

SUSTAINABILITY REPORT

2017

RESPONSIBLE TROPICAL AGRICULTURE

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2017: € 29 million for sustainable development

Sustainability report 2017

1.1 Message from the Chairman

Hereafter is the 6th edition of the yearly sustainability development report from our company. Despite 2017 being a year of declining commodity prices, Socfin has produced good economic results and thrived in the continuous improvement of our employees and neighbouring communities conditions.

This document follows the guidelines of the latest version of the Global Reporting Initiative (GRI), it also includes a table showing the links between the information disclosed therein and those required by the Luxemburg stock exchange in conformity with the European guidelines related to publication of non-financial information. By a greater integration of its financial and non-financial data, Socfin allows its investors to better comprehend its strategy of global performance and creation of value.

As the reader is aware, sustainable development covers three fundamental aspects related to the growth of any company: economic, social and

environmental. These three issues have been successfully integrated in the core policy of Socfin since her inception over a hundred years ago. 2017 marked the formalization of this responsible management policy.

However, the regions where our plantations are established are often remote from the mainstream of social and economic development, they have been subject to the vagaries of nature such as the tsunami in Asia, the outbreak of Ebola pandemic, or the aftermath of civil wars. They are often neglected by central governments more concerned by the problems linked to ever growing megalopolis.

As a consequence, fundamental social necessities such as education, health coverage, communal infrastructure are sometimes lagging, and, despite already paying high local taxes, Socfin often substitutes herself to the inadequacies of governments: we are building schools and nurseries, hospitals and dispensaries, where we provide teachers, doctors and nurses.





1.1 Rubber plantation, Okomu, Nigeria

These infrastructures are available to surrounding communities.

We have been organizing assistance for local farmers and supplied them with seeds, tools, financing and training. We help them promote their produces. These broad social actions in favour of our workers, their families and our neighbouring communities are expensive but have been at core of our long term harmonious settlement within large rural areas, they are a proud part of our history.

In this respect, we can report that in March 2018, Socfin has been completely exonerated of the "land-grabbing" accusations levied against her, the 17^{ème} chambre du Tribunal de Grande Instance from Paris having declared that such accusations were groundless and defamatory.

Socfin prides herself of a policy of total transparency: a transparency dashboard has been created and is accessible to all our stakeholders, allowing them to follow our performance at all relevant levels. We aim to obtain overall RSPO certification in the near future for all our African operations, a certification gained several years ago by our Indonesian subsidiary, Socfindo, for its estates.

Overall, Socfin, one of the oldest companies involved in tropical agro-industry, is, and has always been at the forefront of social and environmental progress in all the countries where she is established. Socfin prides herself on a permanent and realistic commitment to excellence in every aspect of her activities.

Hubert Fabri
Chairman
info@socfin.com



1.2 Commitments to environmental, social, societal and transparency aspects

The Socfin Group's commitments were formalized in its new responsible management policy¹, approved by the Board of Directors on 22 March 2017, but already implemented since 1st December 2016.

This policy, developed with the input of many internal and external stakeholders, goes beyond a commitment to the traditional three pillars of sustainable development; it integrates henceforth societal, traceability and transparency issues, applicable to the Group's entire supply chain.

Through this policy, the Socfin Group commits to implementing best management practices and particularly to:

- Reducing and preventing environmental impact;
- Facilitating smallholders inclusion;
- Guaranteeing fair and transparent price negotiations with smallholders;
- Continuously improving its agricultural practices aimed at achieving higher yields.

The responsible management policy also comprises an indispensable commitment to implementing a zero deforestation policy, following the HCS "High Carbon Stock" approach. The impacts of this decision have been carefully evaluated and the on going projects have been suspended since July 2016 until the studies are finalized and authorize the continuation of these developments.

The Socfin Group equally underlines, in its policy, its commitment to respecting human rights, and to maintaining a transparent and open dialogue with all, especially local population groups. Concerning transparency, the Socfin Group undertakes to:

- Make its commodity supply chain 100% traceable;
- Implement an open, transparent and consultative grievance procedure;
- Report publicly on policy implementation.

In Cambodia, Socfin Cambodia has strengthened its commitment towards a sustainable and responsible development of its plantations by publishing a policy formalizing its commitments. It is based on the Group policy and was developed in consultation with external stakeholders.

"The Socfin Group's commitments were formalised in its new responsible management policy"

1.3 General profile

The Socfin Group was founded in 1909 and specializes in the development and management of agro-industrial plantations for palm oil and natural rubber production.

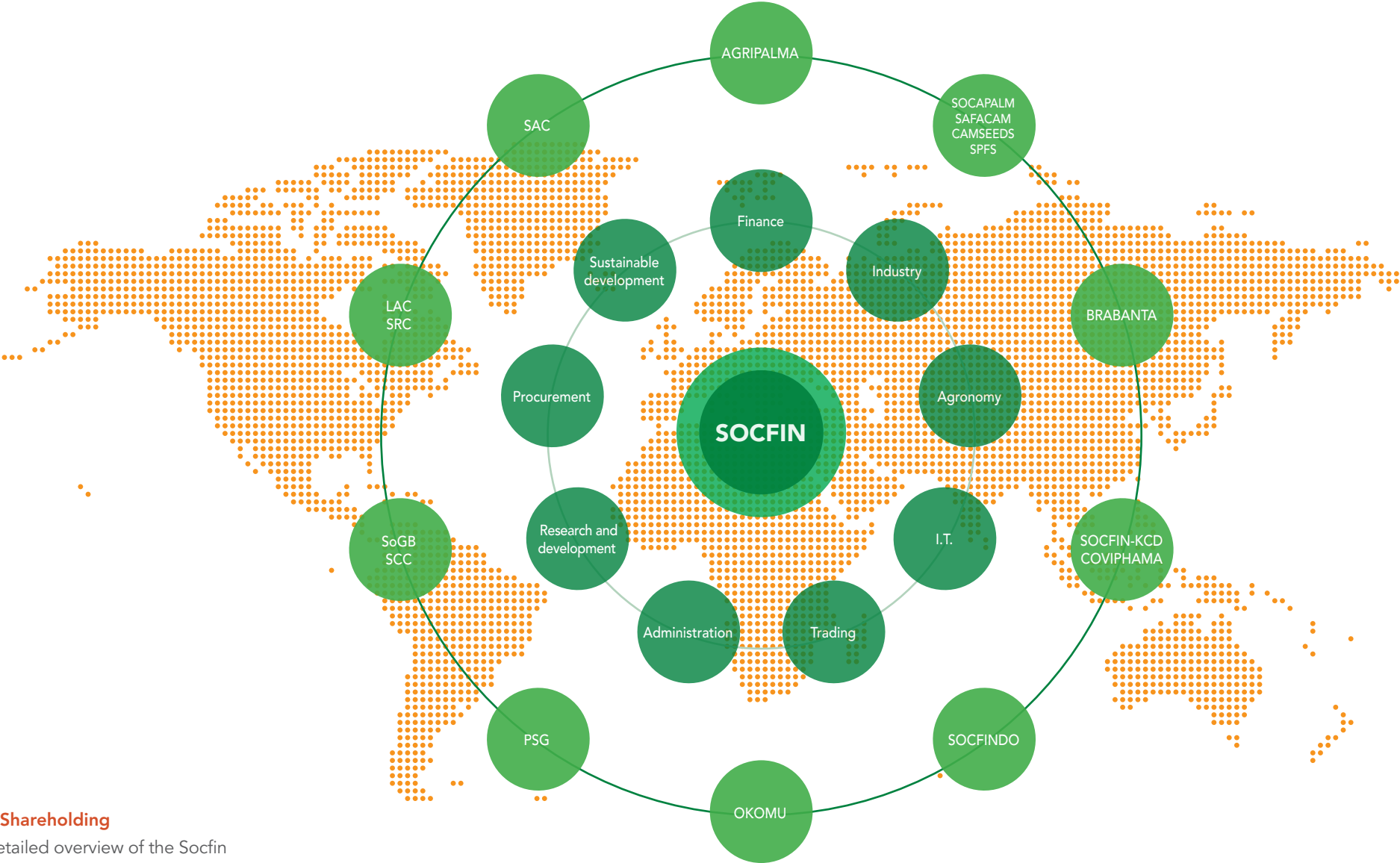
The Socfin Group is established in 8 countries in Central and West Africa and in 2 countries in Southeast Asia and comprises 15 agro-industrial estates. The holding company, Socfin S.A., has its headquarter at Avenue Guillaume 4, L-1650 – Luxembourg.

For more details on Socfin's activities and operational subsidiaries, please visit the website².

1) www.socfin.com/en/socfin-group/commitments

2) www.socfin.com/en/socfin-group

1.4 The Socfin Group



1.5 Shareholding

A detailed overview of the Socfin Group's shareholding is presented in its annual finance report.

1.6 Presence worldwide

1

SIERRA LEONE SAC

Created by Socfin in 2010
State-owned land with a lease
Concession of 18 473 ha
12 349 ha of oil palm planted
1 palm oil mill
10 000 T of palm oil produced
Workforce 3 583

3

COTE D'IVOIRE SoGB

Acquired by Socfin in 1994
State-owned land with a lease
Concession of 34 712 ha
15 881 ha of rubber planted
7 471 ha of oil palm planted
1 palm oil mill
1 palm kernel crushing plant
1 rubber factory
55 359 T of rubber produced
36 472 T of palm oil produced
Workforce 8 480

SCC

Created by Socfin in 2008
1 rubber factory
25 078 T of rubber produced
Workforce 262

2

LIBERIA SRC

Acquired by Socfin in 2007
State-owned land with a lease
Concession of 8 000 ha
4 577 ha of rubber planted
Workforce 1 381

LAC

Acquired by Socfin in 1998
State-owned land with a lease
Concession of 121 407 ha
13 192 ha of rubber planted
1 rubber factory
18 793 T of rubber produced
Workforce 4 456

4

GHANA PSG

Acquired by Socfin in 2012
State-owned land with a lease
Concession of 18 249 ha
953 ha of rubber planted
5 582 ha of oil palm planted
1 palm oil mill planned for 2019
1 rubber factory planned
Workforce 1 946

5

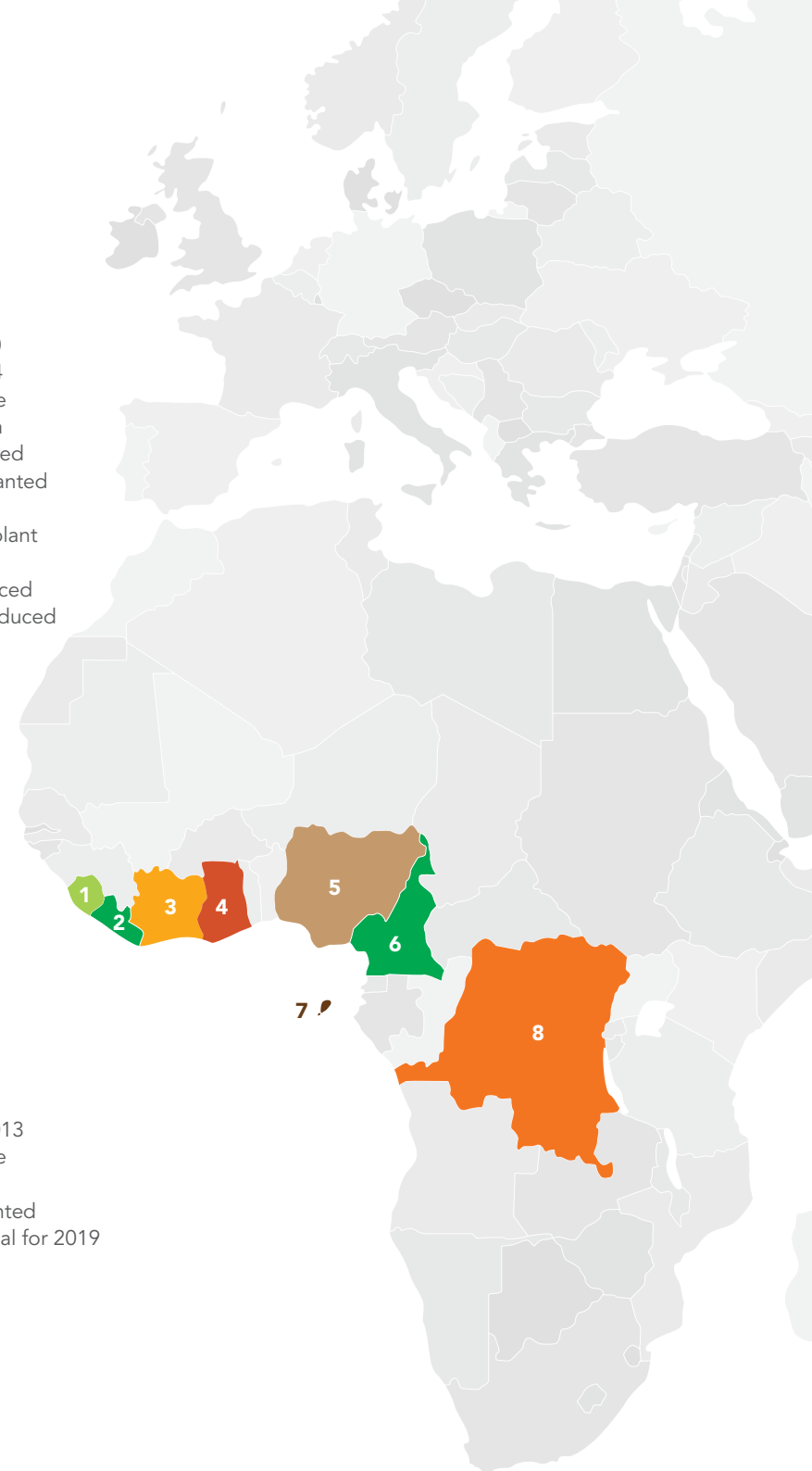
NIGERIA OKOMU

Acquired by Socfin 1990
Extension acquired 2014
State-owned with a lease
Concession of 33 113 ha
7 335 ha of rubber planted
17 245 ha of oil palm planted
1 palm oil mill
1 palm kernel crushing plant
1 rubber factory
7 546 T of rubber produced
36 699 T of palm oil produced
Workforce 3 451

7

SAO TOMÉ AGRIPALMA

Acquired by Socfin in 2013
State-owned with a lease
Concession of 4 917 ha
2 100 ha of oil palm planted
1 palm oil mill operational for 2019
Workforce 649



Workforce: direct and indirect employees

6

**CAMEROON
SAFACAM**

Acquired by Socfin in 2014
Concession of 15 529 ha
4 264 ha of rubber planted
5 345 ha of oil palm planted
1 palm oil mill
1 palm kernel crushing plant
1 rubber factory
5 216 T of rubber produced
14 499 T of palm oil produced
Workforce 3 126

SOCAPALM

Acquired by Socfin in 2000
State-owned with a lease
6 sites
Concession of 58 063 ha
1 758 ha of rubber planted
32 733 ha of oil palm planted
6 palm oil mills
869 T of rubber produced
118 840 T of palm oil produced
Workforce 5 135

8

**DEMOCRATIC REPUBLIC OF CONGO
BRABANTA**

Acquired by Socfin in 2007
State-owned with a lease
Concession of 29 538 ha
6 170 ha of oil palm planted
1 palm oil mill
13 065 T of palm oil produced
Workforce 4 241

CAMSEEDS

1 research laboratory
Workforce 140

SPFS

Acquired by Socfin in 1999
No plantation
1 refinery
5 429 T of oleine produced
Workforce 28

9

**CAMBODIA
SOCFIN KCD**

Acquired by Socfin in 2007
State-owned land with a lease
Concession of 6 659 ha
1 rubber factory operational for 2018
3 897 ha of rubber planted
Workforce 496

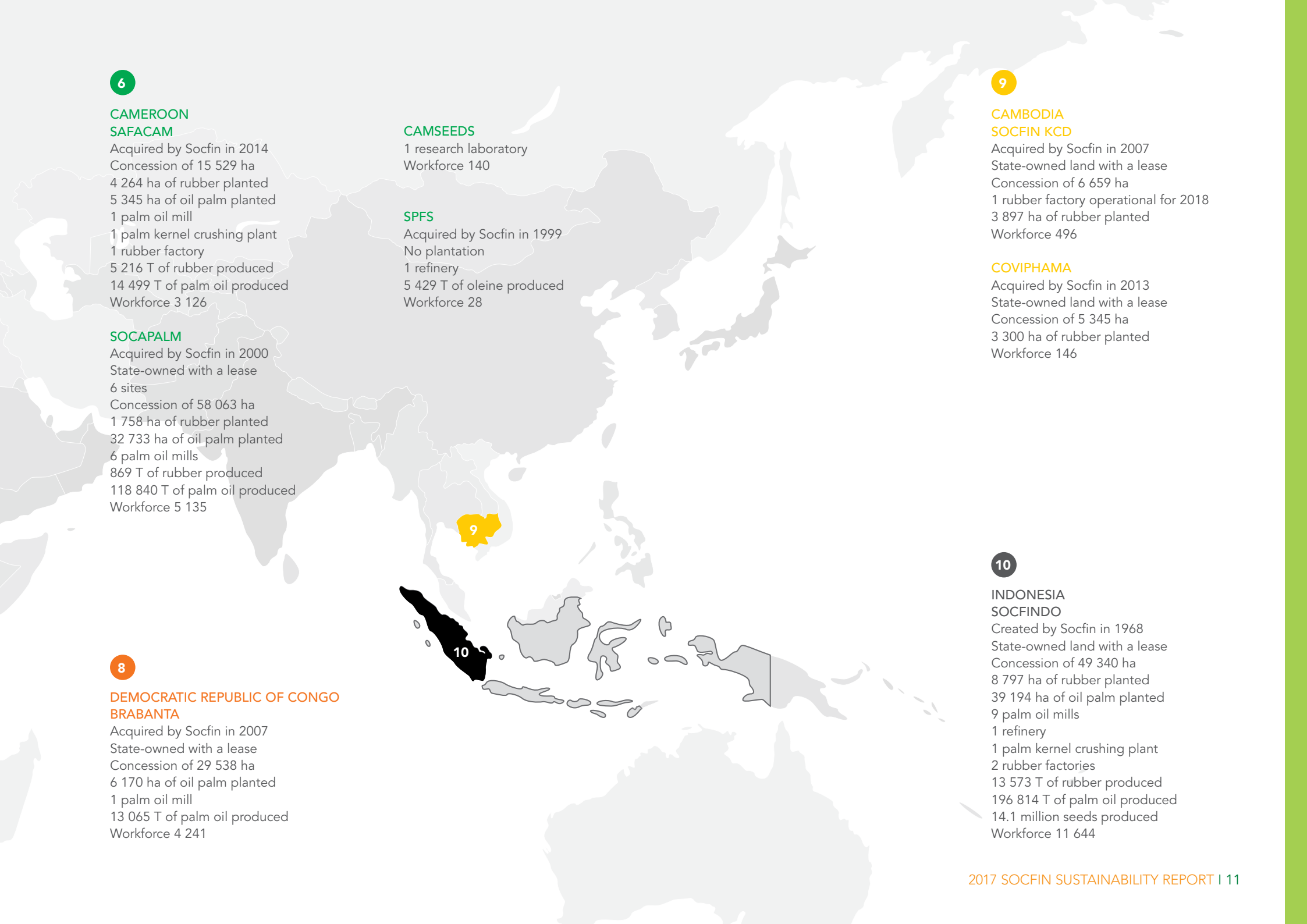
COVIPHAMA

Acquired by Socfin in 2013
State-owned land with a lease
Concession of 5 345 ha
3 300 ha of rubber planted
Workforce 146

