 cocoa seedlings.

**DOMINICAN REPUBLIC**

Roig, our partner in the Dominican Republic, has in-house expert agronomists and internal control system staff who carry out farmer trainings within Roig’s network of farmers. 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. In 2022, Roig trained 481 farmers on Good Agricultural Practices with a focus on raising awareness about soil degradation caused by conventional farming and encouraging soil conservation practices. A key component of Roig’s work to promote good agricultural practices amongst farmers in its network was the distribution of over 40,000 cocoa seedlings to farmers in 2022.

**ECUADOR**

In 2022, we expanded our training and coaching on good agricultural practices to reach 455 farmers, up from 93 the year prior. Field technicians began visiting farmers to prepare them for the 2022/23 cocoa season, specifically for the implementation of the crop maintenance activities necessary to prevent the loss of cocoa pods caused by fungal diseases. Through a program with our supplier Aromatic, field technicians collected 171 soil samples from all farmer members and analyzed the samples to provide tailored recommendations to farmers to determine individual farmers’ fertilizer needs. In total, we facilitated the distribution of 31,000 cocoa seedlings through our export partners. Our supplier Aromatic distributed over 20,000 cocoa seedlings to program farmers, while Casacao distributed 6,000 cocoa seedlings, and Biocacao distributed 5,000 cocoa seedlings. During the last quarter of 2022, as the rainy season was expected to unfold, several of our exporter partners trained program farmers on soil nutrition and rational use of fertilizers.

**PROMOTING A LIVING INCOME FOR FARMERS**

In 2022, we partnered with IDH, the Sustainable Trade Initiative, to carry out a service delivery model assessment (SDM). The objective of the SDM was for Sucden to develop a strategy to improve our service delivery to farmers in a manner that helps them close the living income gap. The SDM provided the following recommendations:

To close the living income gap, we must invest in the financial and digital capacity of farmers and their organizations, as a means of broadening financial inclusion of farmers and therefore supporting farmers’ access to finance.

There is a need for Sucden to segment the farmers with whom we work to tailor our service offering to the circumstances of individual farmers.

It would be beneficial to understand farmer organizations’ level of professionalism and financial capacity, thereby allowing us to engage in tailored capacity-building alongside these organizations.

We will integrate the recommendations as part of our strategy to address the living income gap in 2023.

As part of the service delivery model work with IDH, a separate exploratory study was carried out in partnership with 60 Decibels (60dB), Akvo and IDH. 60dB<sup>12</sup> is a global social impact measurement group that explores efficient methods of collecting social data through phone interviews. Akvo<sup>13</sup> offers data and technology services to partners in agriculture, water and climate sectors, with a focus on co-creation, sustainability, and multidisciplinary expertise to enable data-driven decision making and achieve long-term impact. In this study, 276 Ivorian cocoa farmers who had participated in the Sucden/IDH segmentation study were surveyed by 60dB and Akvo, using telephone and in-person survey methods. The results of the study were inconclusive when it comes to deciding which of the two methods is better in terms of data quality, but demonstrated that it is possible to gain reasonably accurate information through telephone surveys. Based on this initial work, Sucden and 60dB began work on the design of a larger study that would further demonstrate the utility of phone interviews as a cost-effective method of gathering social information from the farming families.

**SUPPORTING WOMEN AND COMMUNITIES**

**CÔTE D’IVOIRE**

In Côte d’Ivoire, we continued to work with experts to design and deploy women’s empowerment projects in cocoa-growing communities, aimed at building women’s financial and entrepreneurial capabilities. Through these projects, we support women to develop and grow income-generating activities (IGAs). We also train women on good nutritional practices for infants and young children in their communities, and how 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 a business 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 and our clients, we worked with the local NGO, Fraternité Sans Limites, to support 42 women’s groups in establishing 42 VSLAs, nearly doubling the 22 women’s groups and 22 VSLA established in 2021. With the launch of 43 IGAs, including the production and marketing of cassava, maize, rice and other crops, 509 individuals are now supported in income diversification.

**GHANA**

In 2022, 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 was the difficulty in launching any new ventures with limited access to formal finance. To address this, we continued our VSLA efforts that began in 2021 by working with Solidaridad to maintain ten VSLAs in ten cocoa-growing communities, in order to provide a community-based mechanism for finance to purchase farm inputs or launch IGAs. At the end of the year, over 3,379 people had been supported by IGAs, setting up a total of 23,566 on-farm IGAs and 4,776 off-farm IGAs to diversify their incomes.

