



Sucden Forests Protection Policy for Operations Within The Cocoa & Coffee Supply Chains

Purpose and Scope

Deforestation and forest conversion for the expansion of global agriculture is a major source of carbon emissions with consequent negative impacts on biodiversity, ecosystems, climate, and critical habitats. The production of crops typically associated with deforestation also carries social risks.

As a large global trading company originating significant volumes of cocoa and coffee beans and related products for its customers, Sucden recognizes its responsibility to address the risks of deforestation, forest conversion, and peatland destruction within the cocoa and coffee supply chain where it operates. The risks of deforestation and forest conversion are particularly acute in West Africa where they are interlinked with complex challenges related to crop expansion, productivity, and farmer livelihoods, but such risks are also present in other cocoa and coffee-growing regions around the world.

This “*Sucden Forests Protection Policy for Operations Within the Cocoa & Coffee Supply Chains*” (the “**Policy**”) articulates Sucden’s commitment to ensure that its cocoa and coffee bean sourcing activities are not driving deforestation, forest conversion, or peatland destruction, and that cocoa or coffee originating from protected areas does not enter its supply chain. This Policy and actions prescribed by it are aligned with recommendations found in the OECD-FAO Business Handbook on Deforestation and Due Diligence in Agricultural Supply Chains and with the objectives and prescriptions of the Regulation (EU) 2023/1115 of the European Parliament and of the Council of 31 May 2023 on the making available on the Union market and the export from the Union of certain commodities and products associated with deforestation and forest degradation and repealing Regulation (EU) No 995/2010 (the “**EUDR**”). This Policy shall be implemented in all countries from which Sucden may source cocoa and coffee beans.

Governance

Sucden strives to act responsibly in all its business activities. In its cocoa and coffee origination activities, forest protection is considered a key priority. To maximize its positive impact and optimize the efficiency of the implementation of this Policy through sourcing action plans, the governance of this Policy is fully embedded into the Sucden Group’s sustainability management structure, through the following bodies:

- **The Sucden Management Board** provides oversight on corporate responsibility issues, which includes reviewing the progress of implementation of the cocoa and coffee sourcing action plans for the Group.
- **The Sucden Cocoa and Coffee Management Teams** are responsible for setting the Policy strategy, implementing the action plan, and ensuring that the strategy can be deployed on-the-ground.
- **The Sucden Cocoa and Coffee Sustainability teams** apply the strategy and report on progress and



performance to the Sucden Management Board. The teams are also part of the Group's CSR Forum, which allows for monitoring and implementation alignment amongst business units, sharing best practices and the lessons learned.

Through the Cocoa & Forests Initiative (CFI) Sucden Cocoa will report progress on forest protection initiatives aligned to this collaborative effort on a formal and publicly available basis.

Sucden Coffee's forest protection activities also support its partnership within the Sustainable Coffee Challenge, a broad, international collaboration which seeks to enhance the income of coffee farmers and prevent the clearing of any additional forest for the cultivation of coffee.

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

Policy Content

In seeking to build sustainable cocoa and coffee supply chains, Sucden is pursuing the following objectives:

- 1. No sourcing of cocoa or coffee that contributes to the deforestation or conversion of any forest land as defined by national or internationally applicable forest definitions, including the High Carbon Stock (HCS) and High Conservation Value (HCV) methodologies; nor will Sucden source any cocoa or coffee that has contributed to the destruction of peat lands.**
- 2. No sourcing of cocoa or coffee from areas that are legally protected for conservation purposes, such as national parks or wildlife reserves.**
- 3. Achieve traceability in Sucden's cocoa and coffee supply chains by identifying and mapping the farms from whom we are sourcing, and to better evaluate the inherent risk of deforestation within the regions/origins of its cocoa and coffee sourcing.**
- 4. Prioritize the supply chain traceability process to achieve compliance with the EUDR for commodities where required, by sourcing coffee and cocoa from land that has not been subject to deforestation after 31 December 2020; using risk assessment and due diligence procedures to identify areas where deforestation is most likely to have occurred and to plan for farm and landscape interventions. In achieving EUDR compliance, Sucden, in line with its Human Rights Policy, shall document its compliance with local regulations related to Human rights in each sourcing country.**
- 5. Achieve supplier and subsidiary compliance to our Cocoa and Coffee Supplier Code(s) of Conduct which prescribes Sucden's expectations pertaining to the prohibition of child and forced labour, freedom from discrimination, freedom of association, fair wages, and commitment to the well-being of employees, and includes their need to respect local property rights and ensure that land tenure is responsibly managed. In particular, and with reference to the Indigenous and Tribal Peoples**



Convention, 1989 (International Labour Organisation No. 169) and the UN Declaration on the Rights of Indigenous Peoples, 2007, this Policy includes the requirement to respect the land rights of local communities or indigenous populations and to obtain free, prior, and informed consent from such communities or indigenous populations for the use or acquisition of their customary lands, prior to agricultural development or any industrial or commercial exploitation of these lands.

6. Promote sustainable livelihoods and improved production practices for smallholder cocoa and coffee farmers in Sucden's supply chain as a means to reduce pressure for further land conversion, to build climate change resilience and to encourage healthy and vibrant cocoa and coffee growing communities.
7. Contribute to the rehabilitation and conservation of degraded landscapes, through direct intervention and/or multi-stakeholder collaboration in landscape or jurisdictional programs.
8. Implement agroforestry and Good Agricultural Practice (GAP) activities in targeted programs to improve yields and soil fertility, in order to maintain farmers on their present land and avoid expansion of production into forested areas.
9. Engage Sucden suppliers and subsidiaries on the content and expectations of this Policy.
10. Develop a time-bound action plan with clear performance indicators for the implementation of this Policy, including a plan for actively implementing its commitments across all origins.
11. Report annually on Sucden's progress in implementing the above commitments.

Document Version

This Policy has been approved on October 21st, 2024, and is made publicly available on Sucden website. It replaces any previous version.