10

**INDONESIA
SOCFINDO**

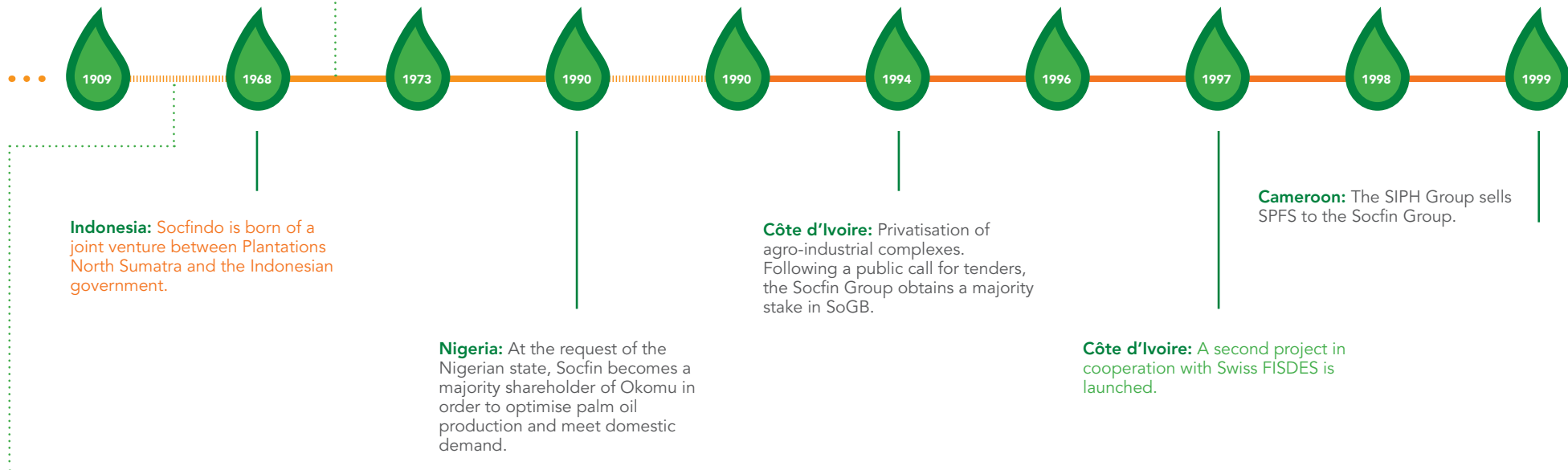
Created by Socfin in 1968
State-owned land with a lease
Concession of 49 340 ha
8 797 ha of rubber planted
39 194 ha of oil palm planted
9 palm oil mills
1 refinery
1 palm kernel crushing plant
2 rubber factories
13 573 T of rubber produced
196 814 T of palm oil produced
14.1 million seeds produced
Workforce 11 644



1.7 Some key dates

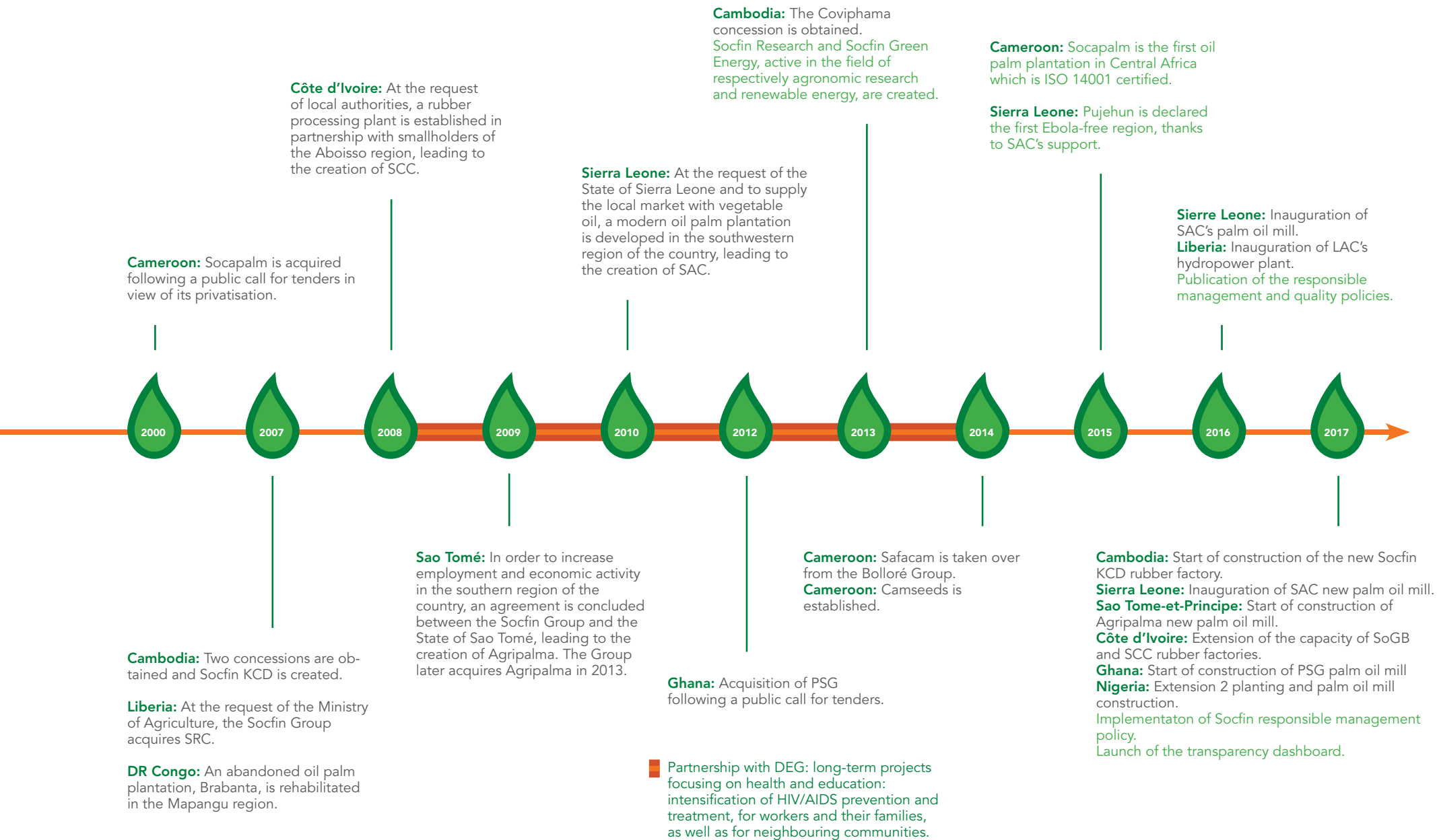
All houses are replaced by solid structures. A "movie truck" tours the estates, showing at least one movie a month, and traditional performances are organised.

Creation of the "Société Financière des Caoutchoucs", Socfin S.A.



Each village has a nursery and primary school, a clinic, a market place, a shop and a soccer field. Staff is accommodated at the expense of the Company within the vicinity of their working station. Medical care for employees and their families is borne by the Company. Expatriate doctors assisted by local teams run estate hospitals. The Group is a pioneer in responsible tropical agriculture.

- Historical context
- Project development
- CSR



Economic performance | 2

“The Group’s total investments amounted to € 101.9 million”

2.1 Turnover and planted area

After a difficult year 2016, the Socfin Group closed 2017 with a slightly higher turnover: € 625.8 million.

In 2017, the Group’s total investments amounted to € 101.9 million (compared to € 85.4 million in 2016). As a result of this continuous investment policy, the Socfin Group managed 192 072 hectares under cultivation on 31 December 2017.

2.2 Palm oil production

Production increased by 14.77% in 2017 compared to 2016. This production directly benefits the host countries, helping them to meet domestic vegetable oil demand.

The majority of African countries currently produce less than 50% of their domestic needs and depend on imports from Southeast Asia.



2.1 Oil palm fruits, Socapalm, Cameroon



2.3 Latex, Socapalm, Cameroon

Evolution of gross palm oil production (tons)

	2015	2016	2017
Estate palm oil	362 574	356 012	407 741
Palm oil produced from FFB delivered by third parties	25 083	20 798	24 730
Total	387 657	376 810	432 471

2.3 Natural rubber production

Evolution of dry rubber production (tons)

	2015	2016	2017
Estate dry rubber	63 566	58 595	63 374
Rubber produced from cup lumps delivered by third parties	58 543	65 050	66 297
Total	122 109	123 645	129 671

Production increased by 4.87% in 2017 compared to 2016.



2.4 Seeds, Socfindo, Indonesia

2.4 Seeds production

In 2017, 14 149 000 oil palm seeds were produced, compared to 16 064 000 in 2016, or a decrease of 11.92%. In fact, Socfindo's production is sold on the local market, which has considerably reduced its global demand for selected oil palm seeds. On the one hand, Indonesia currently no longer has palm plantation extension projects, on the other hand, several other players, seeds producers, have entered the market.

2.5 Research and development projects

The subsidiary Socfin Research is generally in charge of the Group's research and development.



2.5 Inauguration of Camseeds offices, Cameroon

Socfin Research collaborates with research institutes and universities in both oil palm and rubber activities.

In 2017, Socfin Research continued its scientific support of Camseeds: laboratory and an oil palm seeds selection and improvement unit. Research results in terms of yield and genetic disease resistance will have a significant impact on environmental protection, through improved soil use and a decrease in phytosanitary control methods (mechanical or chemical).



“Collaborates with research institutes and universities in both oil palm and rubber activities”



2.2 Socapalm, Cameroon

In response to the nutritional concerns of western consumers, research also focuses on oil quality, particularly with regard to the A and E vitamin levels, and the saturated fat profile.

Likewise, Socfin Research continues its collaboration with the Catholic University of Leuven (CUL, Belgium) on rubber phytosanitary issues. The improvement of the trees' health by reducing (or completely replacing) pesticide and inorganic fertilizer use will have a marked impact on local ecosystem protection and on resource use.

The subsidiary Socfin Green Energy supervises the Group's green energy production projects; following the construction of a hydropower plant in Liberia and the installation of biomass boilers and dryers on various estates, Socfin Green Energy plans to install a solar power plant in Cambodia in 2018.

As part of its responsible management policy, the Group commits to seeking alternatives for the so-called "dangerous" practices; one of those being the almost inevitable burning of old rubber plantations for replanting, in the fight against the fatal rubber disease provoked by *Fomes*. Zero burning is currently being tested at SoGB and Safacam.

An aerial photograph of a hydropower plant. A concrete dam with multiple spillways is visible, situated on a river. A large, light-colored building with a red roof, likely the power station, is located at the base of the dam. The surrounding area is a mix of green grass and trees. A white van is parked on a dirt road near the dam. The water in the river is dark and reflects the sky.

Meet the energy needs of
10 000 families

2.5 Hydropower plant, LAC, Liberia



SoGB carries out several projects related to:

- The development of rubber trees varieties (in partnership with CNRA in Côte d'Ivoire and IFC/Cirad in France) to improve yield and disease resistance;*
- The development of agricultural practices to increase the productivity of rubber trees and oil palms blocks by reducing fertilizer and pesticide use;*
- Intercropping of rubber trees + cacao and rubber trees + teak in order to optimise the economic and ecological land productivity.*

In 2017, the sustainability department, in collaboration with the management of the agronomic rubber department, continued its discussions with a privileged partner on the development of a carbon footprint calculator for its rubber plantations.

The calculator will use, among others, agronomic research data from the Socfin Group estates.

2.6 Climate change impact on operations

Preliminary studies conducted at the acquisition of an existing plantation or at the development of a new project, include an analysis of the risks related to climate change.

Yields, pest management, ecosystem services, soils, availability of water and resources for the village communities, are the areas with the highest risk of being positively or negatively affected.

Locally, after a risk is identified, the estates implement corrective measures to ensure land productivity and local communities' livelihood.

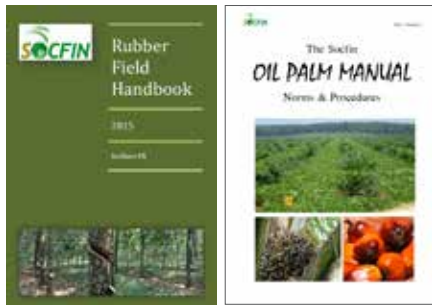
Direct employment, training on better agricultural practices (anti-erosion measures, cover crops, fertilisation, herbicide and pesticide use), implementation of a zero deforestation policy in the supply chain, etc. are measures taken by the Group in order to limit climate change impact on local populations' livelihood.



2.7 Objectives and perspectives

In 2015 and 2016, the agronomic palm and rubber departments developed manuals aimed at standardizing agricultural operations and generalizing best practices:

- Technical Rubber Itinerary
- The Socfin Oil Palm Manual



These manuals contain various guidelines related to the environment and to health and safety at the workplace. They are from now on available on all estates and the agronomic departments audit field operations based on the guidelines listed in the manuals. The teams thus participate in the stronger integration of environmental and social issues in their daily operations.

2.7. Rubber and oil palm plantations, Okomu, Nigeria



Responsible governance | 3

3.1 Governance structure and management approach

An entire chapter on Corporate Governance is included in the annual reports of respectively Socfin, Socfinaf and Socfinasia.

Legal provisions and the company statutes govern Socfin's Board of Directors. The Board operates in a collective manner and serves the shareholders' common interest, while ensuring the Group's sustainable development. The Board defines its composition, functions, responsibilities, obligations, powers and operation.

The Board is responsible for the Group's general management and performance, approving transactions, developing business strategies and monitoring budgets. The Board plays an active role in guiding and formulating the sustainability strategy and recognizes that it is indispensable to the Group's overall success. Consequently, the Board approves all sustainability and responsible governance policies and provides the financial and human resources required to meet the objectives.

Companies	Socfin	Socfinaf	Socfinasia
Holdings	Holding companies with their head offices at avenue Guillaume 4, L-1650 Luxembourg. Established for an unlimited period and listed on the Luxembourg Stock Exchange.		
Date of incorporation	5 Decembre 1959	22 October 1961	20 November 1972
Main activities	Management of a portfolio of shareholdings mainly centred on the exploitation of tropical oil palm and rubber plantations.		
Operational areas	Central and West Africa and Southeast Asia	Central and West Africa	Southeast Asia

The Group is convinced that the health and safety of its employees and other stakeholders, as well as the protection of natural resources and biodiversity, are of strategic importance to its successful development.

The operational companies possess a broad set of country-specific development skills and knowledge, in the following domains: tropical agriculture, engineering, finance, law, trade and sustainability.

3.2 Policies, charters and code of conduct

Since its creation in 1909, the Socfin Group has always adopted a sound long-term approach based on good business sense and goodwill.

Material, human, financial and natural resource efficiency is a core value when developing plantations. Nowadays, this process is conceptualized within the sustainable development framework, considered at Group level as "responsible management".

In its responsible management policy, the Socfin Group reaffirms its continuous commitment to respecting and endorsing the Universal Declaration of Human Rights, to recognizing and respecting the rights of all workers, including workers of subcontractors, temporary workers and migrant workers, and to recognizing and respecting the rights of local and indigenous communities.



Socfin clients and stakeholders rate this policy as solid. The NGO Global Canopy even gave it a score of 5 out of 5.

The Socfin Group updated its code of conduct in 2017 to address its supply chain commitments. It appeared the code would be more effective if it was divided in 2: a “code of employee and business conduct” and a “code for suppliers”.

The two codes, together with a new “whistle-blower” protection policy, will be implemented in the course of 2018.

3.2.1 National environmental and social laws

The Socfin Group fully complies with the environmental, social and land laws of the host countries.

Since land ownership in the host countries is often insufficiently documented, the Socfin Group focuses on existing plantations, either operational or abandoned, which need to be rehabilitated and where land titles are well documented.

Apart from some exceptions (Safacam and part of Agripalma), the Group’s subsidiaries never own, either directly or indirectly, the concessions; they are managed as a lessee under long-term leaseholds with the government.

No land grabbing has ever taken place: the Socfin Group strictly complies with the “High Carbon Stock” approach, including participatory mapping, thus ensuring Free, Prior and Informed Consent (FPIC) of the possibly affected communities.

Plantation companies have also developed legal watch procedures and integrated them into their management system, such as ISO 14001 or OHSAS 18001, in order to anticipate new regulations and avoid non-compliant practices.

3.2.2 No child labour

Socfin does not employ or make use of any individual below the minimum employment age set by national law or by ILO conventions (International Labour Organisation).

All plantation companies take adequate measures to prevent child labour; they verify the age of all employees, using documents such as birth acts, school and church records, ID’s and driving licenses.

The Socfin Group does not make any exception to this policy. All our managers are well aware of this and are audited regularly by their line managers or local labour inspectors.

With regards to the supply chain, the Socfin Group developed an audit system to verify whether all commodity suppliers and subcontractors adhere to this policy.

Socapalm, accused of working with unscrupulous subcontractors when labour law is concerned, carried out a stringent audit of the administrative documents of all plantation workers. It appeared that no workers younger than 19 are employed either directly or indirectly by Socapalm.

Under the “Rubberway” project, with participation of Socfin at the invitation of Michelin, checklists were developed and tested (at SCC and SoGB in Côte d’Ivoire) to identify possible child labour in the supply chain.

We would like to refer to 3.4.3 of this chapter for more information.

3.2.3 No forced or compulsory labour

The Socfin Group strictly prohibits forced or compulsory labour, including prison labour, indentured labour, bonded labour, slavery, servitude or any form of human trafficking.

In 2017, no non-compliance was identified at the Group’s operations or supply chain.

3.2.4 No corruption

The code of employee and business conduct explicitly specifies that nobody can make illegal payments in name of the Socfin Group or any of its subsidiaries.

It is prohibited to use company funds to make a payment, directly or indirectly, in money, goods, services or any other form to a government official or political representative, election candidate or political party, to convince them to not perform their lawful duty or to exert influence.

Socfin employees are never allowed to make or receive illegal payments or gifts in their relations with anyone linked to the sale or purchase of goods or services.

Moreover, Sodimex (the Group's central purchasing body), the operational company most exposed to these practices, developed a specific business ethics code, strongly regulating and limiting these practices.

The new ethics codes, which will be implemented in 2018, the "code of employee and business conduct" and the "code for suppliers", both contain anti-corruption provisions. They are part of the United Nations Convention of 31 October 2003 against corruption

(article 12). New training is scheduled to inform all employees and suppliers about the new provisions compared to the previous 2009 code.

3.2.5 Anti-competitive behaviour

In compliance with the ethics codes and Sodimex business code, all employees have to abstain from practices limiting competition and, in the case of purchases, ensure that all competitors are treated equally during the entire procurement process.



3.2.6 Social contributions (pensions, occupational accidents, associations, unions)

All Socfin Group subsidiaries strictly comply with the social laws of their host countries. The obligatory pension and accident cover contributions are transferred to the official social security bodies.

In certain countries, with the employee's authorisation, union contributions can also be deducted from his/her salary and transferred to the union chosen by the employee.

3.2.7 Labour law compliance (freedom of association, unions)

All employees are fully informed about the conditions of service and general regulations during the recruitment process and when they sign their contracts upon employment. Employees are free to terminate their employment contract if they give reasonable notice.