In addition, CAA has set up a group-sponsored personal pension scheme, the Cocoa Abrabopa Pension Scheme (CAPS), which has also been supported by Sucden’s Foundation. The scheme aims to improve the livelihoods of cocoa farmers by providing an innovative pension savings mechanism 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 as to reduce their borrowing. Secondly, there is a retirement account to enable long-term savings. CAPS therefore supports women farmers and their communities to gain financial empowerment.

**NIGERIA**

In 2022, as part of Sucden’s efforts to support farmers in diversifying their income streams and improving their livelihoods outside of cocoa farming, the Olakoko team provided training on additional income-generating activities. This included training on additional on-farm activities – such as plantain, cassava, maize, and yam farming – as well as off-farm activities – the most popular being livestock and chicken breeding. Other training undertaken included soap making, which was held for women in the Odigbo area of the project. So far, 116 women and men have benefited from this training in five communities (Atorin, Tobalase, Olokorebete, Onifofin and Olowu), and the training is going to be disseminated further in these areas.

Safeguard the Planet



**AGROFORESTRY AND MULTIPURPOSE TREE DISTRIBUTION**

**CÔTE D’IVOIRE**

In 2022, we built on the three agroforestry models that we had developed in the previous season – low, medium, and high-density models – by working with a greater number of farmers and farmer organizations to deploy these models, based on the individual needs of the farmers who are members of these organizations.

We continued to focus on gender and youth empowerment, as women and youth have key roles in nursery maintenance and management. Through working with Foncier-Foresterie-Agriculture (FOA), an Ivorian forestry expert group, we supported the establishment of 21 nurseries in 2022. These 21 nurseries provided seedlings for an equivalent of 6,863 hectares of agroforestry systems, compared to 19 nurseries and 928 hectare equivalent in 2021. In total, we involved 242 women and 460 youth in the establishment and management of the nurseries. FOA technicians also monitored tree germination rates in the nurseries. To improve the survival rates of shade trees on farms, FOA trained 17,810 farmers on tree maintenance, the New Forest Code of Côte d'Ivoire and land rights, compared to 11,985 farmers in 2021.

In total through all three models, we distributed 290,867 seedlings to 5,506 farmers, building on our baseline of 197,246 seedlings to 5,642 farmers in 2021. After farmers received the seedlings, FOA provided on-farm planting assistance to train farmers on optimal planting methods. In addition, we accelerated efforts on agroforestry and regenerative agriculture by initiating a large-scale agroforestry program with a key client. The objective of this program is to monitor carbon impacts over time.

**Low-density model**

Through our work with FOA, we helped farmers access shade trees to meet the Rainforest Alliance’s minimum shade-tree requirements (16 shade trees/ha). In total, we distributed 61,976 seedlings to 443 farmers across seven farmer groups through this model.

**Medium-density model**

To accelerate the positive environmental impacts derived from agroforestry, we continued to implement a medium-density model (25 to 40 shade trees/ha) with match funding from the development finance organization DEG and through public funds from develoPPP, a funding program of the German federal Ministry for Economic Cooperation and Development (BMZ). In 2022, we scaled this model from 1,160 farmers across five farmer groups with whom we worked in 2021 through match funding from the DEG, to 4,300 farmers across 20 farmer groups in 2022. In total, we distributed 208,864 seedlings through this model to support the development of 6,863 hectares of agroforestry.

**High-density model**

In 2022, we continued to implement our high-density model (80 to 110 shade trees/ha) through PUR. High-density agroforestry can help farmers diversify their incomes and generate significant positive environmental impacts. Through the program, we supported 443 farmers across three farmer groups to plant 61,976 trees on 438 hectares.



**GHANA**

In Ghana, we continued to support efforts to distribute multi-purpose tree seedlings to program farmers for on-farm planting. The distributed seedlings provide shade and a potential additional source of income, depending on the tree species. In 2022, KKFU distributed 15,944 multi-purpose tree seedlings to five communities. These multi-purpose trees were procured from multiple sources, including from private nurseries, as well as from private nurseries. 355 farmers received six species of shade trees, including varieties of timber and fruit trees.

CAA completed training on agroforestry for program farmers, focusing on the benefits of having shade trees on their farms and the negative impacts of deforestation. During internal inspections in preparation for Rainforest Alliance certification, CAA staff assessed the number of shade trees that each farmer required. CAA carried out this work to ensure that as many farmers as possible met the definition of having ‘agroforestry in development.’ In 2022, CAA distributed 4,564 seedlings to 173 farmers. The shade trees distributed included six different species of shade trees. CAA selected these varieties for their dense canopies, deep roots and speed of growth.

