

# Corporate presentation

## Socfin Group

2020 Edition



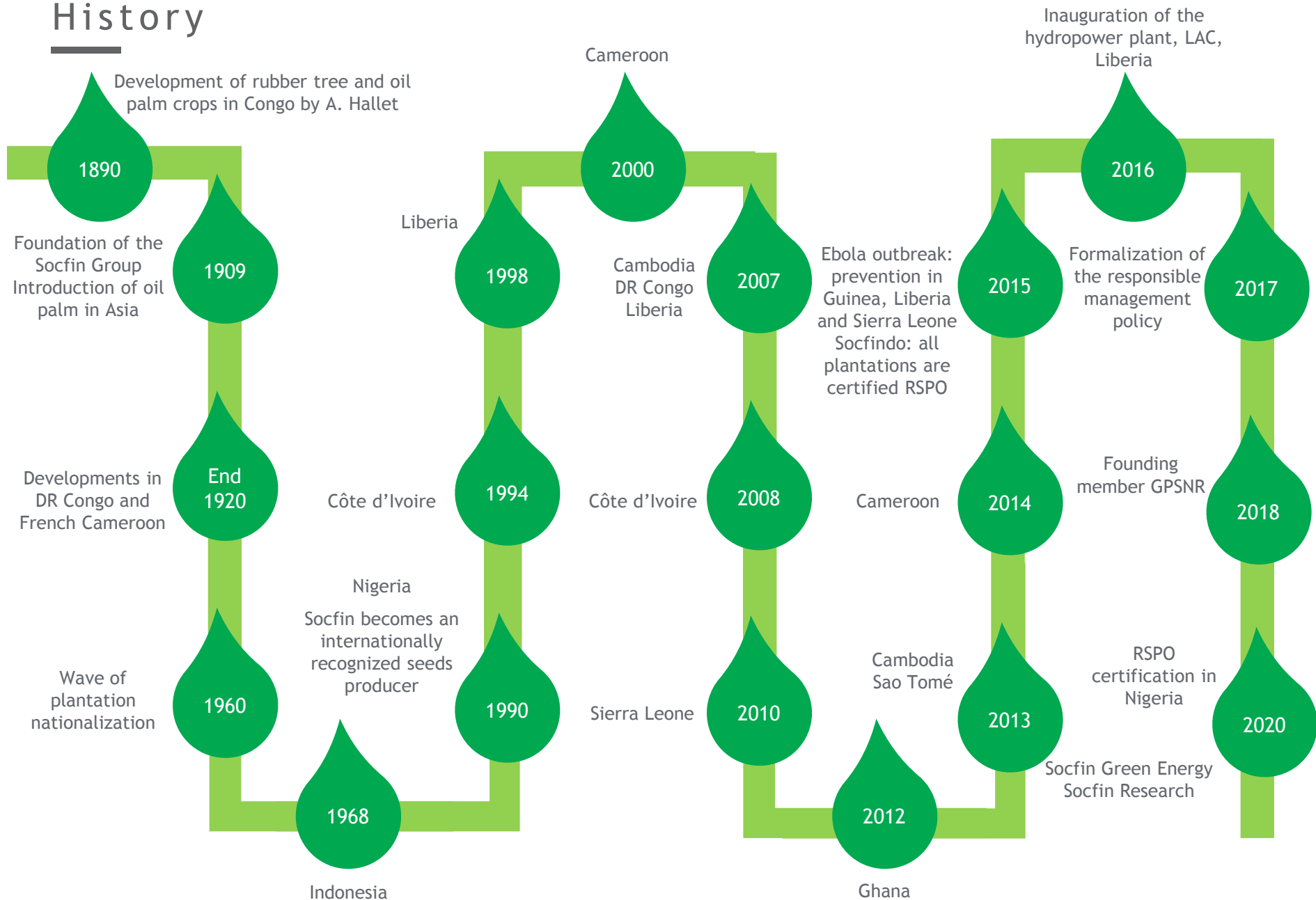
Data at 31/12/2019

## Table of contents

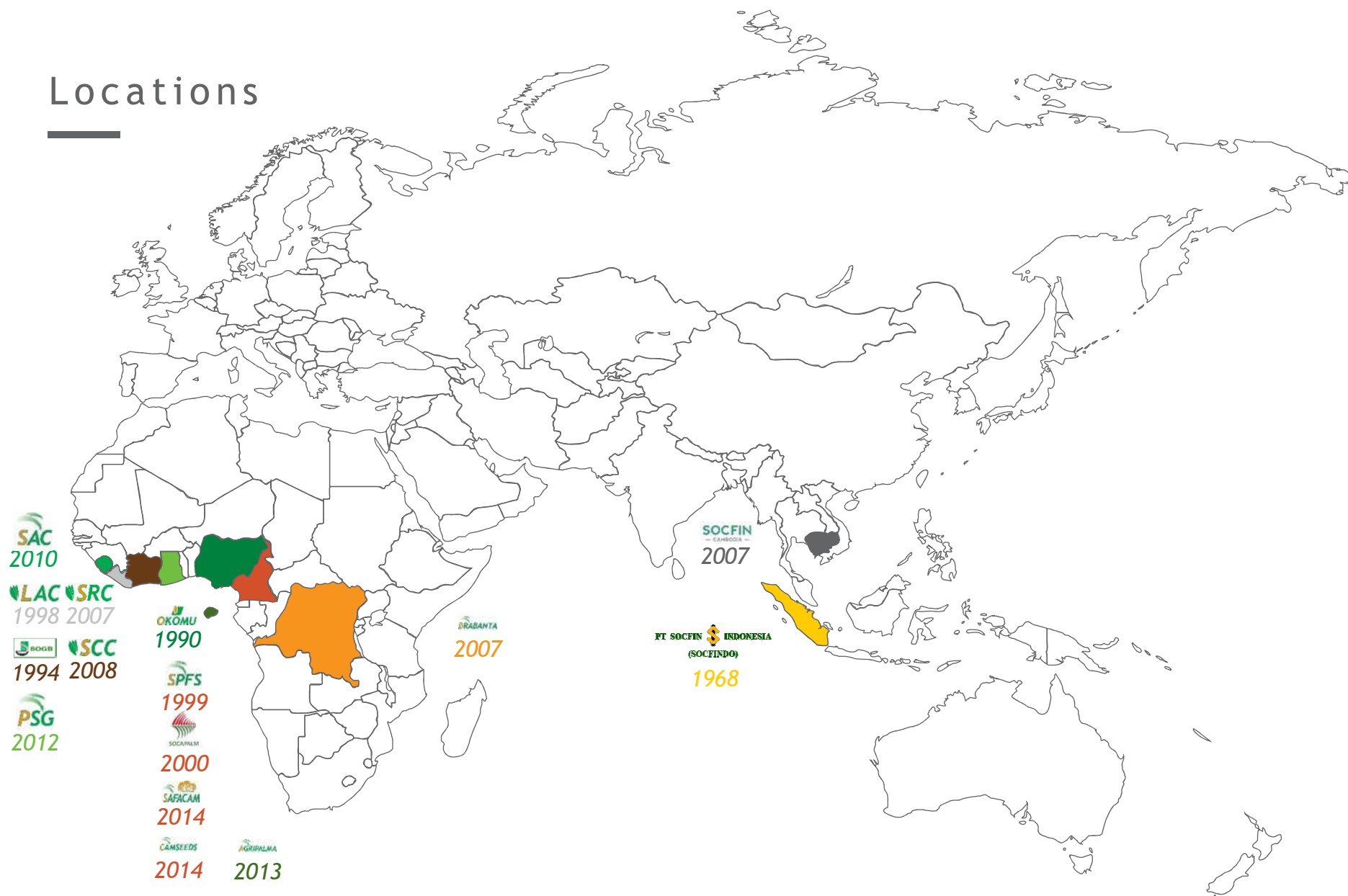
---

- 1 Group presentation
- 2 Two perennial crops
- 3 Commercialisation
- 4 Economic performance
- 5 Responsible management
- 6 Research & development

# History



# Locations





## Profile & Mission

Development and sustainable management of oil palm and rubber estates in Africa and Southeast Asia

The strengths of the Socfin Group are based on:

- ✓ Competences
- ✓ Integrated operations
- ✓ Sectoral knowledge
- ✓ Adaptability to social challenges



193 000 ha  
enhanced



47 600  
employees



Smallholders



10  
countries



16 agro-industrial estates  