The retention of travel documents, identification papers or any other type of bond from any of the employees is strictly forbidden. Regular audits are conducted by labour inspection to assess compliance with labour laws.

"2018: Socfin RSPO member"

Moreover, only subcontractors that have been positively assessed by labour inspection can enter into an agreement with a Group company.

From 2018, they will have to sign the "code for suppliers" and accept in writing to submit to the audits performed by the "compliance officers". Audit results will be published in the annual reports.

3.3 Voluntary compliance with other standards

Following the Socfin Group policies on "quality" and "responsible management", all plantation companies must obtain certification for their management systems to ensure their compliance with national and international environmental and social performance indicators.

The systems are locally managed and are not systematically audited by the head office, but by third-party certification bodies such as Bureau Veritas, in order to give more responsibility to local managers.

3.3.1 RSPO

Socfinco and Socfindo have been active members of the Roundtable on Sustainable Palm Oil (RSPO) since 7 December 2004.

The RSPO is a private initiative aimed at promoting sustainable palm oil production and use.

The RSPO has developed a set of principles and criteria for sustainable palm oil production and implemented a certification system.

RSPO's principles and criteria are an integral part of the Socfin Group's environmental and social policies. All Indonesian oil palm plantations are already RSPO certified.

The holding company Socfinaf, grouping all African subsidiaries, applied for RSPO membership on 14 September 2015. On 13 December 2017, the completed file was transmitted to the RSPO secretariat.

Following its membership, Socfin S.A. will be able to group all Indonesian and African operations under one membership number. In 2018, Socfin S.A. will also be the most representative RSPO member for Africa.

This membership implies that all African Group plantation companies will have to be certified within 3 years.



3.3.2 ISO 14001

The ISO 14001 standard provides a very efficient

framework for environmental management, allowing for continuous improvement of operations.

Although this standard allows for a demonstration of conformity by self-evaluation and self-declaration, the Socfin Group has decided to seek certification for its management systems through third-party certification bodies.

The ISO 14001 standard was revised in 2015. The estates have committed to obtain compliance with the standard's updated version and will from now on be audited in accordance with the updated version.

The Group's objective is to certify all operations according to this standard; however, RSPO certification has become a priority. Consequently, for the "palm" operations that are not yet ISO 14001 certified (PSG and Agripalma), RSPO certification will be initiated without going through the ISO 14001 certification process.

3.3.3 OHSAS 18001

The Group's occupational health and safety management systems are based on the OHSAS 18001 standard, which defines the system requirements to comply with.

In accordance with this standard, Group subsidiaries develop an occupational health and safety (OHS) policy and determine the goals and required procedures to meet policy commitments. They take the necessary measures for performance improvement and demonstrate their compliance.

The main goal of OHSAS is thus to support and improve best practices related to occupational health and safety, consistent with socio-economic needs.

For the "palm" operations that are not OHSAS 18001 certified, compliance with RSPO criteria (criterion 4.7) and their certification will provide the required occupational health and safety compliance audit.

3.3.4 High Carbon Stock approach

Since July 2016, the Socfin Group recognizes and implements the High Carbon Stock (HCS) approach as defined by the HCS Approach Steering Group and the HCS toolkit.

The HCS approach is developed to be used together with and as a part of other land management and conservation strategies, such as Free, Prior and Informed Consent (FPIC), protection of peat lands, buffer

zones along watercourses, HCV (High Conservation Value) areas, and areas of high cultural or economic importance to the local communities or indigenous populations.

The first HCS study is currently conducted in Ghana, with the support of TFT. This study aims at identifying and protecting the forests within and around the concession and determining potential development areas.

3.3.5 Free, Prior and Informed Consent (FPIC)

The Socfin Group has always respected the rights of indigenous populations or local communities to give or withhold their Free, Prior and Informed Consent (FPIC) to all operations affecting the land or resources they are legally, communally or customary entitled to. Therefore, the Group follows the "FAO Manual on Free, Prior and Informed Consent".

This commitment was reaffirmed in its responsible management policy.

"Okomu obtained OHSAS 18001 certification in 2017"

3.3.6 Other



Agripalma started the certification of its operations following the “organic farming” requirements. For several years now, Agripalma has not used any chemical fertilizers or biocides in its plantation. Agripalma obtained certification of its palm fruit and palm oil production in December 2017.

Concerning sustainable natural rubber production, the Socfin Group, through its subsidiary Sogescol FR, has joined and participated in the SNR-i initiative. Unfortunately, the results of this initiative were quite disappointing and the initiative is at a standstill.

On 16 September 2017, the Socfin Group was invited, with 15 other companies, to explore, develop and test the feasibility and efficiency of a collaborative approach, the SNR Platform, initiated by the Chinese Chamber of Commerce of Metals,

Minerals & Chemicals Importers & Exporters (CCCMC).

Finally, it seems the last initiative, the TIP (Tire Industry Project) of the World Business Council for Sustainable Development (WBCSD), is most promising.

3.4 Supply chain and traceability

The Group’s responsibility does not end at the doors of its factories. The Group ensures that its sustainability and responsible management criteria apply to all its FFB (fresh fruit bunches) and rubber suppliers (smallholders).

The Group is also committed to making its entire supply chain fully transparent.

The rubber supply chain is much more complex and instable than the palm oil supply chain. Nevertheless, the Group obtained full traceability for the first level of both supply chains. Concerning the rubber supply chain, it is generally agreed that the wet rubber buyer cannot clearly identify its supply chain beyond the first or second level.

3.4.1 Identification

The Group buys wet rubber or FFB from thousands of smallholders. The smallholders deliver directly to the factories or sell to a cooperative, responsible for transport and delivery to the factories.

The Group identifies all smallholders who deliver directly to the factories (name, number of hectares, GPS coordinates, etc.). However, in the case of a cooperative or a trader, it is more difficult to obtain full transparency beyond this level.

Group supply chain traceability (first level)

Estates	2016	2017
SCC	85%	100%
SoGB	95%	100%
LAC	98%	100%
Okomu	98%	100%
Safacam	98%	100%
Socfindo	100%	100%
Other	100%	100%



3.4 Smallholders’ meeting, Socfin Cambodia, Cambodia



3.4.2 Transparency and fair procurement

During the month October 2017, a “transparency dashboard” was launched:

<http://tftmemberdashboard.com/socfin/>

Group objectives, road maps and performance related to responsible management policy implementation are published herein.

Certain source documents for Group stakeholders are also available: concession maps, traceability data, etc.

These data, made publicly available, will also limit any possible misinterpretation.

Full traceability data as well as our factories’ coordinates are available.

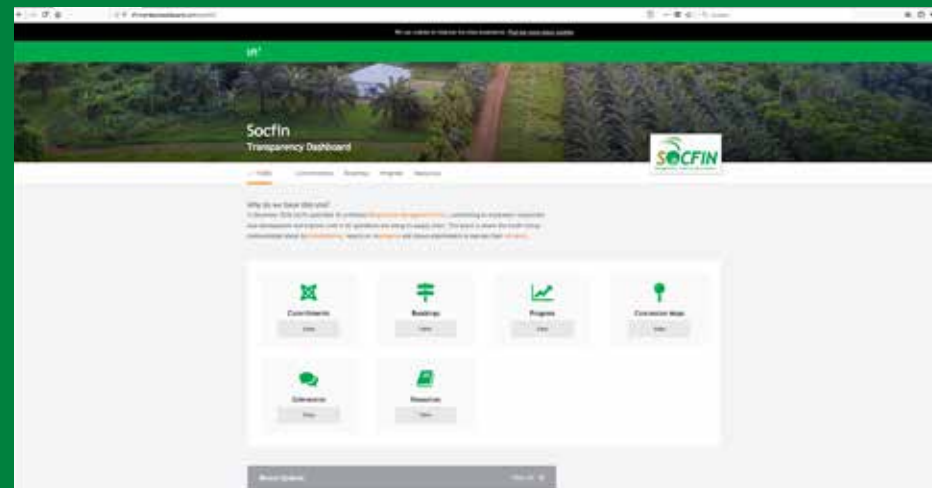
The Group does not take advantage of its dominant position to impose or unilaterally modify purchase contracts terms or to impose irrational terms; the Group adheres scrupulously and in all transparency to national or sectorial price setting regulations and exerts its influence as much as possible to ensure

that the price paid to smallholders is sufficiently high to guarantee an adequate income.

The Group equally defends this principle with the sectorial agencies or within the sustainable rubber initiatives (see above).

Each month, SoGB receives the rubber price from APROMAC and the FFB price from AIPH. These prices are communicated to all planters through various dissemination channels and used by SoGB for all rubber and FFB sold at the weighbridges.

These provisions are included in the code of employee and business conduct and the code for direct suppliers. The suppliers (traders and cooperatives, for example) are audited.



3.4.3 Social and environmental aspects in the supply chain

Now that the supply chains are identified and transparent, the Group's responsible management policy can be applied to all suppliers from whom it buys or with whom it maintains a commercial relation.

The Group ensures that all identified smallholder operations are in compliance with its policy and sustainability requirements.

As mentioned in chapter 3.2, as from 2018, all subcontractors will also have to sign the "code for suppliers" and accept in writing to submit to the audits performed by the compliance officers. Audit results will be published in the annual reports.

The Socfin Group organises awareness and training sessions for smallholders and subcontractors. It offers them decision-making and technical support. And in the event of blatant reluctance, the planter can be banned from the Group's suppliers' list.

SoGB implemented, together with GIZ, a Zero Deforestation Supply Chain project (ZSC).

SoGB and SCC are the subsidiaries most dependant on smallholders and were therefore assigned to participate in the corporate responsibility risk mapping within the "Rubberway" project context. A smartphone application was developed by Michelin in 2017 and will be available in French early 2018; the deployment of the "Rubberway" project in the Group's Ivorian operations can then take place. Training of the cup lump buyers and agricultural advisers, who will use this application, is scheduled for April 2018. These audit results will be available online.

3.5 Clients' standards

As mentioned, the Group joined and participated in the SNR-i initiative which is currently at a standstill. Among the remaining initiatives, only TIP is promising (chapter 3.3.6).

Meanwhile, all the important buyers (Michelin, Bridgestone, Continental, Nestlé, etc.) require Group adherence to their policies, with the obligation of applying these commitments in the Group's supply chains.

Socfin clients' policies are not more stringent than the Group's current responsible management policy.

3.6 Third party evaluation

The Group's clients and service providers periodically audit its ethical, sustainable and responsible management performance. Some of them call on the agency EcoVadis, such as Michelin, Continental or ING bank.

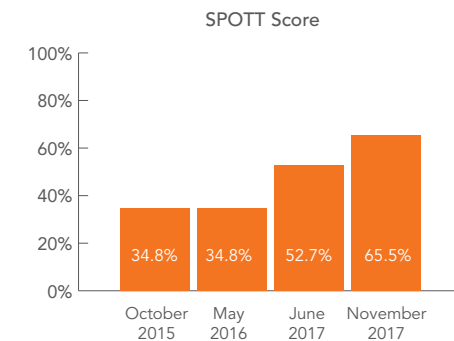
The Group was ranked "Silver" by EcoVadis, and has been continuously improving since 2013. **Among other Michelin suppliers, Socfin is positioned just average for all criteria: environment, social, business ethics, and sustainable procurement.**

Its commitments are also assessed by neutral agencies such as SPOTT³ or Global Canopy⁴.



SPOTT (Sustainability Policy Transparency Toolkit) is a tool developed by the Zoological Society of London. SPOTT experts assess companies on the public availability of information related to environmental, social and corporate responsibility issues.

The received scores are represented in the chart below.



3) www.spott.org

4) www.globalcanopy.org



3.4 Rubber bale, Safacam, Cameroon

The Group is ranked amongst the 20 best companies assessed by SPOTT, in particular because of the implemented transparency commitment and communication on its websites, by means of the sustainability reports and transparency dashboard.

Global Canopy has, in turn, rated the Group's responsible management policy 5 out of 5. Only 18 of the 250 rated companies received this score.

3.7 Complaints and grievances

All grievance management procedures, both internal and external, of Group subsidiaries are documented and publicly available.

In 2017, in collaboration with TFT, the Group formalised its external grievance management procedure⁵. This procedure is available on the transparency dashboard, together with the recorded external grievances and their follow-up.

The transparency dashboard is managed together with TFT, guaranteeing objective information on the follow-up status of the recorded grievances.

Currently, 4 grievances were recorded: 1 is closed and 3 are under investigation.

In Cambodia, in 2017, the external grievance management procedure was developed and improved through stakeholder consultation. The procedure was then officially presented to the local communities and authorities, as a summary in Khmer, to facilitate the presentation to the indigenous communities by the Phnongs interpreters.

The platform for the expression and handling of complaints and grievances implemented at SoGB works very well. The local village communities' representatives, joined together in the AVD, are informed about the platform's existence.

⁵ <http://tftmemberdashboard.com/socfin//app/uploads/2017/09/Socfin-grievance-procedure.pdf>

Strong social commitment | 4

Please note that this chapter is dedicated to the Group's social commitment to its employees. Please see chapter 7 for commitment to local communities.

4.1 The Group's social commitment

The Group's social commitment is described in its codes of conduct and policies. These documents further underline its commitment to high ethical standards and compliance with applicable laws.

The creation of long-term employment, with decent conditions and wages, contributes significantly to the development of the countries in which the Group operates.

The occupational health and safety system is based on OHSAS 18001, while the labour and human rights policies are based on the standards set out in the SA 8000 guidelines, the RSPO principles and criteria, ILO conventions and the UN's Universal Declaration of Human Rights.

When national legislations, standards and conventions refer to the same subject, the Socfin Group applies the provision, which is most favourable to its employees.

The Group strictly commits to freedom of association and non-discrimination, bans forced and child labour, and furthermore guarantees fair pay and decent housing to its employees.

Socfin also strengthened its commitment towards transparency by putting a "transparency dashboard" online.

Likewise, its code of conduct, updated in 2017, was split in 2 different codes: a "code for employee and business conduct" and a "code for suppliers".

The two codes, together with the new "whistle-blower" protection policy, will be implemented during the year 2018.



4.1 Palm oil mill, Brabanta, DR Congo

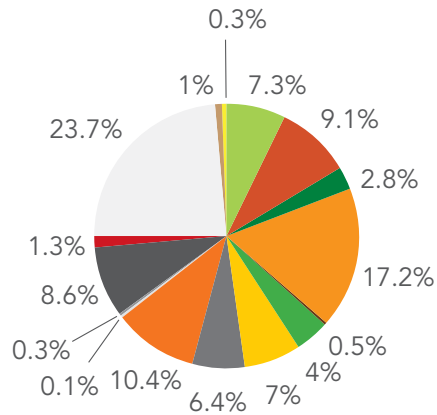
4.1 Female agricultural employee, Socapalm, Cameroon

4.2 Overall assessment of key social indicators

4.2.1 Human resources

On 31 December 2017, the Socfin Group had **49 164 direct and indirect employees** (compared to 45 971 employees in 2016 and 46 135 in 2015).

Workforce distribution (direct and indirect) by estate (2017)



- SAC
- LAC
- SRC
- SoGB
- SCC
- PSG
- Okomu
- Safacam
- Socapalm
- SPFS
- Camseeds
- Brabanta
- Agripalma
- Socfindo
- Socfin KCD
- Coviphama

The plantation companies rely on contractual labour in order to meet their seasonal requirements⁶.

These workers are made available for the plantation companies through specialized companies. When these workers occupy permanent positions within the company, they are progressively integrated in the plantation companies' permanent workforce.

It is important to clarify that, because of the activity's seasonal nature, certain contract workers (mostly harvesters) follow the production peak and subsequently move towards other seasonal crops. Consequently, this labour is generally not settled.

2 706 people were hired by the plantation companies in 2017.

If they are equally qualified, the Group encourages employment of local residents.

In 2016, almost 40% of Socapalm's new employees came from the local communities.

⁶ See the table with key figures attached to this report for more information.



4.2.1 Female driver, Brabanta, DR Congo

The Group's subsidiaries adhere to all local, national and international laws and regulations relevant to its sector concerning pay and employment conditions, such as working hours, compulsory legal deductions (such as pension contributions), overtime, holiday entitlement, maternity leave, notice periods, wages and allowances, staff benefits, resignation, termination of contract and retirement.

All Socfin employees receive a wage that is considerably above local minimum wage.

At Brabanta, the salary grid is 20% higher than legal minimum wage.

Each employee is allocated a house within the estate or a compensatory allowance.

As there is little mechanisation involved in harvesting, the rubber and oil palm field activities require the largest workforce. These job opportunities are received very positively in these isolated rural areas. Certain plantation companies, however, are confronted with an extremely high turnover, which can be explained by the lack of working experience with certain indigenous workers. A short-term vision results in many of them leaving the company as soon as they have received a

few months' salary. A challenge the plantation companies try to resolve by considering and accepting cultural differences.

4.2.1.1 Workforce distribution by department and gender

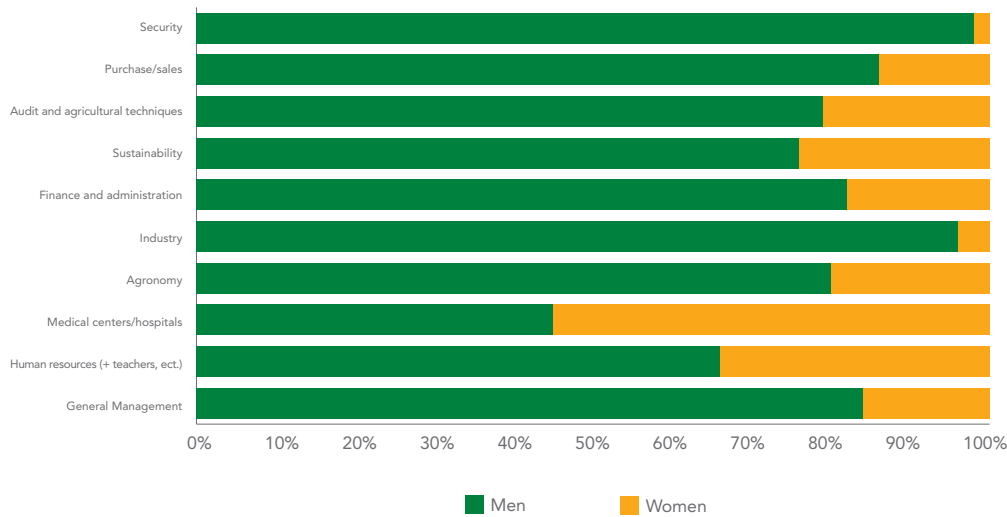
The Socfin Group is striving to create an equal and fair workplace with a diverse group of people. 17% of its permanent employees are women and they are represented in various departments (compared to 16% in 2016 and in 2015). Each subsidiary makes efforts to further integrate women in the workforce in the best possible way.

However, it is appropriate to observe local customs, which in certain countries favour one gender for a specific position.