**NIGERIA**

Through our operations in Nigeria, Olakoko distributed 3,236 shade trees to farmers to support agroforestry development. Following the agroforestry training held for Olakoko field staff, we will ask farmers for feedback on the types of trees to be supplied for each respective area in 2023.

In partnership with Olatunde, we distributed 2,500 multi-purpose shade trees to program farmers. Our team selected one variety of shade tree (the Leucaena tree) because it grows quickly, provides a wide canopy for shade, and is a nitrogen-fixing plant, with the potential to improve soil fertility. These shade trees will support our program farmers to increase the resilience of their farms and to improve productivity.

**DOMINICAN REPUBLIC**

In order to promote the benefits of integrating agroforestry into current farming practices, Roig established 2 demonstration plots in 2022: one in Puerto Plata and another in Nagua. Agroforestry demo plots are excellent tools to facilitate farmer training by providing the space to display agroforestry techniques. Field technicians planted high yielding cocoa seedlings alongside multipurpose fruit trees to show farmers how they can manage shade, weed, and prune on the plot, and to showcase how to integrate agroforestry within cocoa farms.

**ECUADOR**

In 2022, we implemented seedling distribution programs of multipurpose shade trees with our partner Biocacao to support the development of agroforestry plots. Biocacao distributed 5,000 native timber trees and 1,500 citrus and coffee trees to program farmers. These multi-purpose shade trees will provide shade and a potential additional source of income for the cocoa farmers, and will also build the resilience of farms in the medium- and long-term.

**MONITORING CARBON IMPACTS THROUGH A CLIMATE AND RESTORATION PROJECT**

**CÔTE D’IVOIRE**

In 2022, we partnered with a key client and FOA to initiate a climate and restoration project with the following objectives: to promote the sustainable production of cocoa and to support the improvement of the living conditions of cocoa producing communities. This project is made up of two main components: agroforestry and farm restoration.

As part of the project, Sucden and FOA set up 14 demo plots specifically designed for agroforestry demonstrations and 14 demo plots designated for farm restoration demonstrations.

Within the project’s agroforestry component, we trained 5,453 farmers on planting techniques, such as plant spacing, picketing, hole digging, planting, and protection. Planting teams were established to support farmers on their fields during and after planting. 131,849 seedlings were produced, with farmers planting 130,069 of these seedlings. Overall, 2,316 farmers applied intercropped agroforestry on 3,710 hectares.

Within the farm restoration component of the project, we identified 102 hectares for farm restoration belonging to farmers from five cooperatives. 72,021 tree seedlings were produced in nurseries and 60,544 seedlings were planted for restoration. Through these efforts, we were able to reforest 88 hectares of degraded areas. This component of the project also included a gender lens. Five social groups of women were selected and set up to lead farm restoration planting, establishing income-generating activities with the funds gained from the payment for environmental services (PES) that they received through the project. The distribution of PES was linked to tree survival. As part of the incentive mechanism for tree survival, we also distributed 250 improved cookstoves to the women involved in the social groups.

Finally, as part of this project, Sucden commissioned the climate consulting firm Hamerkop to support the development of a methodological approach to assessing the carbon impacts of the project, in line with best practices. This partnership will be a key demonstration of the social, economic, environmental, and climate benefits of smallholder agroforestry and farm restoration when implemented to scale.

**OFF-FARM RESTORATION**

**CÔTE D’IVOIRE**

In 2022, we continued our off-farm reforestation project in Bayota, the objective of which is to plant 11,000 native trees, planted across 17 hectares of degraded forest area. These restoration efforts are equivalent to planting 660 trees per hectare.

Through this project, community groups responsible for reforestation were awarded payment for environmental services (PES), associated with tree survival. These PES could be used to support the establishment of income-generating activities. One of the community groups, named Awale, used its PES to plant five hectares of maize and five hectares of cassava, intercropped on six hectares of land. By the end of 2022, the group had harvested these five hectares of maize.

In 2022, we initiated another reforestation project with a key client to plant 22,000 native trees on 32 hectares of degraded land in Pécoskro. As part of the launch of this program, 189 farmers and relevant city authorities participated in an environmental education day. In total 22,016 trees were planted on 32 hectares.

