



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

### Purpose & 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 recognises 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.

The following 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. The 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. In conjunction with Sucden's preparations for achieving compliance with the European Union Deforestation Regulation (EUDR), this policy will be implemented in all countries from which it sources.

### 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 maximise our impact and optimise the efficiency of the implementation of this Forests Protection 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 within meetings at least twice a year. It will review the progress of implementation of the cocoa and coffee sourcing action plans for the Group at least once a year as part of that role.
- **The Sucden Cocoa and Coffee Management Teams** are responsible for setting the Forests Protection Policy strategy, implementing the action plan and ensuring that the strategy can be deployed on-the-ground.



- **The Sucden Cocoa and Coffee Sustainability teams** will apply the strategy and report at least annually on progress and performance to the Sucden Management Board. The teams are also part of the Group's CSR Forum that meets quarterly. They will also update the forum on progress versus the action plan and seek to align implementation amongst the business units of the group, sharing best practices and the lessons learned.

Through the Cocoa & Forests Initiative (CFI) Sucden Cocoa will report progress on forest protection initiatives aligned to this collaborative effort on a formal and annualised 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 commits to:

- 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, will 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 or forced labour, freedom from discrimination, freedom of association, fair wages and commitment to the well-being of employees.**
- 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 our policy, including a plan for actively implementing our policy commitments across all origins.**
- 11. Report annually on our progress in implementing our commitments.**