4.2.2.1 Female agricultural employee, Socapalm, Cameroon
4.2.2.1 Day care center, Brabanta, DR Congo



Workforce distribution by gender and department (%) 2017

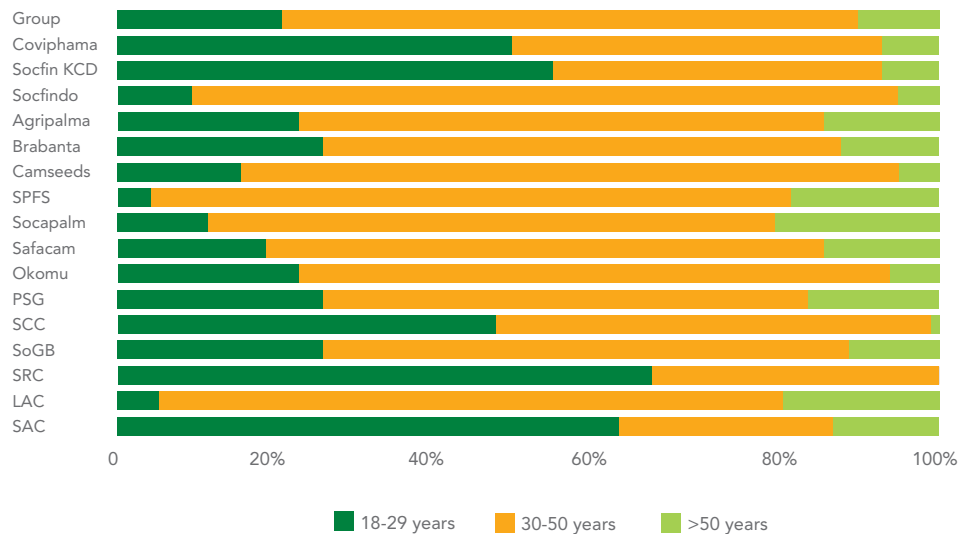


4.2.1.2 Apprenticeship graduation, Socfin Cambodia, Cambodia

At Brabanta, a kindergarten was established and welcomes workers' children (between 2 and 5 years) in the morning, enabling their mothers to work.

In 2017, during 4 to 6 months, LAC received 60 interns, coming from 8 colleges, institutions and universities in the country. An employment opportunity was given to the best interns.

Workforce distribution by age and estate (%) 2017



4.2.1.2 Integration of young people into the working world: opportunities

In 2017, young people – aged between 18 and 29 years – represented 19% of the total workforce.

The majority of internships and job requests come from young people living on the estates. Priority is given to people from the local communities in the vicinity of the estates.

LAC also implemented an "annual vacation job program", enabling students from LAC's school system and the vicinity to get a holiday job.

During 2017, SoGB accommodated in total 71 interns for internships from 3 to 6 months, about 20 were integrated in the workforce at the end of their internship.

4.2.2 Protection of employees

The Group is committed to protecting its employees from workplace violence and harassment.

All employees are obliged to raise concerns and report any incidence of such behaviour.

Currently, the rate of reported incidents is low. Nevertheless, when harassment or violence occurs, appropriate disciplinary action is taken immediately, including dismissal.

Based on the recorded incidents, harassment does not appear to be a widespread problem, however, we recognize that this may not reflect reality. Indeed, many cases may not be recorded due to unwillingness or fear to report incidents, despite the fact that every employee has the right to report a concern or lodge a complaint in good faith, without reprisal or threat of reprisal.

The grievance procedure provides the possibility for the plaintiff to remain anonymous.

Brabanta is committed to addressing sexual and/or psychological harassment by implementing a policy to this effect, compliant with labour law and RSPO requirements.

4.2.3 Internal grievance management

Currently, all estates have written procedures for communication and negotiation between the employer, employees and legal representatives, for complaints as well as for grievances.

These procedures are described in the subsidiaries' official documents and communicated to staff by their representatives, but also through notice boards, newsletters and radio jingles (LAC radio, for example).

Employees have various means to express their grievances, including anonymously. The communication channels may differ from one country to another taking into account local reality and available means.



4.2.3 Suggestion box, Agripalma, Sao Tomé

During periodic meetings between management and staff representatives, these complaints are discussed and a formal reply or solution is prepared. Employees are represented by their union delegates and covered by a Collective Bargaining Agreement (CBA).

Brabanta and Agripalma installed several "suggestion boxes" within the estates to allow stakeholders (workers and local residents) to easily communicate their grievances to the plantation company so they can be dealt with.

4.2.4 Meeting the financial needs of employees

Because of the absence of a banking system in the majority of the isolated regions where the Group operates, Socfin grants interest-free loans to its employees to enable them to:

- Acquire means of transportation (bicycles, motorbikes, etc.);
- Organize personal events (death, marriage, etc.);
- Pay school fees and university studies;
- Construct personal houses, etc.



4.2.5 Campaign on "zero work accidents", Socfin Cambodia, Cambodia

In 2017, over € 3.1 million was lent to the Group's plantation employees.

Based on a long-term vision on regional development, the Group encourages major banks to set up branches in the vicinity of its estates. Facilitating workers' access to the banking system allows for bank transfers of remunerations and consequently safeguards the employees' personal savings.

The presence of a banking system also allows for a standardisation of loan conditions. In fact, numerous informal personal associations exist to overcome the absence of credit institutions. Subject to the monthly contributions of its members, they offer personal loans at often outrageous interest rates.

Safacam offers 2 possibilities to help its employees:

- School loans at a zero interest rate, repayable in 5 monthly instalments, to pay the school fees of their dependents.
- Exceptional social loans at a zero interest rate, granted in strict observance of the assignable portion and repayable in 6 monthly instalments, to allow workers to deal with certain happy or unfortunate events.

Brabanta put in place a voucher system, which employees can subscribe to in order to buy basic necessities. Brabanta also allows its workers to purchase solar lanterns at a subsidised price and at an interest-free loan.

4.2.5 Training opportunities: employee capacity-building

The Socfin Group is committed to creating a stimulating working environment, full of opportunities. Therefore, each subsidiary has put in place a training program for its employees' professional development. Most Group employees attend professional training each year.

4 954 training sessions

Toolbox meetings, occupational health and safety awareness sessions, are regularly organized for all workers exposed to risks.

In 2017, a total of 4 954 training sessions (3 350 in 2016), induction programs and toolbox meetings were organised in the various subsidiaries for a total budget of € 390 000.

4.2.6 Union membership and freedom of association

The Group believes it is responsible for ensuring the right of all personnel to form and join the union of their choice, and to bargain collectively.

All employees are informed about these rights and each plantation company has a collective bargaining agreement in place, approved by all stakeholders.

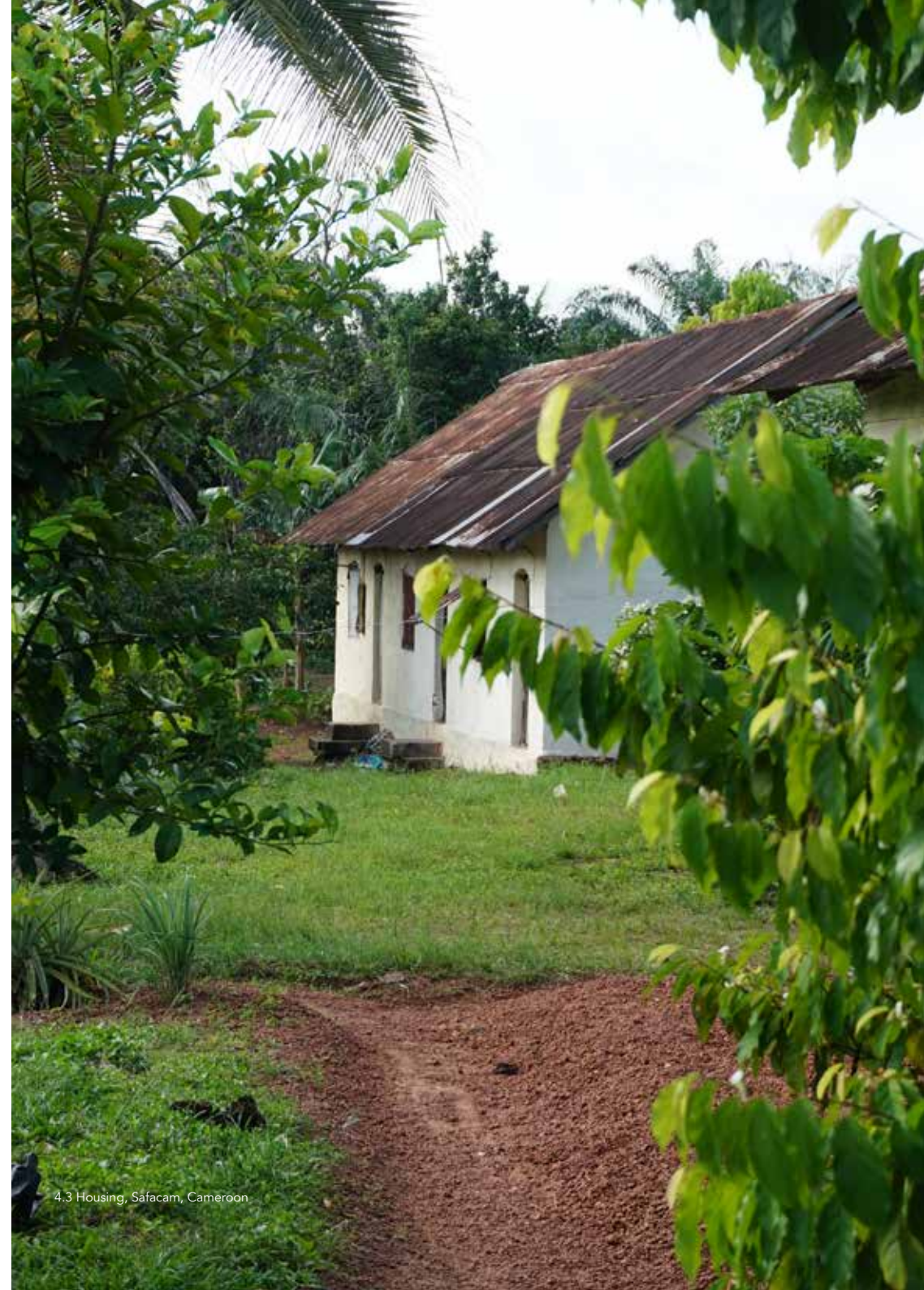
Employee union membership is estimated at 85%. Union representatives are chosen during union elections. All meeting reports are available locally for consultation. Socfin enjoys good labour relations in general and there has been no incident where the right to exercise freedom of association or to collective bargaining has come under threat.

Following local legislation, competent Occupational Health and Safety Committees have been established on each estate (see chapter 5.2 and 5.3).

4.3 Social infrastructure

4.3.1 In the villages

Each village, depending on its distance or proximity to certain more lively and urban centers, has the infrastructure needed for village life: schools, health outpost, shops, boreholes, market places, sports fields, bars, etc.



4.3 Housing, Sáfacam, Cameroon

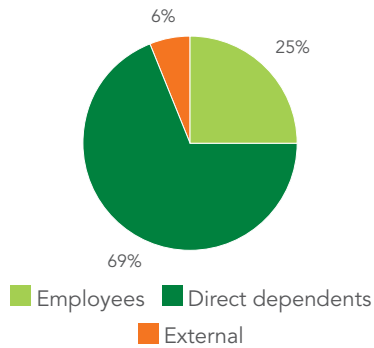


4.3.1.1 Personal infrastructure and utilities

The Socfin Group is committed to ensuring that all its employees have decent quality housing.

In 2017, the Group allocated a budget of € 5.9 million to the construction and renovation of housing, managing in total 21 300 houses.

Population distribution within the estate villages (%) 2017



In spite of all efforts, certain estates are currently confronted with non-compliances in housing and overpopulation, inherited from the period before the Socfin Group was in charge. Certain houses are below the Group's standards on decent housing (for example, in Cameroon).

Evolution of renovations and constructions in the estate villages			
	2015	2016	2017
New housing	800	229	449
Renovated housing	1 101	121	1 164
New kitchens	443	199	494
Renovated kitchens	21	30	294
New latrines	608	264	637
Renovated latrines	NA	NA	111

To address this problem, which can in some cases date back for decennia, the Group tries to find a solution case by case.

Efforts are made to rapidly renovate the dilapidated housing units in Cameroon and specific Group support is once again scheduled in 2018.

Another objective of the current construction program is, on certain estates, to offer the employees housing closer to their workplace, hereby facilitating their daily commuting. Latrines and kitchens are also constructed so that each house has its own personal sanitation and cooking facilities.

Each village has one or more water points, depending on its size, in order to meet water needs. In 2017, a budget of € 280 000 was allocated to boreholes.

Regular analyses are performed to guarantee consistent water quality. In some cases, the water tables are

not deep enough and an additional chloride treatment is needed to ensure water potability.

All plantation companies maintain the roads built within their estates and often also maintain the national roads and tracks around the estates. During the last 12 months, **more than € 7 million was needed to maintain or build new roads.** The road networks in these remote areas are generally in poor condition.

Wherever possible, estates will offer logistic and/or financial support to local authorities in order to maintain the local road network in good condition and facilitate the movement of people in these remote areas.

The electrification of remote areas is another challenge. Often, electrification is limited to capitals and major cities and does not reach rural areas. In 2017, Socfin spent € 2.3 million to bridge this gap.

Construction & renovation: € 5.9 million

Road construction & maintenance: € 7 million



4.3.1.1 Electrification, Okomu, Nigeria

In order to reduce dependence on tractors and tanks for water distribution, Brabanta constructs wells in the villages, while at the same time training villagers on safe and economical water use.

4.3.1.2 Leisure infrastructure



4.3.1.2 Soccer team, Socfin Cambodia, Cambodia

Most estates organise sports competitions between the different villages and departments.

In total, 57 market places and 55 gathering places are available for Group employees and their families; the 432 shops, in turn, encourage trade and exchange of products, either locally grown or imported from urban centers.

Finally, about 30 clubs/bars, generally managed by an external entrepreneur, offer village inhabitants the opportunity to follow their favourite soccer teams and other international sports events on television.

At SoGB, each village has an entertainment center and a recreational area for the workers and their children. Soccer tournaments and other games, as well as cultural activities, are organized to maintain the cohesion

between the inhabitants on the one hand and to create an atmosphere where different socio-professional actors can meet on the other hand.

In 2017, a budget of € 66 000 was allocated to leisure infrastructure.

4.3.2 Mobility

Where needed, specially converted vehicles are used to transport workers to their workplace.

The plantation companies also provide motorbikes and bicycles to certain employees, provided they need them for work purposes.

The plantation companies offer other employees the possibility to buy their own means of transportation (see chapter 4.2.4).

4.4 Security of people and property

Socfin is committed to ensuring the security of its employees and their families, as well as the security of their property. Security teams are therefore put in place on each estate to safeguard the workers and premises.

A systematic security check is carried out at the entrance of the estates. When necessary, the security team seeks to resolve security issues.

4.5 Health: an effective development tool

4.5.1 Health policy

Objective: organize and provide quality medical care, both preventive and curative, to plantation employees and their direct dependents (spouses, children), in the most cost-efficient way for both patient and company.

Free medical care is available on all estates. When patients are referred to external specialized medical centers, 50 to 75% of the costs (depending on the estates) are borne by the company.

A budget of € 5.2 million was allocated to the Group's medical services; this expenditure remained stable compared to 2016: € 5.1 million, and decreased slightly compared to 2015: € 6.2 million. The year 2015 was particularly challenging because of the Ebola virus outbreak in the sub region (see the 2015 Sustainability Report for more information on the Group's intervention).

In certain countries, depending on the remoteness of the area, the medical department provides medical care, both preventive and curative, at an affordable price, to the local population living in the immediate vicinity of the estate (but not employed by the company).

Special attention is given to occupational health issues both in terms of prevention and treatment, in line with local, national and international laws and standards.

4.5.2 Staff and infrastructure

The Socfin Group runs, among others, three fully equipped hospitals. The Group's medical centers are accessible 24/24 and 7/7, they generally also have an ambulance. All hospitals are managed by doctors, while the medical centers are managed by a doctor or a chief nurse.



4.5.2 Medical center, Socfin Cambodia, Cambodia

The outposts are generally located in the estate villages. They address the basic medical needs of the village population.

Health infrastructure (2017)	
Hospitals	3
Central clinics	25
Outposts	76
Ambulances	17

The laboratories and pharmacies are run by laboratory technicians and qualified assistant pharmacists. When delivery facilities are available, midwives, who are also in charge of prenatal and postnatal consultations, provide delivery assistance.



4.5.2 Lab technician, PSG, Ghana

Evolution of health staff in the estates' health services			
	2015	2016	2017
Doctors	28	30	31
Nurses	188	150	151
Midwives	33	33	33
Other staff	209	210	207
Total	458	423	422

4.5.3 Disease prevention, detection and treatment

Prevention is the first pillar of the Socfin Group's medical services. All departments regularly organize health talks in the estate villages, and as much as possible in the surrounding communities. The objective is to sensitize the population to the prevention of common diseases and other medical issues.



4.5.3 Oral polio vaccination, Brabanta, DR Congo

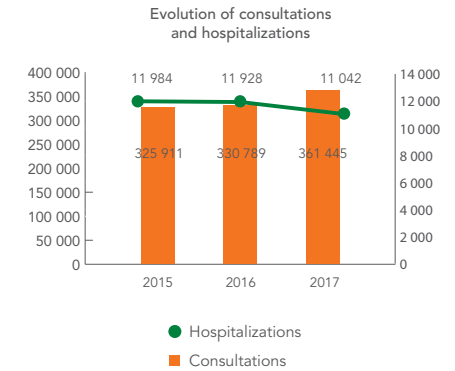
The second pillar of prevention is family planning: 12 plantation companies offer family planning services which are, at certain estates, organized in collaboration with the government and NGO's (PSI through ACMS, ASF, PSK).

In 2017, more than 360 000 people benefited from medical care offered by the Group (the graph below comprises the employees, dependents, subcontractors and local population).

A slight increase in consultations and a slight decrease in hospitalizations can be explained by improved patient care and less severe diagnoses.

In an attempt to standardize treatment at the plantation companies, all medical services are equipped with clinical and therapeutic manuals and the essential drugs recommended by Doctors Without Borders.

All medical services work closely together with the national health ministries for treatments supervised by government. This generally comprises, but is not limited to, HIV, malaria and tuberculosis.



4.5.4 Medical data collection

The medical services are obliged to share their medical information with government and other organizations. At the Socfin Group level, an analysis of medical data is performed with dedicated software, facilitating adequate decision-making.

4.5.5 Preparedness for emergency situations

Basic first aid training was organized at most plantation companies and they are now starting to implement more practical training.

These training programs, which are a result of the collaboration between the medical and HSE departments, aim at ensuring that trained workers can handle emergency situations on site before the arrival of the emergency service.

Following the 2014-2016 Ebola outbreak in Guinea, Sierra Leone and Liberia, the subsidiaries LAC and SRC created an organization (in collaboration with local governmental authorities) to identify and warn about any reappearance of the disease. Other plantation companies also put in place emergency procedures to prevent infectious diseases from spreading rapidly.



4.5.5 Ebola sensitization, Okomu, Nigeria

At the end of 2017, the Ilebo region was affected by a cholera epidemic. Brabanta played a key role in notifying the government and in offering support to the NGO ALIMA sent to manage the situation. Brabanta's medical department helped identify possible cases and hospitalised 80 patients for treatment, of which 2 unfortunately passed away.

4.6 Supporting education and training

4.6.1 Education policy

Socfin is dedicated to improving the **availability and quality of the schools** in the countries where it operates.

4.6.2 Infrastructure and staff

Government schools are available close to the estates. However, the Group helps as much as possible with the construction and renovation of school buildings and the supply of furniture.

Socfin also provides scholarships for the most meritorious pupils (see chapter 7.3.1).