**APPLICATION OF BIOCHAR**

**CAMEROON**

In 2022, with support of Sucden’s Foundation, we launched a pilot project with NetZero to apply biochar (<https://netzero.green/en/biochar/>) both in nurseries and on land at a large farm in Cameroon managed by Domayo Farming. The objective of this pilot project is to understand the potential of biochar for improving soil quality, thereby potentially contributing to a reduction in the need to apply inputs, and for sequestering carbon. We will evaluate the preliminary results of this research project throughout 2023.





**PROVIDE TRUSTWORTHY COCOA**

As part of our efforts to provide trustworthy cocoa to our clients, we continued to trace all cocoa in our direct supply chain from the farm to the final client and supported a total of 49,347 cocoa plots across all origins with polygon mapping. We supported 27,709 farms with mapping in Côte d'Ivoire; 14,961 in Ghana; 5,830 in Nigeria; 410 in the Dominican Republic; and 437 in Ecuador.



**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 help to build a more climate-resilient cocoa sector, we continued to engage in the World Cocoa Foundation's Cocoa and Forests Initiative (CFI) 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. During 2022, Sucden joined the CFI GHG Task Force, with 11 other CFI companies, to explore the alignment of methodologies used in the determination of GHG emission footprints for cocoa cultivation and downstream processing of cocoa. The technical evaluation of current methods is being undertaken by Quantis – an organization with significant expertise in GHG methodologies and guidelines.

Sucden also initiated its relationship with the French Initiative for Sustainable Cocoa (FRISCO) during 2022. Sucden supports the group's objectives and made a formal application for membership of the organization at the end of 2022. FRISCO will work with the other "ISCOs" in pursuing efforts to achieve sustainability in cocoa growing countries and Sucden looks forward to being a part of this.

Sucden contributed to the Child Learning and Education Facility (CLEF) in Côte d'Ivoire, the largest education public-private-partnership focusing on a single country, which was officially signed at the end of 2021. CLEF is co-financed by the government of Côte d'Ivoire, 16 cocoa and chocolate companies, and the Jacobs and UBS Optimus Foundations. Sucden also contributed to the research project SEME (Soutenir les Enfants à la Maison et à l'École/Supporting 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 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.

Through a donation from the Sucden Foundation, an additional nine communities were added to the trial. Components to be tested include a cash transfer, a Village Savings & Loan Association intervention, and a remediation intervention which groups 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, it will also aim to bring greater equity and women's empowerment to those participants.

During 2022, CLEF partners focused on designing program activities and setting-up management, governance and fiduciary mechanisms. CLEF is expected to directly impact children and families starting in 2023, through building school infrastructure to improve access to education, strengthening teachers' capacity to deliver quality education, providing school feeding to enhance attendance and performance, supporting early childhood development.

Our relationship with the International Cocoa Initiative 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 use the tools and research findings provided by ICI to strengthen those efforts.



**Looking forward**

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

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

In the coming years, we will continue to focus on how to more efficiently implement effective programming, alongside our partner suppliers, farmer organizations, and farmers. It will be crucial that such programming supports the scaling of our sustainability efforts, targets remediation and ultimately impact, whilst providing a high level of supply assurance for consumers.



**Sustainability Story:**

Michael Kudjournou is a cocoa farmer who lives in the Tigare community in Asempanaye, Ghana. In 2022, Michael participated in Sucden's agroforestry programming, which consisted of training farmers on climate-smart cocoa (CSC) practices. The training provides farmers with information on climate change, future risks facing cocoa production, and adopting new practices to increase resilience. The practices outlined during these trainings, including that of planting shade trees on farms, can help farmers to combat the effects of climate change. Similarly, shade trees can also promote improved yields by increasing nutrients in the soil, thereby addressing depleted soils. Following the training, Extension Officers provided trees to program farmers. Michael received around 30 shade tree seedlings to plant on his farm and was delighted: «This saved me from spending time scouting others' farms and the forest for tree seedlings,» he explained. With the young trees now planted, he has already started to see the benefits of agroforestry, stating «the trees are growing well, and they have already started to give shade to my young cocoa plants. I am so happy about the shade trees I have received through this project.»





## 04. SUPPLY CHAIN

### COFFEE

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

Our strategy to contribute to these goals is based on collaboration and the continuous development of how we engage with the upstream supply chain. Together with our clients, we invest in projects of 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 of various initiatives in areas that require coordinated action and financing. Some examples of these initiatives: coffee breeding, addressing responsible use of agro-inputs or establishing open-source greenhouse gas emissions benchmarks for coffee. The list of the different partnerships and their focus area is included below.