4.6.2 Okomu staff school principal, Okomu, Nigeria

52 297
students
€ 1.9 million



4.6.1 Pupils, Socapalm, Cameroon

The plantation companies equally support the teaching staff, often very limited in these remote areas.

In 2017, a total of 2 493 teachers were responsible for the education of the youngest children on the estates, or 67 teachers more than in 2016 (2 426) and 201 more than in 2015 (2 292).

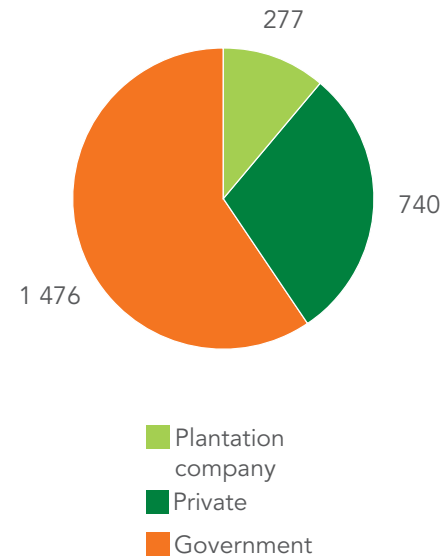
Safacam paid the salaries of 35 teachers in 2017.

Estate schools are open to children of employees, temporary workers, contractors or surrounding communities; in so far as infrastructure allows it.

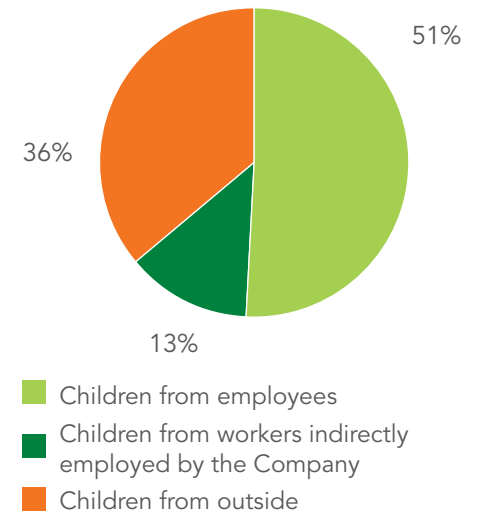
52 597 pupils attended the schools in 2017, or 206 more than in 2016 (52 391) and 736 more than in 2015 (51 861).

Over 36% of children attending the schools supported by the plantation companies are children from outsiders/ local residents, see the chart below.

Breakdown of teachers according to their status (2017)



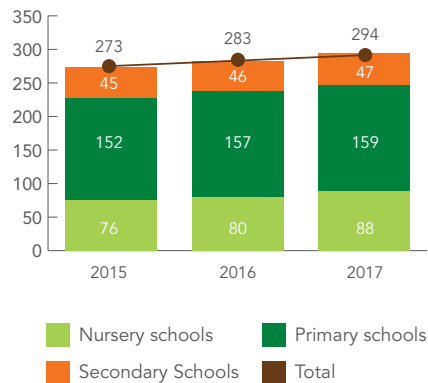
Breakdown of pupils by origin (%) 2017



School system support amounted to more than € 1.9 million in 2017.

11 new schools have opened since 2016.

Evolution of educational infrastructure on the estates



Finally, the pupil/teacher ratio (number of pupils per teacher) of estate schools is on average 25.41 (calculation based on the ratio of each school independently of one another) against 29.37 in 2016 and 31.40 in 2015⁷.

⁷ The 2015 and 2016 figures were modified following a change of calculation method (arithmetic average instead of weighted average).

In 2017, SoGB invested approximately € 60 000 in the construction of 6 extra classrooms to reduce the number of pupils per teacher. SoGB also constructed teachers' housing. Government assigns the teachers, who are public servants at the service of the school.

4.6.3 School loans to employees/ parents

Group employees can take out zero interest loans with their employer at the start of the school year.

In this way, they can buy school supplies and pay for their children's registration fees (see example 4.2.4 above concerning Safacam).

In 2017, € 660 000 was lent and close to € 38 000 was spent on scholarships for the most meritorious pupils.

Each year, LAC gives a scholarship to 7 meritorious pupils graduating from LAC school system, enabling them to attend university.

4 pupils from the William & Garblah Orphanage primary school also receive a scholarship, enabling them to freely attend the estate's school system and this until the end of year 12.



4.6.4 School transport, SRC, Liberia

4.6.4 School transport

On certain estates (SRC, LAC, SoGB, Socapalm and Okomu), a system of school buses is available for children who attend school.

In Cambodia, schools were constructed close to the employee villages to facilitate pupil transport. And to guarantee easy access to quality education for all, the plantation company provides, in collaboration with a local "Tuk-Tuk" company, free school transport for the children from the most remote villages.



5 Aerial view, Lake Ossa, Cameroon

Ensuring employee safety | 5

5.1 Safety management system

The occupational safety management system is based on the OHSAS 18001 standard. For the “palm operations” that are not yet OHSAS 18001 certified, compliance with relevant RSPO criteria (criterion 4.7) and certification will guarantee the necessary verification for Occupational Health and Safety (OHS) compliance of operations.

5.2 Occupational health and safety policy

The health and safety of employees is a top priority across the estates.

In fact, € 1 million was spent on OHS in 2017.

Each plantation company develops its own policy in line with the Group’s commitment to follow the OHSAS 18001 standard.

Local policies are updated and comprise commitments towards:

- Accident and injury prevention;
- Continuous improvement of occupational health and safety management and performance.

Communication systems are in place to inform workers about obligations and possible risks, allowing for better risk management.

In this regard, **the Occupational Health and Safety Committees play a crucial role and work closely together with local management.**

5.3 Health and safety committees

In compliance with local legislation, competent Occupational Health and Safety (OHS) Committees have been established on each estate to:

- Advise and propose rules to management on occupational accident prevention and occupational illnesses;
- Stimulate and verify the proper functioning of the Occupational Health and Safety system;
- Organize regular training sessions in Occupational Health and Safety.



5.2 Safety instructions, Safacam, Cameroon



5.3 Personal Protective Equipment, SoGB, Côte d'Ivoire

5.4 Risk analysis

On all estates, and in compliance with local laws, and the requirements of the RSPO, OHSAS and other standards, Socfin has called upon specialized offices to perform a risk analysis of its operations: agricultural, industrial, medical and even administrative. The risk analysis defines the organizational measures and required resources to prevent all accidents and protect the workers.

Following these analyses, **plans define the measures to be implemented to protect staff, equipment, populations and the environment.**

While most working accidents on the plantations are minor, work-related fatalities may occur. Every incident is treated with the utmost care and is followed by a thorough review of the cause and actions needed to avoid recurrence.

The safety regulations are also mentioned in the "Oil Palm Manual" and the "Technical Rubber Itinerary".

SAC developed a 2018 action plan, to reduce the noise that mill employees are exposed to, as a second boiler will soon be installed.

Safacam performed noise mapping, followed by audiometric testing. A traffic plan for its factory center is also under implementation.

5.5 Training and sensitization

Upon employment:
A Group procedure, called "Health-Safety-Environment Induction" describes the welcoming process and employee training (newly hired employees or subcontractors). The procedure provides the minimum information that needs to be contained in the induction booklet for employees, before they have access to their workplace or job. The procedure is implemented after adaptation to the local context of each plantation company.

Continuous training:
Training programs are adapted to the various departments' needs and to the identified risks.

The QHSE officer is charged with the implementation of training and sensitization programs, in close collaboration with the local OHS committee, of which this is a key task.

Certain training sessions are long (several days) whereas others, called "toolbox meetings" are shorter and more repetitive.

These last ensure that workers stay focused and prevent that routine makes them forget about basic protection measures.

At Brabanta, the HSE department organizes "toolbox meetings" four times a week at the various workplaces, more particularly in the garage, the mill, the workshop and the construction department (carpentry, masonry, plumbing, electricity, etc.).

Training and sensitization				
Estates	2015	2016	2017	Δ 17/16
SAC	668	1 904	2 425	27%
SRC	58	52	100	92%
LAC	20	13	22	69%
SoGB	2	94	48	-49%
SCC	222	18	30	67%
PSG	36	17	249	1 365%
Okomu	92	72	85	18%
Safacam	114	277	487	76%
Socapalm	470	607	1 140	88%
Brabanta	55	73	132	81%
Agripalma	0	1	0	-100%
Cambodia	0	0	5	-
Socfindo	150	222	231	4%
SOCFIN	1 887	3 350	4 954	48%

Toolbox meetings

Responsive training:
In case of an accident, the causes are identified and the results of the analysis are transmitted to the OHS committee.

A workers' sensitization will take place to reduce the occurrence of similar accidents in future.
A first aid training program was launched (see chapter 4.5.5). Following this training, all plantation companies created "first aid" posts where deemed necessary.

5.6 Medical check-up

The company is responsible for ensuring each employee's medical fitness for the job.

A medical check-up is meant to guarantee the employee's fitness for work upon employment and periodically (while he is employed).

Inform about job-related risks

This also offers the opportunity to inform the employee about medical job-related risks. The employee is also informed about the planned medical supervision.

In certain cases, additional medical check-ups are necessary, for example for workers exposed to specific risks (physical or chemical) or for handicapped workers, and pregnant or breastfeeding women.

5.7 Accident rate

Socfin harmonized the definition "accident" on all estates and uses from now on the most stringent international standards (OHSA of the USA). An accident is defined as an injury or bodily harm that results from an incident at the workplace. The plantation companies record all injuries that need treatment beyond first aid. Consequently, a minor accident such as an insect bite, sprain, heat stroke or a major accident, such as a fatality or

snakebite, is recorded in the same way. Also included are accidents on the way to and from work.

The Socfin Group companies achieved an average accident rate of 14.53 injuries/200 000 working hours (or 100 employees) in 2017, compared to 13.26 injuries in 2016, or an increase of 9.58%.

However, this accident rate is not representative for the Group's safety performance; the recent increase in rates can be explained by a better minor accident recording. Rates need to be compared by plantation company

in order to identify progress made over time and in a comparable socio-economic environment. Accident rates are generally higher on new projects, as employees lack experience. The increase in training and sensitization has an unexpected secondary effect: a simultaneous rise in accident reporting.

This is because workers no longer consider an accident as minor. They go for treatment at the dispensary and the accident is finally registered. A rise in certain rates is thus normal and does not represent a failure in prevention policy but rather a rise in awareness. There is another secondary effect:

increased knowledge of accidents and better-adapted training and sensitization.

The slight increase in recorded accidents is accompanied by a decrease in the number of lost days per 100 employees, which is an indication of an overall decrease in accident severity at Group level.

Evolution of working accidents

	Accident rate per 100 employees		Lost days per 100 employees		Fatalities
	2016	2017	2016	2017	
Estates					2017
SAC	10.26	9.48	24.79	29.10	0
SRC	0.37	5.81	0.00	7.41	0
LAC	46.17	33.14	351.83	132.56	0
SoGB	17.07	11.87	114.46	43.33	1
SCC	7.17	2.59	22.75	104.48	0
PSG	26.31	43.37	56.81	48.50	1
Okomu	3.39	2.58	71.08	8.48	1
Safacam	10.93	6.52	53.24	93.99	0
Socapalm	21.18	11.15	61.17	53.05	0
Brabanta	7.02	28.60	1.87	82.72	0
Agripalma	20.95	21.30	65.95	65.84	0
Cambodge	0.93	11.51	84.69	8.25	0
Socfindo	0.57	1.02	12.58	83.83	0
SOCFIN	13.26	14.53	69.71	58.58	3

5.8 Safety of people in the supply chain

In compliance with policy commitments, plantation companies also provide training and sensitization on occupational health and safety at the workplace for subcontractors, enabling each plantation company to monitor the subcontractors' accident rates.

Training of subcontractors in OHS

The new "code for suppliers" also foresees various obligations regarding OHS and obliges all suppliers to submit to regular audits of their operations by the plantation company's "compliance officers".



6.1 Natural waterfall, SoGB, Côte d'Ivoire

Management of natural resources | 6

6.1 Environmental management system

In a business that is closely linked to the natural environment, the Socfin Group has concentrated, since the creation of the sustainability department, on obtaining ISO 14001 certification for its operations' environmental management systems.

Therefore, management of the environment, biodiversity, energy, water, emissions, effluents and waste are comparable on all Group plantation companies and are in line with the commitments described in the responsible management policy.

This approach guarantees, on the one hand, compliance with all relevant environmental regulations and commitments made, and on the other hand, continuous performance improvement.

In this regard, **over € 1.6 million was allocated in 2017.**

Estates	RSPO	ISO 9001	ISO 14001	OHSAS 18001 / SMK3	Organic farming	Global GAP
SAC	🔄 2020	🔄 2018	✓			
LAC		✓				
SRC			✓			
SoGB	🔄 2020	✓	✓			
SCC		✓	✓			
PSG	🔄 2020					
Okomu	🔄 2018	✓	✓	✓		
Safacam	🔄 2020	✓	🔄 2019			
Socapalm	🔄 2020		✓			
Brabanta	🔄 2020		🔄			
Agripalma	🔄 2020				✓	🔄 2018
Socfindo	✓	✓	✓	✓		
Socfin Cambodia						
Sustainability and communication departments		🔄 2018				
Sogescol		✓				

🔄 In progress - Estimated certification date ✓ Obtained

6.2 Status of certifications in progress

The majority of African operations have now obtained ISO 14001 certification.

This certification was indispensable before starting RSPO certification.

In 2018, the Group will continue its efforts to achieve compliance of all palm operations with RSPO principles and criteria.

African operations in the process of obtaining RSPO certification

In 2017, Socfinco FR's sustainability and communication departments started the process of obtaining ISO 9001:2015 certification for their activities.

SAC plantation in Sierra Leone obtained ISO 14001:2004 certification in May 2017 after an audit performed in December 2016.

Safacam started the ISO 14001 certification process in 2014; the process was relaunched at the end of 2017 to obtain certification in 2019.

At Brabanta, in order to get a head start on the ISO 14001 certification process, the QHSE department worked hard this year to improve its environmental management system: implementation of a system to handle non-compliances, audits of the chemical storage facilities, etc.

Okomu will be the first African plantation to obtain RSPO certification in 2018. The "Gap analysis" conducted by ProForest in June 2015 and November 2017, showed compliance of respectively 48% and 90% with RSPO principles and criteria. The necessary measures were taken and the certification date is scheduled for 2018.



6.2 RSPO principles, Okomu, Nigeria

PSG and Agripalma, young plantations, have not started the ISO 14001 certification process, and will directly start RSPO certification, benefiting from the other plantation companies' experience.

For the plantation companies involved in both "palm" and "rubber", implementation of RSPO criteria will also make rubber operations more sustainable, in the absence of a sustainability benchmark that is approved by most tyre manufacturers.

Safacam recruited an RSPO coordinator in October 2017. She performs internal audits, drafts procedures and develops action plans, to comply with the RSPO standard.

All certifications are displayed on the Group website:
<http://www.socfin.com/en/sustainable-development/certifications>



6.3 Drip irrigation, Okomu, Nigeria

6.3 Policies

6.3.1 Water

Water is a valuable asset and the Group sees to minimizing water consumption, maintaining water purity and safeguarding water sources.

Water is used in the palm oil mills and the rubber factories, in the nurseries for irrigation and in the villages.

Irrigation needs in the nurseries are closely monitored and based on rainfall data; only the water millimetres needed



6.3.1 Drinking water, SAC, Sierra Leone

by the plants are applied. Drip irrigation is preferred as it is more efficient and reduces erosion risks.

Water consumption is equally monitored at factory level, where appropriate action is taken to further reduce water consumption.

Water use per ton of processed FFB or produced dry rubber is stable and in line with industry standards (between 1 and 2 m³/t of processed FFB).



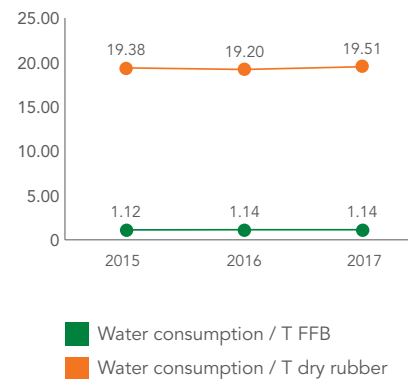
6.3.1 Lagoons

The manufacturing processes (steaming) offer only limited possibilities for water consumption reduction per ton of FFB.

Water consumption per ton of dry rubber is also stable and consistent with the target set: below 20 m³/t. Water is used for cleaning the cup lumps: a step which is required to meet the clients' quality standards.

Prevent water pollution

Evolution of average water consumption (m³/T)



Drinking water

The plantation companies provide drinking water for the estate villages through boreholes, wells and also protected springs. Adequate measures are taken to prevent groundwater pollution:

- Prevention of accidental chemical spills (fuel, fertilizers, pesticides) through adapted training on product handling and use of equipment against accidental spills;

- Construction of storage facilities in compliance with international standards, using impervious slabs and adapted containment, and more than 15m from a water point;
- Construction of latrines more than 15m from a water point.

Water quality is regularly tested following WHO parameters (World Health Organisation) and local regulations. Samples are analysed in registered laboratories.

Surface water

A strategy for riparian buffer zone management, in line with RSPO criteria, has been discussed in a student's thesis (Belgium). The strategy is under implementation at Kienké in Cameroon and all other estates will benefit from project feedback.

Surface water is periodically analysed, every 2 to 3 years, in order to assess the impact of riparian zone management, all things being equal.

Moreover, cover crops are systematically sown to reduce:

- Use of nitrogenous fertilizers, which can cause eutrophication;
- Soil erosion;
- Agrochemical leakage.

All palm oil mills and rubber factories have water treatment facilities

(anaerobic and aerobic effluent ponds).

These systems ensure that no water from a mill or factory can be discharged directly without treatment.

The discharge water from the ponds is regularly monitored to ensure that the biochemical oxygen demand (BOD) and chemical oxygen demand (COD) values are within permitted levels (local regulations or IFC and/or RSPO standards, whichever applies).

In case standards are exceeded, an internal audit is performed to identify the cause. Installation of a mechanical aerator is often sufficient to solve the problem.



6.3.1 Aerator, SoGB, Côte d'Ivoire

6.3.2 Soil protection

The soil is a planter's main capital.

Techniques to reduce erosion are systematically applied (and for decennia) and are thoroughly described in the Group's manuals:

- Use of cover crops;
- Contour planting and windrowing;
- Structure improvement (compost);
- Specific systems to reduce water velocity in the discharge channels, etc.

Maintenance and improvement of soil fertility are ensured by reasonable fertilisation mainly applying organic fertilizers, by-products from the factory. Block fertility is strictly monitored by the Group's soil science laboratory.



6.3.3 Waste management center, Socfin Cambodia, Cambodia



6.3.3 Separate waste collection, SAC, Sierra Leone



6.3.3 Empty fruit bunches – organic fertilizers, Socapalm, Cameroon

Separate waste collection

Organic fertilizer application

6.3.3 Waste management

Each plantation company follows the Group procedure on waste management.

All waste management procedures must be developed in relation to the hierarchy below, giving priority to the higher levels:

	Prevention	8
	Reuse	7
Recovery	Material or organic recycling (composting)	6
	Energy or biomethanisation waste recovery	5
Disposal	Incineration without energy recovery (for sanitary purposes)	4
	Engineered landfill or lagoon	3
	Non-engineered landfill, discharge in aquatic environment, biodegradation in the ground	2
	Concentration (collection in a bin or on a pile)	1

Collection, transport, recovery and disposal of both industrial and household waste are continuously monitored in accordance with the environmental management system.

For waste collection and handling, HSE guidelines are followed to ensure that Personal Protective Equipment (PPE) is used and that waste is stored in an appropriate manner.

Solid biodegradable waste is mainly reused on the estates:

- **Empty fruit bunches are used as organic fertilizer;** applied on the soil or mixed with effluents to make compost (composting center at Socfindo);
- **Fibres and shells are used as biofuel** for the boilers of the palm oil mills;

- **Rubber wood from a wind throw,** or from logging operations before replanting, are used as fuel for the rubber factory dryers;
- When replanting, **old palm tree trunks and roots are left in windrows** to decompose. In this way, nutrients enter the soil, contributing to soil fertility and limiting agrochemical use.

Concerning hazardous waste, the QHSE officers organize the chemical product stores following the First Expired-First Out (FEFO) principle, in order to prevent as much as possible the accumulation of expired products. Registered companies collect hazardous waste such as used oil, oil filters or used batteries.

In addition to respecting waste procedures and installing waste bins, the plantation companies also focus on raising awareness about household waste management in the communities.



6.3.4 Protected area, SoGB, Côte d'Ivoire



6.3.4 Donation of a well to the Sanctuary Rangers, Socfin Cambodia, Cambodia

As at most estates, Brabanta put in place a separate waste collection system and informed its employees during an "HSE toolbox meeting".

It consists of 5 waste bins in different colours. This system permits waste recycling and re-use.

Eventually, separate waste collection will allow for composting and energy recovery by burning waste wood.

These actions are also supported by some of the Group's tyre manufacturing clients, who reduce their packing requirements (Bridgestone, Michelin) and contribute to prevention. The Group raises awareness with other tyre manufacturers on these alternatives.

6.3.4 Protection and enhancement of biodiversity

As mentioned previously, most Group plantations are old existing or abandoned industrial plantations, grasslands or previously developed agricultural areas.

In accordance with the results of the environmental impact assessments, certain areas are preserved.

Moreover, the Group applies the HCS approach: no new development on primary or secondary forest, peatlands, HCV areas, riparian areas, protected areas or critical habitats.

Riparian zones and wetlands are potential animal and plant biodiversity areas; they are either protected or restored, as they have been destroyed by the local population or the plantation company.

The riparian zones' management and rehabilitation strategy is in line with RSPO criteria (see above), and under implementation at Kienké in Cameroon. Biodiversity monitoring is scheduled at regular intervals (a priori, once a year), and performed by a group of experts or a local university.

"Integrated Pest Management" procedures also include actions related to biodiversity protection (habitats for certain insects, or birds of prey, see below).

Various endemic, rare, vulnerable or endangered species are present in and around Group concessions.

Within its concessions, plantation companies monitor and prevent all illegal hunting (bush meat), fishing, logging or cutting, in respect of local legislation.

However, in biodiversity areas (national parks, classified forests or other) adjacent to the concessions (Sao Tomé, Nigeria, Ghana), the plantation company can only monitor passage between the concession and the biodiversity area, with the authorisation of local authorities. Of course, all workers, subcontractors, suppliers and local community members are informed and educated about these rules.

Action is nonetheless taken to improve the material resources of the authorities in charge of protecting these areas.

The NGO ZSL has worked together with Safacam on the reforestation of the Lake Ossa banks. In 2017, a total of 1 000 trees were planted. The reforestation will continue in 2018.

To preserve the natural ecosystems, Socfin Cambodia strengthened its collaboration with NGO's. Socfin Cambodia was also approached by the Phnom Nam Lear Wildlife Sanctuary Direction to support its activities on the ground. In December 2017, the plantation company donated a well to

the rangers based in the Sanctuary to improve their living conditions.

SoGB inventorizes the residual forest blocks to study the possibility of integrating them into the existing protected areas.

Its collaboration with the National Floral Center of the Houphouët-Boigny University has strengthened since 2015 and there is talk of bringing these protected areas under the status of Voluntary Natural Reserve.

6.3.5 Air emissions and ambient air

When air emissions are concerned, the Group commits to implementing best management practices to prevent and reduce greenhouse gas emissions (GHG).

The Group has started to assess the "carbon" impacts of its palm operations (using the PalmGHG calculator) in Indonesia and Nigeria, as part of its RSPO obligations; and plans to do the same for its rubber operations in collaboration with Michelin in 2018.

The results of the annual calculations with the PalmGHG tool are available on the RSPO website.

The objective is reducing direct and indirect greenhouse gas emissions, in

particular linked to energy consumption (transport, generating sets, factories), by rational choice and use of fuel and technologies respecting the environment and by excluding the use of fire for land preparation in new developments.

All plantation companies, under supervision of the industrial department, ensure monitoring and steady consumption reduction: rational energy use, technical maintenance, use of machines with low energy consumption, alternative and renewable energy sources, etc.

Emissions from the chimneys are regularly measured, in compliance with local laws, and in absence thereof, with IFC guidelines.

The Group also actively seeks alternatives for the almost inevitable burning of old rubber plantations for replanting, as mentioned in chapter 2.5.

Air emissions in mg/m ³ (2017)		
Estates	S02	NOx
SCC	0.84	6.09
Okomu	< 100	<10
Safacam	0.00	118.06

Rational energy use

Since the end of 2016, SoGB has been developing a technical itinerary on rubber replanting without burning the logging remains, thanks to trials conducted both internally and as part of the SAPH/Michelin/Cirad consortium.

Net emissions in CO₂ equivalent (CO₂e) are calculated for each estate's agricultural and industrial activities.

Gross emissions depend thus on:

- Concession surface;
- Quality of converted vegetation;
- Fossil fuel consumption;
- Fertilizer application;
- Transport; etc.

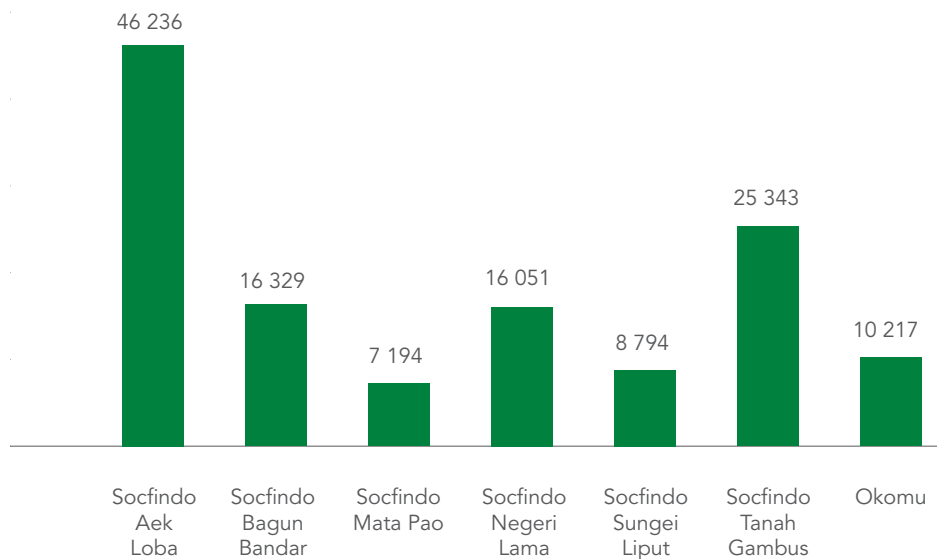
The quantities absorbed by the plantations (carbon sinks) are subsequently deducted from the emissions to obtain the net emissions.

Results are specific to each estate and differences are generally explained by the surface area of each plantation: a large plantation emits more than a small one. Any comparison between the estates' environmental management is irrelevant.

Ambient air

Besides the efforts linked to air emission reduction, measures are taken to improve the ambient air quality by minimizing dust generation or solvent fumes: limit the speed in the estate (speed bumps), spray water on the roads during the dry season, buffer zones between the villages and the roads, hoods to suck solvent fumes, etc.

Net emissions (T CO₂e)



In 2017, certain plantation companies (SAC) started monitoring the efficiency of the implemented measures, more particularly by analysis of the PM10 and PM 2.5 particles.



6.3.5 Replanting of a rubber block, SoGB, Côte d'Ivoire



6.3.6 Birdhouse, Brabanta, DR Congo



6.3.6 Input materials

In line with its commitments, the Group is continuously striving to reduce its chemical and inorganic fertilizer application.

Optimal use of organic fertilizers from the factory limits the need for chemicals: 429 587 tons of organic fertilizers applied in 2017, or an increase of 8.60% compared to 2016.

Socfin succeeds in reducing the use of phytosanitary products thanks to its "Integrated Pest Management" procedures. The objective is to keep pests below a harmful level rather than systematically eradicate pests, and to create, improve and safeguard the habitats of their natural enemies (such as birdhouses and perches for birds of prey, so they can rest and easily fly around in search of rodents).

By reducing chemical use to a strict minimum, the exposure risk for workers and the number of occupational injuries and illnesses are reduced.

Small quantities of chemicals classified 1B by the WHO are still applied in the oil palm plantations.

The people in charge are actively searching for more adequate and less harmful alternatives for these products.

In 2015, the use of Aldicarb (class 1A) was definitely stopped. In 2017, it was Paraquat's turn.

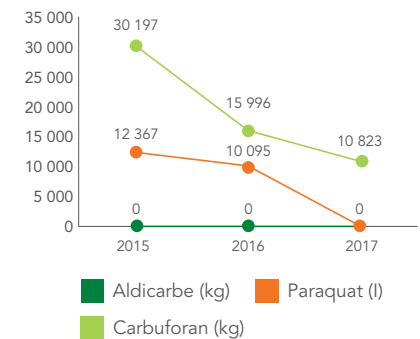
As per its commitments, the Group reduced Carbofuran use (class 1B) by 32.34 % compared to 2016.

Exceptionally, Carbofuran was used at Brabanta to combat the insect causing palm bud rot, threatening a large part of the plantation. All precautions were taken to protect workers' safety (appropriate training and protection equipment). They are actively seeking an alternative for this insecticide, classed 1B.

Also at Brabanta, cover crop trials are on going, to produce organic material and minimize fertilizer use (Leucaena et Flemingia).

Minimal use of chemicals

Evolution of specific hazardous products' use



6.3.7 Energy

A reduction in energy consumption goes hand in hand with a reduction in greenhouse gas (GHG) emissions, and consequently in production costs.

Preventive maintenance of equipment and installations ensures better functionality and minimal energy consumption. All fuel, combustibles and electricity consumption is checked and monitored so as to reduce use.

The palm oil mills and rubber factories are almost entirely self-sufficient in energy:

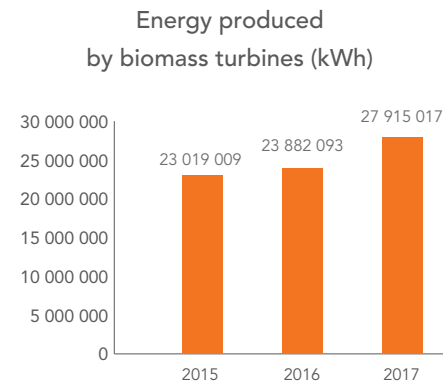
- Palm oil mills: fibres, EFB, kernel shells, by-products from processing fuel the boilers. In this way, the turbines produce energy for the factories, offices, hospitals and villages.

Consequently, in 2017, 27 915 017 kWh was produced by the steam turbines fuelled by biomass, compared to 23 882 093 kWh in 2016, or an increase of 16.89%. This production equals 89% of energy used in the mills in Africa and 84% in Asia.

- Rubber factories: rubber wood from block replanting is used to feed the rubber dryers.

In 2017, LAC's biomass plant saved about 476 490 L of diesel.

Safacam's plant, on the other hand, saved about 182 805 L of diesel in 2017.



More than 2 million of liters of diesel saved

LAC's hydropower plant is operational since June 2016. The hydropower plant produced 1 939 406 kWh of electricity in 2016 and 4 713 149 kWh in 2017 (+143%), guaranteeing a stable supply, 24h/24. 1 413 945 L of diesel was saved in 2017.

The carbon credits linked to this hydropower project are certified and put on the market in compliance with the VCS standard (Verified Carbon Standard). They are expected to bring in 3 600 tons of credits.

6.4 High Conservation Value Studies and High Carbon Stock Approach (HCV-HCSA)

The Group strictly applies the HCS approach: no new development on primary and secondary forests, peatlands, high conservation value areas, riparian areas, protected areas, critical habitats.

The first HCS study is currently on going in Ghana, with TFT's support. This study aims at identifying and protecting the forests within and around the concession and determining potential development areas. An HCV study was already conducted, in line with the HCS approach but also in compliance with RSPO's new planting procedure.



6.6 Phytosanitary training, Socfin Cambodia, Cambodia

Safacam will also conduct an HCS study in 2018, within the context of a new rubber development.

As part of the RSPO certification of its operations, HCV studies are to be conducted on all existing estates. Okomu already completed theirs in 2017. In 2018, the Group will proceed with the HCV studies of the other estates.

All HCV studies are and will be published on the Group's transparency dashboard.

6.5 Environmental non-compliances

Management of environmental non-compliances and systematic reporting of environmental accidents is required following the ISO 14001 standard; these data are locally available.

6.6 Training

All new employees receive an HSE induction and follow training adapted to their professional activities and environmental impacts.

After analysis of the estate's environmental performance, specific training needs are assessed and addressed.



7 Socfindo, Indonesia

Perennial cultures for long-term
development

Contribution to local development | 7

Socfin's long-term success is dependent on strong partnerships and collaborations with the communities in and around the estates.

Rubber and oil palm cultivation are an effective way to stimulate long-term local development.

In Cameroon, the dialogue platforms between the plantations, local communities and authorities met in May and December 2017. They aim at strengthening relations and ensuring a strict follow-up of the decisions taken.

7.1 Local partners

7.1.1 Subcontractors

To encourage local entrepreneurship, the plantation companies call as much as possible upon local SME and VSB. Although the plantation companies favour direct employment, they also offer opportunities to local subcontractors to stimulate entrepreneurship (Liberia, Nigeria and Cameroon).

As part of its CSR, Okomu collaborates with local SME; for example, during the Extension 2 development, 80% of subcontractors came from the surrounding communities.

Following the Group's commitments in its quality and responsible management policies, all subcontractors and suppliers have to adhere to the same rules as the plantation companies (specified in their subcontracting agreements). Their management systems will be regularly audited to ensure their activities are consistent with the Group's social and environmental objectives.

Since 2016, SoGB has introduced a permit to work form. It is mandatory for every subcontractor.

From 2018, all subcontractors will have to sign the "code for suppliers" and accept in writing to submit to the audits performed by the "compliance officers". Audit results will be published in the annual reports.

7.1.2 Smallholders

The plantation companies maintain close relations, specific to each region, with rubber and oil palm smallholders.

The plantation companies source from independent smallholders. Some have implemented, at their own initiative or within the context of government smallholder programs, technical assistance projects aimed at:

- Providing good quality seedlings;
- Improving agricultural practices through training and supervision;
- Ensuring purchase of their crop at market price.

SCC's rubber factory has partnered with 6 500 smallholders. In August 2017, SCC prefinanced collection trucks for the best smallholder groups, providing over € 170 000.

SRC supports 60 smallholders by supplying them with fertilizer, seedlings, etc. In 2017, 40 000 plants were supplied to those planters and 30 000 to a smallholder project financed by the World Bank.

Brabanta buys palm fruits (1 083 T in 2017) from villages around the concession to encourage the smallholders and ensure financial flows to the neighbouring communities. Currently, only fruits harvested from existing oil palms (old palm groves or wild palms) are supplied to Brabanta. No smallholder plantation was recently developed.



7.1.2 Tapping school, Socfin Cambodia, Cambodia

Group supply chain traceability

Estates	FFB		Natural rubber	
	Smallholders	Retailers	Smallholders	Retailers
SAC	0	0	NR	NR
LAC	NR	NR	563	0
SoGB	6	11	3 750	42
SCC	NR	NR	194	15
Safacam	5	0	5	0
Socapalm	724	1	NR	NR
Okomu	0	0	0	21
Socfindo	0	0	0	0
Total	735	12	4 512	78

The Group ensures that all identified smallholder operations are in compliance with its responsible management policy and requirements.

7.1.3 Stakeholder engagement plan

The Socfin Group is not only concerned about its own workers and families, but also engages with local communities. The new responsible management policy governs relations with local communities.

To further increase the impact and success of its social projects, the Socfin Group collaborates as much as possible with local and national governments, as well as non-governmental organisations.

These “win-win” partnerships harness synergies between different competences for a common development goal.

Each plantation has developed its own “stakeholder plan” and subsequent “community engagement plan” in recent years, to ensure the efficiency and relevance of local community projects. These plans are detailed and updated progressively as the dialogues structures in place validate the communities’ needs.

7.2 Community development plans

All Group companies set up community projects on a regular basis. The projects primarily focus on 4 domains: health, education, local development and environmental protection.

Stakeholder engagement plan € 2 million for community projects

7.3 Good neighbourly relations with local communities

Legal, community and customary rights on the land and its resources are not always clearly documented in the regions where the estates are located, and despite all precautionary measures, There are sometimes unaffordable grievances about particular pieces of land.

When land disputes or any other grievances occur, the Group facilitates a transparent and open dialogue with the stakeholders involved, at local, national or international level, if necessary. All grievances are registered and documented, and the utmost is done to settle all grievances in a timely and amicable manner.

Socapalm, in partnership with TFT and the relevant local ministry, identifies the blocks Socapalm returned to the Government of Cameroon, the landowner.

When the Group pursues the expansion of certain operations, it ensures local communities give their Free Prior and Informed Consent (FPIC). Socfin does not force any person or community to give up their land.

The Group does not start any new development unless the process of FPIC is finalized (or in case of a non-resolved conflict for particular areas, it ensures that an appropriate conflict resolution process is started and approved independently by all stakeholders).

Quarterly meetings are organized between Okomu and the communities to ensure good communication.

Okomu also supports the surrounding communities. Each year, about € 560 000 is allocated to them. 29 communities surround Okomu's plantations, and in full cooperation Okomu selects projects on the basis of the communities' propositions: construction of public buildings, drilling of water wells, purchase of generating sets, road renovations, scholarships, etc.

Simultaneously, several projects are carried out with and for the communities. In 2017, more than € 2 million was spent.

7.3.1 Community access to health and education

Mainly located in isolated areas, the estates' surrounding communities generally have very basic public infrastructure.

Therefore, **in certain countries, depending on the region's level of isolation, our health services also provide medical care, both curative and preventive, at an affordable price, to the local population living in the vicinity of the estate** (not employees).

SoGB and AVD (association of displaced villages) signed a memorandum of association that includes the allocation of an annual budget to realize projects of common interest within the local villages. The budget allocated to each village depends on the land area that each village gave away to the Government of Côte d'Ivoire, when SoGB's concession was created in 1969. Schools and health centers are constructed within the local villages to ensure children have access to education and the villages' local population can freely access SoGB's health centers.

In collaboration with local communities and authorities, regular support is provided to public services: € 99 000 was spent on local schools in 2017.

Socfin Cambodia, in collaboration with the communities, identified the projects to be carried out, including the total renovation of the Chruos Secondary School in Bousra (\$ 19 811); 269 adolescents will enjoy this refurbished school from January 2018.