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

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

### OUR AMBITION FOR 2025 IS ALIGNED ON SUSTAINABLE COFFEE CHALLENGE ROADMAP:

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

## 04. SUPPLY CHAIN

### OUR ACHIEVEMENTS IN 2022

#### Highlights from origins:

- Globally, we digitalized most of our sustainable supply chains and trained close to 15,000 farmers in good agricultural practices, almost reaching our 2025 target.
- In Colombia, we partnered up with one of our clients and Solidaridad for a project on carbon insetting.
- In Indonesia, we empowered two local collective marketing units, and their members were trained on risk management, rules and agreements.
- In India, in collaboration with the local University and coffee producers, we established 19 demonstration plots to showcase good agricultural practices.
- In Vietnam, we continued working within the IDH Landscape program in Central Highlands on regenerative agriculture, low-carbon production and improving rural livelihoods. 3,500 farmers were trained.



#### GLOBAL

**Global Coffee Platform** (joined Feb 2023) - Multi-stakeholder membership association of coffee producers, traders, roasters and retailers, civil society, associations, governments and donors, united under a common vision to work collectively towards a thriving, sustainable coffee sector.  
<https://www.globalcoffeeplatform.org/>

**World Coffee Research** (joined 2021) - Organization dedicated to working towards a sustainable future by intertwining scientific research with industry-wide collaboration and development. WCR has historically invested heavily in researching coffee genetics, coffee chemistry and adapting the coffee plant to climate change.  
<https://worldcoffeeresearch.org/>

**Sustainable Coffee Challenge** (joined 2020) - Convened and facilitated by Conservation International, the Sustainable Coffee Challenge unites and urges the coffee sector and conservation partners across the industry to spur the actions and investments necessary to make coffee sustainable.  
<https://www.sustaincoffee.org/>

#### REGIONAL

**USAID carbon footprint baseline in Vietnam and Indonesia (2022-2023)** - Partnership aiming to develop a common framework for carbon accounting and to generate common learnings in the coffee sector.  
<https://greeninvestasia.com/nestle-jde-peets-and-usaid-launch-joint-southeast-asia-coffee-carbon-footprint-study/>

**GCP Responsible Use of Agro-Inputs for Coffee in Vietnam (2021-2024)** - Collective action initiative of the GCP - Pre-competitive action to improve the responsible use of agro-inputs in Vietnam's coffee production by developing alternative practices.  
<https://www.globalcoffeeplatform.org/collective-action-initiatives/2020/responsible-use-of-agro-inputs/>

**GCP Ugandan Youth for Coffee Initiative (2022-2026)** - Pre-competitive action to improve livelihoods in Uganda's coffee-producing communities by creating employment opportunities for young men and women.  
<https://www.globalcoffeeplatform.org/latest/2021/mobilizing-ugandan-youth-for-coffee/>

**Coffee, Forest, Climate Agreement in Colombia (since 2022)** - Agreement between the Colombian Government, international organizations, global coffee companies and exporting countries with the main goals to fight against deforestation and contribute to climate adaptation and mitigation.  
[https://www.solidaridadnetwork.org/press\\_release/colombia-becomes-first-country-to-sign-landmark-agreement-on-coffee-climate-change-and-forests/](https://www.solidaridadnetwork.org/press_release/colombia-becomes-first-country-to-sign-landmark-agreement-on-coffee-climate-change-and-forests/)







# 05. 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



## 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 demonstrate our values at all times.

Our 5,300 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.



## 05. COMMUNITIES

# 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 2022

In 2022, we contributed more than **\$4.0 million US dollars**, compared to 2.8 million US dollars in 2021, either from our Foundation or through our local entities, to various organizations and initiatives; this amount represents about 1.5% of our consolidated net income.

Some examples of charities and projects supported by Sucden or its corporate Foundation in 2022:

- Coup de pouce<sup>14</sup>  
Coup de Pouce works in partnership with municipalities to precociously prevent academic disengagement of children in kindergarten and primary school, regardless of their socioeconomic environment, to chart a course towards academic success.
- Fondation de la mer<sup>15</sup>  
Fondation de la mer acts for a sustainably protected ocean, used wisely and carefully. It supports various projects that fight pollution, encourage innovation and protect marine biodiversity, but also that inform and raise awareness among the general public.
- NOC<sup>16</sup>  
NOC is an initiative that uses art to improve the livelihood of children facing long-term diseases such as cancer. Art lessons and activities are delivered to children, in partnership with hospital doctors.
- Tree planting program  
We supported an initiative in Ghana to set up an agroforestry pilot with 100 farmers by coaching and supporting the implementation of a medium-to high-density agroforestry model (targeting 50-70 trees per hectare).
- VSLA  
In Ghana we supported a project to implement Village Savings & Loan Associations in ten communities in five districts, each of which is part of the Ghana Cocoa Sector. The target was to cover at least 250 direct beneficiaries and provide them with basic financial skills.