7.3.2 Energy and water supply

Improvement of public services is a frequently raised issue, which requires the involvement of local authorities, energy carriers and suppliers. The distance from certain villages to the main urban centers deprives many communities from public services.

To bridge this gap, the Group supports their requests to be connected to either government or private electricity grids and in certain cases finances the connection of these isolated communities: **€ 200 000 was spent on water, electricity and telecommunication connection over the past year.**

In 2017, SAC spent over \$ 24 000 on water provision for the local villages.

Socfin Cambodia donated 4 boreholes. Okomu donated 8 new boreholes to the communities.

7.3.3 Road access and maintenance

All plantation companies build, maintain and repair roads and bridges, even outside their concessions; these roads are indispensable to enable easy access to market places, schools, workplaces, villages, hospitals and neighbouring communities.

In isolated regions, getting around can be difficult: public transport is non-existent and roads are rarely maintained.

In so far as possible, **the plantation companies provide logistic support to maintain the national road network in a good condition so that free movement of persons and goods is facilitated in these isolated regions and communities.** A budget of € 325 000 was spent in 2017.

In 2017, SAC allocated a budget of \$ 65 000 to road maintenance.

Socfin Cambodia constructed 17 km of roads and 7 bridges in 2017.

SoGB created a bypass, following the collapse of the bridge at the exit of San Pedro (about € 27 000) and ensured maintenance of the roads of more than 9 local villages.

7.4 Partner in local development projects

Certain plantation companies double their efforts by offering the local youth the opportunity to work and/or benefit from training.

Socapalm and Safacam entered into a partnership with IECD in 2013. Their common goal is facilitating local socio-economic development through the construction of agricultural family schools (AFSs), aimed at training local youngsters in occupations and rural entrepreneurship: agricultural production, small livestock, craftsmanship, manufacturing, etc.

Since 1992, IECD is working towards improving the professional integration of Cameroon's rural youngsters, based on the concept of AFSs.

The AFSs of Kienké and Dizangué opened in 2014 under a dual learning model (15 days at school and 15 days at an agricultural project). In June 2017, the first agricultural entrepreneurs graduated from the AFSs. In cooperation with AMMCO (African Marine Mammal Conservation Organisation), courses were given at Safacam's schools to improve the knowledge of the endangered species living in Lake Ossa.



7.4 Agricultural family schools, Safacam, Cameroon

Respect for indigenous communities

SoGB gave € 12 000 of financial support to the SoGB women's union for vegetable production projects to promote local products and make them available at affordable prices.

7.5 Protection of indigenous populations

Two indigenous population groups live in the vicinity of the Group's operations:

- The Bagyéli pygmies, close to Kienké (Socapalm)
- The Phnongs in Cambodia

These population groups participate in dialogue platforms set up to structure community relations. Their unique identity is recognized and a special position is attributed to them.

Socfin is committed, in its responsible management policy, to respect the rights of indigenous communities by complying with the articles in the United Nations' Declaration on the rights of indigenous population groups.

In Cambodia, the Office of the United Nations High Commissioner for Human Rights supports the activities towards the Phnongs and regularly monitors the suitability of actions taken.

The Phnong indigenous population

97.6% of Cambodia's population is Khmer. The balance consists of various indigenous groups, of which the Phnongs are primarily present in the Mondulkiri province.

Their culture is rich in myths, music, tales and traditions linked to nature, and is orally transmitted. The Phnongs traditionally live in close connection with their natural environment for food collection and other non-food products. They rely on slash and burn agriculture.

The main threat to their culture is probably the dominant position of the Khmer culture, which can eventually lead to complete acculturation.

Population of the Bousra community – Mondulkiri Province.

Mondulkiri is the largest and least populated province of Cambodia. The Bousra community, where the Group is present, counts seven traditional Phnong villages (1 500 families).

However, it is not easy to obtain official data on the number of Phnong families within this population.

Socfin KCD and Coviphama wish to play a crucial role in the protection and promotion of Phnong culture as well as in the improvement of dialogue between the community and the various local stakeholders.

Since the beginning of Group activities in Cambodia and to facilitate dialogue and guarantee the survival of their traditions, a Phnong administration (4) was put in place.

The Phnongs' traditional livelihoods are their sacred forests and cemeteries. These areas are widespread within the concessions and several measures were taken to identify and preserve these places of high cultural value (cooperation between the company's Phnong administration and local representatives). Currently, the plantation protects more than 300 hectares of sacred places.





8 Oil palm plantation, Agripalma, Sao Tomé

Internal and external communication | 8

8.1 Strengthening internal communication

The multi-estate situation of certain plantation companies requires adapted communication tools to inform each employee about the activities and current events of his/her plantation company. Socapalm, for example, introduced a text message system for its employees, in order to improve internal communication. Socapalm also uses this system to send good wishes or birthday wishes to its team members.

Moreover, several plantation companies put in place a newsletter or internal bulletin: SAC, Okomu, Socapalm, Brabantia, etc.

8.2 Strengthening external communication

In 2017, at Group and subsidiary level, particular attention was given to communication.

As planned, the Group launched its new website in March 2017, followed by the online publication of the transparency dashboard in partnership with TFT:

- www.socfin.com
- www.tftmemberdashboard.com/socfin/

The stakeholders are very positive about both tools and support the Group's commitment to transparency as defined in its responsible management policy.

The Group appeared a few times in European and African media in 2017. Please visit the website's news page for more information:

- www.socfin.com/fr/news/

Certain plantation companies also made their debut online:

- SoGB and SCC launched a joint website: www.sogbci.com
- Okomu et Socapalm modernized their websites:
 - www.okomunigeria.com
 - www.socapalm.org

And finally, social media networks also caught the Group's and its subsidiaries' attention; Group subsidiary projects and events are published daily:

- Facebook :
 - [@SOCFINSierraLeone](https://www.facebook.com/SOCFINSierraLeone)
 - [@SOCFINCambodia](https://www.facebook.com/SOCFINCambodia)
 - [@socapalm](https://www.facebook.com/socapalm)
 - [@okomuoil](https://www.facebook.com/okomuoil)
- www.linkedin.com/company/socfingroup/





Key figures

Key figures | 9

	Unit	Targets	SAC	SRC	LAC	SoGB	SCC	PSG	Okomu	Safacam	Socapalm	SPFS	Camseeds	Brabanta	Agripalma	Socfin KCD	Coviphama	Socindo	TOTAL
Financial data (expenditures)																			
General infrastructure	EUR		669 002	126 245	1 654 092	3 422 965	43 391	390 688	1 853 974	824 120	3 704 875	N/R	N/R	356 358	11 039	1 303 675	748 998	1 300 880	16 410 303
Health	EUR		41 557	149 334	674 784	1 146 202	29 746	133 925	219 386	480 658	893 423	N/R	N/R	188 753	741	84 146	10 331	1 190 145	5 243 130
Education	EUR		33 026	214 505	471 217	216 478	0	10 610	115 043	42 401	612 642	N/R	N/R	19 454	4 200	23 388	2 142	87 984	1 853 091
Environment	EUR		267 101	21 106	37 338	155 955	19 599	70 962	170 524	98 668	291 814	N/R	N/R	19 514	13 994	4 964	17 823	391 862	1 581 223
Occupational health and safety	EUR		87 893	0	56 539	325 168	20 953	61 610	63 789	46 983	134 100	N/R	N/R	76 604	63 673	1 761	346	114 117	1 053 536
Trainings	EUR		9 439	0	42 896	200 838	14 397	5 079	67 536	32 604	21 928	N/R	N/R	0	0	839	0	8 492	404 048
Framework	EUR		133 056	0	55 245	94 044	38 092	148 594	805 060	17 734	35 831	N/R	N/R	13 757	18 338	54 427	865	40 861	1 455 904
Dontations	EUR		47 866	42 727	40 707	288 737	21 025	20 957	50 185	3 951	0	N/R	N/R	2 495	5 558	0	249	107 282	631 739
Other specific projects	EUR		0	0	13 858	54 044	0	0	0	0	5 336	N/R	N/R	0	0	0	0	0	73 237
Total	EUR		1 288 942	553 918	3 046 676	5 904 429	187 204	842 425	3 345 498	1 547 120	5 699 949	N/R	N/R	676 935	117 543	1 473 200	780 754	3 241 621	28 706 212
Loans	EUR		6 366	25 445	0	1 853 831	258 322	55 745	483 498	157 703	1 814 164	N/R	N/R	65 749	1 263	0	0	0	4 722 086
Workforce																			
Permanent employees	Nb		1 178	352	2 269	5 750	262	579	510	2 248	2 155	28	61	2 532	129	496	146	10 391	29 086
of which are female	Nb		309	44	264	863	33	120	174	566	380	3	32	552	14	163	49	1 453	5 019
Daily workers	Nb		2 042	683	0	2 659	0	1 367	0	0	0	0	0	208	520	0	0	0	7 479
Temporary employees	Nb		250	0	0	0	0	0	918	337	1 278	0	79	0	0	0	0	0	2 862
Contractors	Nb		113	346	2 187	71	0	0	1 714	471	0	0	0	0	0	0	0	1 253	6 155
Other: trainees, etc.	Nb		0	0	0	0	0	0	309	70	1 702	0	0	1 501	0	0	0	0	3 582
Total workforce	Nb		3 583	1 381	4 456	8 480	262	1 946	3 451	3 126	5 135	28	140	4 241	649	496	146	11 644	49 164
Staff turnover rate	%		2.92%	3.65%	5.63%	15.35%	6.92%	8.88%	3.28%	13.58%	3.77%	0.00%	3.77%	18.49%	1.61%	92.86%	49.68%	4.07%	14.65%
Employees eligible for maternity leave	Nb		309	44	264	863	33	120	172	566	380	3	25	76	14	N/A	N/A	318	3 187
Employees on maternity leave	Nb		6	1	7	51	4	8	1	38	30	0	0	76	N/A	5	2	182	411
Employees supposed to return to work (W)	Nb		6	1	7	51	4	6	1	38	30	0	0	84	N/A	5	2	251	486
Employees who have returned to work (W)	Nb		6	1	7	40	4	6	1	38	30	0	0	76	N/A	4	2	251	466
Maternity leave return to work rate	%		100%	100%	100%	78%	100%	100%	100%	100%	100%	N/A	N/A	90%	N/A	100%	80%	100%	96%
Employees eligible for paternity leave	Nb		N/A	N/A	N/A	4 887	229	N/A	0	1 682	1 775	25	29	74	N/A	0	0	0	8 701
Employees on paternity leave	Nb		N/A	N/A	N/A	N/A	8	N/A	0	45	37	0	3	74	N/A	0	0	0	167
Employees supposed to return to work (M)	Nb		N/A	N/A	N/A	N/A	8	N/A	0	45	37	0	3	76	N/A	0	0	0	169

	Unit	Targets	SAC	SRC	LAC	SoGB	SCC	PSG	Okomu	Safacam	Socapalm	SPFS	Camseeds	Brabanta	Agripalma	Socfin KCD	Coviphama	Socfindo	TOTAL
Employees who have returned to work (M)	Nb		N/A	N/A	N/A	N/A	8	N/A	0	45	37	0	3	74	N/A	0	0	0	167
Paternity leave return to work rate	%		N/A	N/A	N/A	N/A	100%	N/A	N/A	100%	100%	N/A	100%	97%	N/A	N/A	N/A	N/A	99%
Concessions and planted area																			
Concession size	hectares		18 473	8 000	121 407	34 712	N/R	18 249	33 113	15 529	58 063	N/R	N/R	29 538	4 917	6 659	5 345	49 340	403 345
Oil palm planted area	hectares		12 349	N/R	N/R	7 471	N/R	5 582	17 245	5 345	32 733	N/R	N/R	6 170	2 100	N/R	N/R	39 194	128 188
Rubber planted area	hectares		N/R	4 577	13 192	15 811	N/R	953	7 335	4 264	1 758	N/R	N/R	N/R	N/R	3 897	3 300	8 797	63 884
General infrastructure																			
Palm oil mills	Nb		1	0	0	1	0	0	1	1	6	0	N/R	1	0	0	0	9	20
Rubber factories	Nb		0	0	1	1	1	0	1	1	0	0	N/R	0	0	0	0	2	7
Refineries	Nb		0	0	0	0	0	0	0	0	0	1	N/R	0	0	0	0	1	2
Palm kernel crushing plants	Nb		0	0	0	1	0	0	1	1	0	0	N/R	0	0	0	0	1	4
Production																			
Crude palm oil	Tons		10 000.61	N/R	N/R	36 472.16	N/R	N/R	36 699.00	14 498.75	118 840.00	N/R	N/R	13 065.30	N/R	N/R	N/R	196 811.00	432 471.00
Dry rubber	Tons		N/R	2 034	18 793.00	55 359.08	25 078.00	N/R	7 546.39	5 216.00	869	N/R	N/R	N/R	N/R	N/R	N/R	13 373.00	129 671.00
Seeds	Thousands		N/R	N/R	N/R	N/R	N/R	N/R	N/R	N/R	N/R	N/R	N/R	N/R	N/R	N/R	N/R	14 149.00	14 149.00
Health and Safety																			
Work-related fatalities	Nb		0	0	0	1	0	1	1	0	0	N/R	N/R	0	0	0	0	0	3
Work-related injuries	Nb		355	40	905	1 245	8	988	126	123	252	N/R	N/R	853	144	60	102	5 201	
Injury rate	Nb/100 employees		9.48	5.81	33.14	11.87	2.59	43.37	2.58	6.52	11.15	N/R	N/R	28.60	21.30	11.51	1.02	14.53	
Lost days	Nb		1 096	51	3 620	4 547	323	1 106	421	1 772	1 209	N/R	N/R	2 467	445	43	8 362	25 462	
Lost day rate	Nb/100 employees		29.10	7.41	132.56	43.33	104.48	48.50	8.48	93.99	53.05	N/R	N/R	82.72	65.84	8	83.83	59	
Training and sensitization	Nb		2 425	100	22	48	30	249	85	487	1 140	N/R	N/R	132	0	5	231	4 954	
Trained workers	Nb		37 200	147	51	403	252	863	9 150	4 822	1 123	N/R	N/R	2 681	0	56	9 875	66 623	
Consumption indicators																			
Factories																			
Fuel use per processed ton of FFB	L/T FFB		0.13	N/R	N/R	0.11	N/R	N/R	0.00	0.30	0.39	N/R	N/R	0.48	N/R	N/R	0.09	0.21	
Water use per processed ton of FFB	m³/T FFB	2.00	1.62	N/R	N/R	0.99	N/R	N/R	1.44	0.93	1.35	N/R	N/R	1.00	N/R	N/R	0.97	1.19	
Electricity use per processed ton of FFB	kWh/T FFB	17.00	18.50	N/R	N/R	21.21	N/R	N/R	18.40	11.40	17.82	N/R	N/R	13.70	N/R	N/R	15.86	16.70	
Fuel use per processed ton of dry rubber	L/T dry	35.00	N/R	N/R	13.10	40.00	38.62	N/R	35.20	0.00	N/R	N/R	N/R	N/R	N/R	N/R	39.93	27.81	

	Unit	Targets	SAC	SRC	LAC	SoGB	SCC	PSG	Okomu	Safacam	Socapalm	SPFS	Camseeds	Brabanta	Agripalma	Socfin KCD	Coviphama	Socfindo	TOTAL
Water consumption per processed ton of dry rubber	m³/T dry	20.00	N/R	N/R	23.20	23.40	19.50	N/R	19.80	17.70	N/R	N/R	N/R	N/R	N/R	N/R	N/R	19.51	20.52
Electricity use per processed ton of dry rubber	kWh/T dry	180.00	N/R	N/R	195.00	197.00	197.00	N/R	159.00	166.00	N/R	N/R	N/R	N/R	N/R	N/R	N/R	134.67	174.78
Workshops and garage																			
Average fuel consumption – light vehicles	L/100 km	12.50	12.25	10.95	12.85	11.46	10.87	13.09	15.20	12.00	11.72	N/R	N/R	17.86	12.79	12.13	11.80	11.80	12.69
Average fuel consumption – trucks	L/100 km	37.00	59.06	28.92	21.19	20.79	36.84	36.62	37.42	34.00	35.88	N/R	N/R	62.29	37.27	25.80	32.45	32.45	36.04
Average fuel consumption – tractors	L/h		3.36	4.64	N/A	4.49	7.945	4.56	3.46	3.40	3.04	N/R	N/R	3.79	4.30	4.45	3.23	3.23	4.22
Average fuel consumption – gensets	L/kWh	0.30	N/A	0.30	N/A	0.35	0.21	0.51	0.31	0.31	0.49	N/R	N/R	0.35	N/A	N/A	0.32	0.32	0.35
Renewable energy production																			
Steam turbines fed by biomass	kWh		590 295.00	N/R	N/R	2 920 785.00	N/R	N/R	3 390 415.00	668 293.00	8 296 346.10	N/R	N/R	N/R	N/R	N/R	N/R	12 048 882.83	27 915 016.93
Turbine power produced/ton FFB processed	kWh/T FFB		11.87	N/R	N/R	17.14	N/R	N/R	18.90	10.17	15.32	N/R	N/R	N/R	N/R	N/R	N/R	15.72	14.85
Turbine use POM	%		64%	N/R	N/R	81%	N/R	N/R	103%	89%	89%	N/R	N/R	N/R	N/R	N/R	N/R	84%	85%
Hydroelectricity	kWh		N/R	N/R	4 713 149	N/R	N/R	N/R	N/R	N/R	N/R	N/R	N/R	N/R	N/R	N/R	N/R	N/R	4 713 149
Diesel fuel saved by biomass plants	L		N/R	N/R	476 490	N/R	N/R	N/R	N/R	182 805	N/R	N/R	N/R	N/R	N/R	N/R	N/R	N/R	659 295
Quality indicators																			
Air emissions and ambient air																			
SO ₂	mg/m³		N/A	N/R	N/A	N/A	0.84	N/R	<100	0.00	N/A	N/A	N/R	N/A	N/R	N/R	N/R	N/A	-
NOx	mg/m³		N/A	N/R	N/A	N/A	6.09	N/R	<10	118.06	N/A	N/A	N/R	N/A	N/R	N/R	N/R	N/A	-
Dust	mg/m³		39.70	N/R	N/A	N/A	N/A	N/R	63.65	10.12	N/A	N/A	N/R	N/A	N/R	N/R	N/R	N/A	-
CO	ppm		N/A	N/R	N/A	N/A	5.58	N/R	1.00	566.42	N/A	N/A	N/R	N/A	N/R	N/R	N/R	N/A	-
Waste management: household and common industrial waste generation																			
Waste sold	Tons		N/A	12.00	N/A	322.13	16.94	N/A	156.76	44.06	162.54	N/R	N/R	N/A	N/A	N/A	N/A	N/A	714.43
Waste disposed of in a municipal landfill	Tons		0.00	6.00	N/A	0.00	0.00	N/A	N/A	N/A	N/A	N/R	N/R	N/A	N/A	N/A	N/A	N/A	6.00
Waste collected by a registered dealer	Tons		N/A	2.00	N/A	326.778	16.94	33 565.60	N/A	44.06	262.87	N/R	N/R	N/A	N/A	N/A	N/A	8.15	34 226.40
Waste disposed of in the company landfill	m³		N/A	N/A	N/A	3 654.50	208.61	N/A	314.93	288.00	N/A	N/R	N/R	N/A	N/A	N/A	N/A	1 321.00	5 787.04
Liquid waste disposed of in the lagoons	m³		N/A	N/A	N/A	132 486.00	490 976.00	N/A	292 027.31	70 235.00	543 280 32	N/R	N/R	45 511.89	N/A	N/A	N/A	792 524.93	1 823 761.13
Waste incinerated (without energy recovery)	Tons		N/A	N/A	N/A	0.00	15.70	271.30	0.00	1.00	0.55	N/R	N/R	N/A	N/A	31.20	N/A	N/A	319.75
Waste recovered (energy recovery)	Tons		N/A	N/A	N/A	28 013.69	0.00	N/A	29 155.67	N/A	N/A	N/R	N/R	3 944.36	N/A	N/A	N/A	N/A	61 113.72
Waste recovered (organic recycling/composting)	Tons		N/A	N/A	N/A	39 825.71	0.00	N/A	44 080.18	15 469.00	118 291.10	N/R	N/R	13 956.98	N/A	N/A	N/A	10 487.60	242 110.57