In 2022, the 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 encourages people to dedicate their 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.

<sup>14</sup> <https://www.coupdepouceassociation.fr/general/about-us/>

<sup>15</sup> <https://www.fondationdelamer.org>

<sup>16</sup> <https://www.asso-noc.fr>



# SUMMARY OF KEY GOALS AND KPIS

## SUMMARY OF KEY GOALS AND KPIS

TOPIC	KEY CHALLENGES, RISKS AND OPPORTUNITIES	KEY PERFORMANCE INDICATOR	
PEOPLE	Sucden employees around the world	Total number of employees	
		Absenteeism rate	
	Wellbeing at work	Turnover rate	
		Number of training hours per employee	
	Attracting talent and managing skills	Men to women ratio	
		Frequency rate of occupational accidents (LTIFR)	
	Building a safe environment	Severity rate of occupational accidents (LTISR)	
		ISO 45001 certificates	
	ENVIRONMENT	Optimizing our direct carbon footprint (Scope 1 & 2)	GHG direct emissions (Scope 1 & 2)
			CO <sub>2</sub> e per cultivated hectare (Russia)
CO <sub>2</sub> e per ton of sugar produced (Russia)			
Monitoring and optimizing our global carbon footprint		GHG indirect emissions - Upstream and managed downstream supply chain (Scope 3)	
		GHG emissions related to business trips	
		Average bulk EEDI	
Managing our waste products and production residues		Volume of hazardous wastes	
Optimizing our water consumption		Water consumption per ton of sugar produced	
SUPPLY CHAIN		Promoting responsible labor and improving farming practices	Percentage of smallholder farmers trained (on child labor issues) directly by Sucden, out of a total number of suppliers of Sucden's direct supply chain <sup>17</sup> during the crop cycle (October 1 <sup>st</sup> and September 30 <sup>th</sup> ) in cocoa plantations in Côte d'Ivoire
			Percentage of smallholder farmers trained (on child labor issues) directly by Sucden, out of a total number of suppliers of Sucden's direct supply chain <sup>17</sup> during the crop cycle (October 1 <sup>st</sup> and September 30 <sup>th</sup> ) in cocoa plantations in Côte d'Ivoire, and in Ghana (US destination)
	Share of direct supply chain suppliers trained in good agricultural practices and against child labor in Ghana (non US destination)		
	Share of direct supply chain suppliers trained in good agricultural practices and against child labor (all origins)		
	Protecting forests	Number of trees' seeds distributed by Sucden to farmers in cocoa plantations during the crop season (Oct 1 <sup>st</sup> to Sept 30 <sup>th</sup> ) and in coffee plantations during the year	
		Number of tree seedlings distributed by Sucden to farmers in cocoa plantations	
		Number of tree seedlings distributed to coffee plantations during the year	
		Number of shade trees monitored through GPS tracking in Côte d'Ivoire during the previous Crop (20/21)	
	Sourcing responsible commodities	Tree mortality in Côte d'Ivoire during the previous crop (20/21)	
		Volume of Bonsucro certified sugar sales	
Share of certified coffee sales			
Share of certified (Rainforest Alliance and Fair Trade) cocoa sales			
COMMUNITIES	Having a positive impact in our communities	Share of direct supply chain of cocoa purchases	
		Donations to local development and general interest programs	
		Funds allocated to sustainability programs on behalf of third parties	
		Share of consolidated net income allocated to general interest programs	

<sup>17</sup> Direct supply chain relates to the World Cocoa Foundation's definition.  
All disclosed indicators are reported at the consolidated level on a calendar year basis (unless otherwise specified).

PERFORMANCE IN 2022	PERFORMANCE IN 2021	REGULATORY REFERENCE	PAGE
<b>5,341</b>	5,367	R.225-105 II. A.1.f)	17
<b>4.25%</b>	3.60%	R.225-105 II. A.1.b)	18-19
<b>13.5%</b>	16.8%	R.225-105 II. A.1.a)	18-19
<b>48</b>	48	R.225-105 II. A.1.e)	20
<b>2.19</b>	2.21	R.225-105 II. A.1.a)	17
<b>2.83</b>	2.78	R.225-105 II. A.1.c)	18
<b>0.04</b>	0.08	R.225-105 II. A.1.c)	18
<b>3</b>	2	R.225-105 II. A.1.c)	18
<b>566,159 t CO<sub>2</sub>e</b>	499,950 t CO <sub>2</sub> e	R.225-105 II. A.2.d)	24
<b>326 kg CO<sub>2</sub>e</b>	331 kg CO <sub>2</sub> e	R.225-105 II. A.2.d)	24
<b>602 kg CO<sub>2</sub>e</b>	553 kg CO <sub>2</sub> e	R.225-105 II. A.2.d)	24
<b>19,885,106</b>	20,767,212 tCO <sub>2</sub> e	R.225-105 II. A.2.d)	25-26
<b>491 tCO<sub>2</sub>e</b>	532 tCO <sub>2</sub> e	R.225-105 II. A.2.d)	26
<b>7.4 gCO<sub>2</sub>e/(t x nm)</b>	7.3 gCO <sub>2</sub> e/(t x nm)	R.225-105 II. A.2.d)	25-26
<b>1,706 t</b>	2,584 t	R.225-105 II. A.2.c).i	27
<b>3.2 m<sup>3</sup></b>	4.7 m <sup>3</sup>	R.225-105 II. A.2.c).ii	28
<b>93%</b>	72%	R.225-105 II. A.3.b)	33-37
<b>93%</b>	81%	R.225-105 II. A.3.b)	33-37
<b>75%</b>	70%	R.225-105 II. A.3.b)	33-37
<b>88%</b>	71%	R.225-105 II. A.3.b)	33-37
<b>391,715</b>	279,814	R.225-105 II. A.2.e)	38-39
<b>323,611</b>	253,484	R.225-105 II. A.2.e)	38-39
<b>68,104</b>	26,330	R.225-105 II. A.2.e)	42-43
<b>181,552</b>	136,318	R.225-105 II. A.2.e)	38-39
<b>20%</b>	18%	R.225-105 II. A.2.e)	38-39
<b>78,844</b>	142,432	R.225-105 II. A.3.b)	31
<b>31%</b>	24%	R.225-105 II. A.3.b)	42-43
<b>10%</b>	10%	R.225-105 II. A.3.b)	38-39
<b>31%</b>	10%	R.225-105 II. A.3.b)	38-39
<b>USD 4.0 million</b>	USD 2.8 million	R.225-105 II. A.3.a)	44+45
<b>USD 17.6 million</b>	USD 12.9 million	R.225-105 II. A.3.a)	44+45
<b>1.5%</b>	1.2%	R.225-105 II. A.3.a)	44+45



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

For the year ended 31<sup>st</sup> December 2022

### TO THE ANNUAL GENERAL MEETING,

In our capacity as Statutory Auditor of your company (hereinafter the "entity") appointed as independent third party, and accredited by the French Accreditation Committee (COFRAC) under number 3-1884<sup>1</sup>, we have undertaken a limited assurance engagement on the historical information (observed or extrapolated) in the consolidated non-financial statement, prepared in accordance with the entity's procedures (hereinafter the «Guidelines»), for the year ended 31<sup>st</sup> December 2022 (hereinafter, the «Information» and the «Statement» respectively), presented in the Group's management report pursuant to the legal and regulatory provisions of Articles L. 225 102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code (Code de commerce).

### CONCLUSION

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

### PREPARATION OF THE NON-FINANCIAL PERFORMANCE STATEMENT

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

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

### INHERENT LIMITATIONS IN PREPARING THE INFORMATION

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

### RESPONSIBILITY OF THE ENTITY

Management of the Entity is responsible for:

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

The Statement has been prepared by the Management Board.

### RESPONSIBILITY OF THE STATUTORY AUDITOR, APPOINTED AS INDEPENDENT THIRD PARTY/ INDEPENDENT THIRD PARTY

Based on our work, our responsibility is to provide a report expressing a limited assurance conclusion on:

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

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

It is not our responsibility to report on:

- The entity's compliance with other applicable legal and regulatory provisions
- the compliance of products and services with the applicable regulations.

### APPLICABLE REGULATORY PROVISIONS AND PROFESSIONAL GUIDANCE

We performed the work described below in accordance with Articles A. 225-1 et seq. of the French Commercial Code, the professional guidance issued by the French Institute of Statutory Auditors (Compagnie Nationale des Commissaires aux Comptes) applicable to such engagement, in particular the professional guidance issued by the Compagnie Nationale des Commissaires aux Comptes, "Intervention du commissaire aux comptes - Intervention de l'OTI - Déclaration de performance extra-financière", acting as the verification program, and with the International Standard on Assurance Engagements 3000 (revised)<sup>2</sup>.