	Unit	Targets	SAC	SRC	LAC	SoGB	SCC	PSG	Okomu	Safacam	Socapalm	SPFS	Camseeds	Brabanta	Agripalma	Socfin KCD	Coviphama	Socfindo	TOTAL
Special industrial waste (SIW) generation																			
SIW collected by a registered dealer	Tons		0.00	N/A	N/A	24.98	N/A	N/A	N/A	9.16	127.07	N/R	N/R	N/A	N/A	N/A	N/A	N/A	161.21
Agricultural data																			
Toxic products used																			
Use of Carbofuran	Kg		0	0	0	750	N/R	0	2 090	0	225	N/R	N/R	7 983	0	N/R		0	11 048.00
Organic fertilizer used																			
Empty fruit bunches	Tons		671.00	N/R	N/R	15 312.50	N/R	N/A	39 286.16	15 496.00	118 291.10	N/R	N/R	13 956.98	0.00	N/R		168 411	371 424.74
PK fibers	Tons		N/A	N/R	N/R	24 432.50	N/R	N/A	4 804.31	N/A	0.00	N/R	N/R	3 944.36	0.00	N/R		N/A	33 181.17
Other solids	Tons		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0		24 981	24 981.00
Medical data																			
Hospital	Nb		N/R	0	1	1	N/R	0	0	0	0	N/R	N/R	1	N/R	0	0	0	3
Clinics	Nb		N/R	1	0	0	N/R	1	1	1	6	N/R	N/R	0	N/R	1	0	14	25
Health outposts	Nb		N/R	2	4	18	N/R	0	2	9	5	N/R	N/R	3	N/R	0	1	32	76
Ambulances	Nb		N/R	1	3	2	N/R	1	2	2	6	N/R	N/R	0	N/R	0	0	0	17
Doctors	Nb		N/R	0	2	1	N/R	0	1	1	5	N/R	N/R	1	N/R	1	0	19	31
Nurses	Nb		N/R	3	14	5	N/R	3	10	21	22	N/R	N/R	15	N/R	1	1	56	151
Midwives	Nb		N/R	4	5	1	N/R	0	2	0	1	N/R	N/R	2	N/R	0	0	18	33
Other staff	Nb		N/R	12	45	69	N/R	5	15	9	21	N/R	N/R	17	N/R	0	0	14	207
Consultations	Nb		N/R	8 757	49 450	104 431	N/R	9 304	32 130	27 045	41 108	N/R	N/R	9 259	N/R	4 544	1 520	73 897	361 445
Hospitalizations	Nb		N/R	1 240	1 184	1 882	N/R	52	1 043	1 122	424	N/R	N/R	1 793	N/R	125	32	2 145	11 042
Family planning	Nb		N/R	YES	YES	YES	N/R	NO	YES	YES	YES	N/R	N/R	YES	N/R	NO	NO	YES	
HIV treatment	Nb		N/R	YES	YES	YES	N/R	NO	NO	YES	YES	N/R	N/R	YES	N/R	NO	NO	NO	
Tuberculosis treatment	Nb		N/R	YES	YES	YES	N/R	NO	NO	YES	YES	N/R	N/R	YES	N/R	NO	NO	YES	
Educational data																			
Nursery schools	Nb		2	1	9	1	N/R	1	5	6	13	N/R	N/R	1	5	1		43	88
Primary schools	Nb		20	3	9	10	N/R	1	3	11	30	N/R	N/R	10	3	6		54	160
Secondary schools	Nb		2	2	3	0	N/R	1	0	4	6	N/R	N/R	5	2	1		20	46
Of which are plantation schools	Nb		0	6	21	0	N/R	0	3	0	3	N/R	N/R	2	0	1	1	22	60
Teachers	Nb		110	51	86	78	N/R	38	30	178	345	N/R	N/R	177	62	59		1 279	2 493

	Unit	Targets	SAC	SRC	LAC	SoGB	SCC	PSG	Okomu	Safacam	Socapalm	SPFS	Camseeds	Brabanta	Agripalma	Socfin KCD	Coviphama	Socfindo	TOTAL
Of which are supported by the plantations	Nb		10	51	86	3	N/R	0	14	35	62	N/R	N/R	0	3	0	0	13	277
Students	Nb		4 656	2 243	6 044	4 219	N/R	1 082	744	3 613	8 033	N/R	N/R	4 171	1 177	1 404		15 211	52 597
Average ratio students/teacher	Nb		47.37	44.01	75.97	53.92	N/R	28.32	21.24	29.44	25.49	N/R	N/R	25.64	20.80	21.72		12.32	25.41
Villages data																			
Number of villages managed by the estates	Nb		7	12	80	23	N/R	1	5	14	32	N/R	1	40	5	7	2	52	281
Number of water points	Nb		6	30	146	527	N/R	1	7	14	89	N/R	1	85	1	49	13	6 648	7 617
Number of markets	Nb		0	2	3	15	N/R	0	2	13	3	N/R	0	20	0	0	0	11	69
Number of clubs	Nb		1	3	1	11	N/R	0	4	4	4	N/R	0	1	0	1	0	53	83
Number of sport fields	Nb		0	5	37	23	N/R	1	4	13	26	N/R	1	10	0	3	1	165	289

GRI Index | 10

GRI norms		Chapter
102-1	Name of the organization	1.3 General profile
102-2	Activities, brands, products and services	1.3 General profile
102-3	Location of headquarters	1.3 General profile
102-4	Location of operation	1.6 Presence worldwide
102-5	Nature of ownership and legal form	Socfin financial report 2017
102-6	Markets served	Socfin financial report 2017
102-7	Scale of organization	1.6 Presence worldwide 2 Economic performance Socfin financial report 2017
102-8	Information on employees and other workers	4.2.1 Human resources
102-9	Supply chain	3.4. Supply chain and traceability
102-10	Significant changes to the organization and its supply chain	2 Economic performance 3.4 Supply chain and traceability Socfin financial report 2017
102-11	Precautionary Principle or approach	3.2 Policies, charters and code of conduct
102-12	External initiative	3.3 Voluntary compliance with other standards
102-13	Memberships of associations	Socfin Sustainability report 2017
102-14	Statement from senior decision maker	1.1 Message from the Chairman
102-15	Key impacts, risks, and opportunities	1.2 Commitments to environmental, social, societal and transparency aspects
102-16	Values, principles, standards, and norms of behavior	3.2 Policies, charters and code of conduct
102-17	Internal and external mechanisms for seeking advice about ethics	3.2 Policies, charters and code of conduct 3.7 Complaints and grievances 4.2.3 Internal grievance management
102-18	Governance structure	3.1 Governance structure and management approach
102-19	Delegating authority	3.1 Governance structure and management approach
102-20	Executive-level responsibility for economic, environmental, and social topics	3.1 Governance structure and management approach
102-21	Consulting stakeholders on economic, environmental and social topics	3.1 Governance structure and management approach
102-22	Composition of the highest governance body and its committees	3.1 Governance structure and management approach
102-29	Identifying and managing economic, environmental, and social impacts	3.1 Governance structure and management approach
102-30	Effectiveness of risk management processes	3.1 Governance structure and management approach
102-31	Review of economic, environmental, and social topics	3.1 Governance structure and management approach
102-32	Highest governance body's role in sustainability reporting	3.1 Governance structure and management approach
102-33	Communicating critical concerns	3.1 Governance structure and management approach

102-40	List of stakeholder groups	4 Strong social commitment 5 Ensuring employee safety 7 Contribution to local development
102-41	Collective bargaining agreements	4.2.6 Union membership and freedom of association
102-42	Identifying and selecting stakeholders	7.1 Local partners
102-43	Approach to stakeholder engagement	7.1 Local partners
102-44	Key topics and concerns raised	7.1 Local partners
102-45	Entities included in the consolidated financial statements	Socfin financial report 2017
102-46	Defining report content and topic Boundaries	11 Methodology
102-49	Changes in reporting	1.2 Commitment to environmental, social, societal and transparency aspects 11 Methodology
102-50	Reporting period	2017
102-51	Date of most recent report	2017: Socfin Sustainability report 2016
102-52	Reporting cycle	Annually
102-53	Contact point for questions regarding the report	info@socfin.com
102-54	Drafting statement in accordance with GRI	1.1 Message from the Chairman
102-55	GRI content index	10 GRI index
Economic Performance		
201-1	Direct economic value generated and distributed	2 Economic performance Socfin financial report 2017
201-2	Financial implications and other risks and opportunities for the organization's activities due to climate change	2.6 Climate change impact on operations
201-4	Financial assistance received from government	Socfin financial report 2017
Indirect economic impacts		
203-1	Infrastructure investments and services supported	4.3 Social infrastructure
Anti-corruption		
205-2	Communication and training on anti-corruption policies and procedures	3.2.4 No corruption
Anti-competitive behavior		
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	3.2.5 Anti-competitive behavior
Materials		
301-1	Materials used by weight or volume	6.3.6 Input materials 9 Key figures

Energy		
302-1	Energy consumption within the organization	6.3.7 Energy 9 Key figures http://www.socfin.com/en/sustainable-development
302-4	Reduction of energy consumption	6.3.7 Energy
302-5	Reductions in energy requirements of products and services	6.3.7 Energy 9 Key figures
Water		
303-1	Water withdrawal by source	6.3.1 Water
Biodiversity		
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	6.3.4 Protection and enhancement of biodiversity (including 2016 report)
304-2	Significant impacts of activities, products, and services on biodiversity	6.3.4 Protection and enhancement of biodiversity
Emissions		
305-1	Direct (Scope 1) GHG emissions	6.3.5 Air emissions and ambient air
305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	6.3.5 Air emissions and ambient air
Effluents and waste		
306-1	Water discharge by quality and destination	6.3.1 Water
Supplier environmental assessment		
308-1	New suppliers that were screened using environmental criteria	3.4 Supply chain and traceability 7.1.2 Smallholders
Employment		
401-1	New employee hires and employee turnover	9 Key figures
401-3	Parental leave	9 Key figures
Occupational Health and Safety		
403-1	Workers representation in formal joint management-worker health and safety committees	4.2.6 Union membership and freedom of association 5.3 Health and safety committees
403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	5.7 Accident rate 9 Key figures
403-3	Workers with high incidence or high risk of diseases related to their occupation	5.4 Risk analysis
Training and education		
404-1	Average hours of training per year per employee	4.2.5 Training opportunities: employee capacity-building 5.5 Training and sensitization
Diversity and equal opportunity		
405-1	Diversity of governance bodies and employees	4.2.1 Human resources Socfin financial report 2017

Child labor		
408-1	Operations and suppliers at significant risk for incidents of child labor	3.2.2 No child labour 3.4 Supply chain and traceability
Forced or compulsory labor		
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	3.2.3 No forced or compulsory labour 3.4 Supply chain and traceability
Security Practices		
410-1	Security personnel trained in human rights policies or procedures	4.4 Security of people and property
Local communities		
413-2	Operations with significant actual and potential negative impacts on local communities	7. Contribution to local development

Approach | 11

Reporting scope:

The plantation companies, the operational companies (Socfinco FR, Socfin Green Energy, Socfin Research, Sodimex FR and Sogescol FR).

Time frame and data collection:

To draft this report, the following actions were taken:

- On a monthly basis during the year 2017, we collected all environmental, HSE and medical data. These data were verified, corrected if necessary, and statistically processed (descriptive statistics).
- Based on evaluations from third parties, (such as the SPOTT program or EcoVadis survey), we identify the data that need to be added to the indicators to be measured and to be collected from the estates.

- In December 2017: we determined the report's table of contents, in accordance with the most recent GRI indicators, the recommendations from the Luxemburg stock exchange, the specific transparency requirements (knowing that the data will be collected but not necessarily published).

- Then each estate is requested to draft their own sustainability report with the same table of contents, and to submit certain statistical data that generally remain unchanged during the year (such as number of schools, dispensaries, etc.).

- In February 2018, the finance department collects data related to investment costs, infrastructure maintenance and social and environmental actions.

- Subsequently, we verify the report of each estate and analyse the factual and statistical data, crosscheck them and have them corrected if needed and process the consolidated figures statistically. Certain remarkable actions of the estates are selected to highlight them in the report.

- The Group report is then drafted and includes extracts from the plantation companies' sustainability reports and achievements on departmental level.

- This report is then reviewed, corrected if necessary and validated by the overseas plantation companies' General Managers, Agronomic, Financial and Industrial Managers in Europe and by at least one member of Socfin S.A.'s Board of Directors.

Link with the recommendations of the Luxembourg Stock Exchange | 12

The table below shows the link between the information presented in the report and that required by the Luxembourg Stock Exchange in accordance with the European guidelines on communication of non-financial information.

Corporate governance principles of the Luxembourg Stock Exchange (December 2017)	Corresponding information of Socfin S.A.	Chapter
Principle 9 – Corporate social responsibility		
The company shall define its corporate social responsibility policy with respect to social and environmental aspects.	Responsible Management Policy	3.2
Recommendation 9.1 The company shall integrate the CSR aspects in its strategy for the creation of long-term value, and shall describe how the CSR measures are contributing thereto.	Responsible Management Policy	3.2
Recommendation 9.2 The company shall present the CSR information in a dedicated report or within its management report, in a specific section or in an appendix relating to sustainable development. It shall analyze the sustainability of its activities and shall provide clear and transparent non-financial information in support.	Sustainability report	Entire document
Guideline The company is encouraged to use a framework recognized at international level (Global Reporting Initiative, International Integrated Reporting Framework, SASB sustainability standards, FSB-TCFD Climate related financial disclosures and/or similar standards) in preparing such a report. It is invited to align itself with the 17 United Nations Sustainable Development Goals.	GRI Index	10
Recommendation 9.3. The Board shall regularly consider the company's non-financial risks, including in particular the social, societal and environmental risks.		3.1
Guideline 1 The company shall define, precisely and explicitly, the quantitative and qualitative criteria linked to the CSR aspects when determining the variable part of the remuneration of members of Management.	Scheduled for 2018	
Guideline 2 The Board shall set up a specialised committee to deal with social and environmental aspects. It shall lay down the internal rules governing that committee.	Scheduled for 2018	

<p>Recommendation 9.4. The company shall publish a methodological memorandum, either in its CSR report or on its website, relating to the way in which significant factors have been identified and data have been established.</p>	<p>Approach</p>	<p>11</p>
<p>Guideline 1 The company shall show, in the form of a scoreboard, the CSR performance indicators applicable to its business activities. The company is invited to present the indicators by making a comparison over time. By way of illustration, the significant indicators could include:</p> <ul style="list-style-type: none"> • workforce • staff training • safety • absenteeism • gender balance • subcontracting and relations with suppliers • energy consumption • water consumption • waste treatment • CO₂ emissions • adaptation to the consequences of climate change • measures taken to preserve or develop biodiversity 	<p>Certain indicators are discussed in the dedicated chapters, whereas others are spread over various chapters:</p> <p>Workforce Staff training Safety Absenteeism Gender balance Subcontracting Energy consumption Water consumption Waste treatment CO₂ emissions Adaptation to the consequences of climate change Measures taken to preserve or develop biodiversity</p>	<p>4.2.1 4.2.5, 5.5 & 6.6 5 4.2.2 & 5.7 4.2.1 7.1 6.3.7 6.3.1 6.3.3 6.3.5 2.6 6.3.4 & 6.4</p>

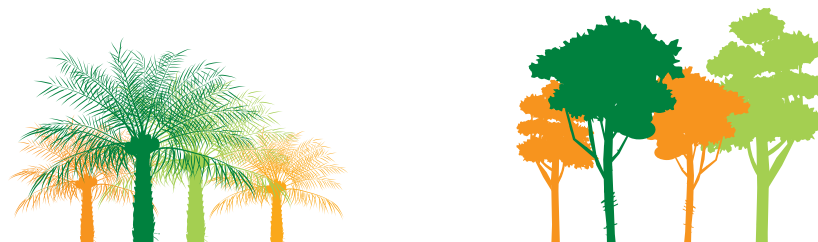
Glossary | 13

Abbreviation	Meaning
ACMS	Cameroonian association for the social marketing - Association Camerounaise pour le Marketing Social
AFS	Agricultural Family Schools
AIPH	Association Interprofessionnelle d la filière Palmier à Huile
ALIMA	The Alliance for International Medical Action
AMMCO	African Marine Mammal Conservation Organisation
APROMAC	Association des Professionnels du caoutchouc naturel de Côte d'Ivoire
ASF	Family Health Association
AVD	Association of Displaced villages
BOD	Biological Oxygen Demand
CBA	Collective Bargaining Agreement
CIRAD	Centre de cooperation International en recherche Agronomique pour le Développement (Agricultural research for development)
CNRA	Centre National de Recherche Agronomique – Côte d'Ivoire
COD	Chemical Oxygen Demand
CSR	Corporate Social Responsibility
FAO	Food and Agriculture Organization
FEFO	First Expired-First Out
FFB	Fresh Fruit Bunches
FPIC	Free, Prior and Informed Consent
GHG	Greenhouse Gas emissions
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit (German International Development Cooperation Agency)
GPS	Global Positioning System
GRI	Global Reporting Initiative
HCS	High Carbon Stock
HCV	High Conservation Value
HIV	Human Immunodeficiency Virus
HSE	Health, Safety, Environment
IECD	Institut Européen de Coopération et de Développement
IFC	International Finance Corporation
ILO	International Labour Organization

ISO	International Organization for Standardization
NA	Not Available
NGO	Non-Governmental Organization
NR	Not Relevant
OHS	Occupational Health and Safety
OHSAS	Occupational Health and Safety Assessment Series
PM	Particulate Matter
PPE	Personal Protective Equipment
PSI	Population Services International
PSK	Population Services Khmer
QHSE	Quality, Health, Safety and Environment
RSPO	Roundtable on Sustainable Palm Oil
S.A.	Société Anonyme
SAPH	Société Africaine de Plantations d'Hévéas
SME	Small and Medium Enterprise
SNR-i	Sustainable Natural Rubber - initiative
SPOTT	Sustainability Policy Transparency Toolkit
TFT	The Forest Trust
TIP	Tire Industry Project
VSBS	Very Small Business
WHO	World Health Organization
ZSC	Zero Deforestation Supply Chain
ZSL	Zoological Society of London

Note

The English version of the socfin sustainability report 2017 is an update from the earlier french version. There are a few minor changes in data. If you have any questions regarding the report, please don't hesitate to contact info@socfin.com so that we can help you out.



“One can do nothing with nothing, but one can do plenty with little”. Adrien HALLET