### OUR INDEPENDENCE AND QUALITY CONTROL

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

### MEANS AND RESOURCES

Our work engaged the skills of six people between January and April 2023 and took a total of four weeks.

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

### NATURE AND SCOPE OF PROCEDURES

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

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

- We obtained an understanding of all the consolidated entities' activities, and the description of the principal risks associated;
- We assessed the suitability of the criteria of the Guidelines with respect to their relevance, completeness, reliability, neutrality and understandability, taking into account, where appropriate, best practices within the sector;
- We verified that the Statement includes each category of social and environmental information set out in article L. 225-102-1 III of the French Commercial Code;
- We verified that the Statement provides the information required under article R. 225-105 II of the French Commercial Code, where relevant with respect to the main risks, 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:
 

- o assess the process used to identify and confirm the main risks as well as the consistency of the outcomes, including the key performance indicators used, with respect to the main risks and the policies presented ;

o corroborate the qualitative information (measures and outcomes) that we considered to be the most important presented in Appendix. Concerning certain risk<sup>3</sup>, 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 entities<sup>4</sup>;

- We verified that the Statement covers the scope of consolidation, i.e. all the consolidated entities in accordance with article L. 233-16 of the French Commercial Code within the limitations set out in the Statement];

- We obtained an understanding of internal control and risk management procedures the Entity has implemented and assessed the data collection process aimed at ensuring the completeness and fairness of the Information;

- For the key performance indicators and other quantitative outcomes that we considered to be the most important presented in Appendix, we implemented:

o analytical procedures to verify the proper consolidation of the data collected and the consistency of any changes in those data;

o tests of details, using sampling techniques, in order to verify the proper application of definitions and procedures and reconcile the data with supporting documents. This work was carried out on a selection of contributing entities<sup>4</sup> and covers between 17% and 100% of the consolidated data relating to the key performance indicators and outcomes selected for these tests;

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

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

Paris-La Défense, 20 avril 2023

KPMG S.A.

**Laurent Chillet**  
Partner

**Fanny Houlliot**  
ESG Expert  
KPMG France ESG Center of Excellence

<sup>1</sup> Accreditation Cofrac Inspection, number 3-1884, scope available at [www.cofrac.fr](http://www.cofrac.fr)

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

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

<sup>4</sup> DSZ (Russia) ; ASS (Russia) ; Sudden Coffee B.V. (The Netherlands), Sudden Ivory Coast



# APPENDIX

## QUALITATIVE INFORMATION (ACTIONS AND RESULTS) CONSIDERED MOST IMPORTANT

Commitments and measures taken for prevention of accidentogenic situations

System in place to ensure safety

Skills management and employee training policy

Talent and competency management policies

Investments and other measures taken to reduce the environmental impact of activities

Actions to control the environmental footprint

Waste reductions measures

Principles and procedures for ensuring business ethics and integrity

Code of conduct to ensure business ethics and integrity

Certifications and process evaluation schemes (factories and supply chains)

Sustainable agricultural practices

Partnership and sponsorship actions

## KEY PERFORMANCE INDICATORS AND OTHER QUANTITATIVE RESULTS CONSIDERED MOST IMPORTANT

Total number of employees

Absenteeism rate

Turnover rate

Number of training hours per employee

Frequency rate of occupational accidents

Severity rate of occupational accidents

Energy consumption

Water consumption per ton of sugar produced

Greenhouse gas direct and indirect emissions (scopes 1 and 2)

Volume of hazardous wastes

Waste recycling rate

Share of certified coffee sales

Percentage of smallholder farmers trained (on child labor issues) directly by Sucden, out of a total number of suppliers of Sucden's direct supply chain during the crop cycle (October 1<sup>st</sup> and September 30<sup>th</sup>) in cocoa plantations in Côte d'Ivoire

Percentage of smallholder farmers trained (on child labor issues) directly by Sucden, out of a total number of suppliers of Sucden's direct supply chain during the crop cycle (October 1<sup>st</sup> and September 30<sup>th</sup>) in cocoa plantations in Côte d'Ivoire, and in Ghana (US destination)

Number of trees' seeds distributed by Sucden to farmers in cocoa plantations during the crop season (Oct 1<sup>st</sup> to Sept 30<sup>th</sup>) and in coffee plantations during the year

- Number of tree seedlings distributed by Sucden to farmers in cocoa plantations
- Number of tree seedlings distributed by Sucden to farmers in coffee plantations





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