2 research centers



# Operational activities

---

- ✓ Agronomic and industrial activities
- ✓ Commercial activities:
  - Local sales of palm oil and palm kernel oil
  - Export of processed rubber
  - Sale of selected oil palm seeds
- ✓ Sustainable development and social responsibility





## Two perennial crops

---



Rubber tree



Oil Palm





# Oil palm



*Presence of oil palm cultivation*

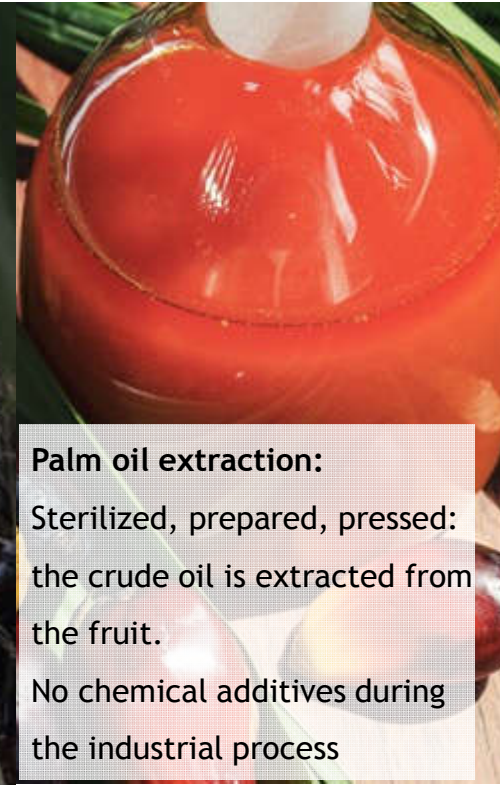


**Palm oil** comes from  
the fruit of the oil  
palm



## **Harvesting**

- After 3 years, during 30 years
- Every 8 to 10 days
- All year round



## **Palm oil extraction:**

Sterilized, prepared, pressed:  
the crude oil is extracted from  
the fruit.

No chemical additives during  
the industrial process

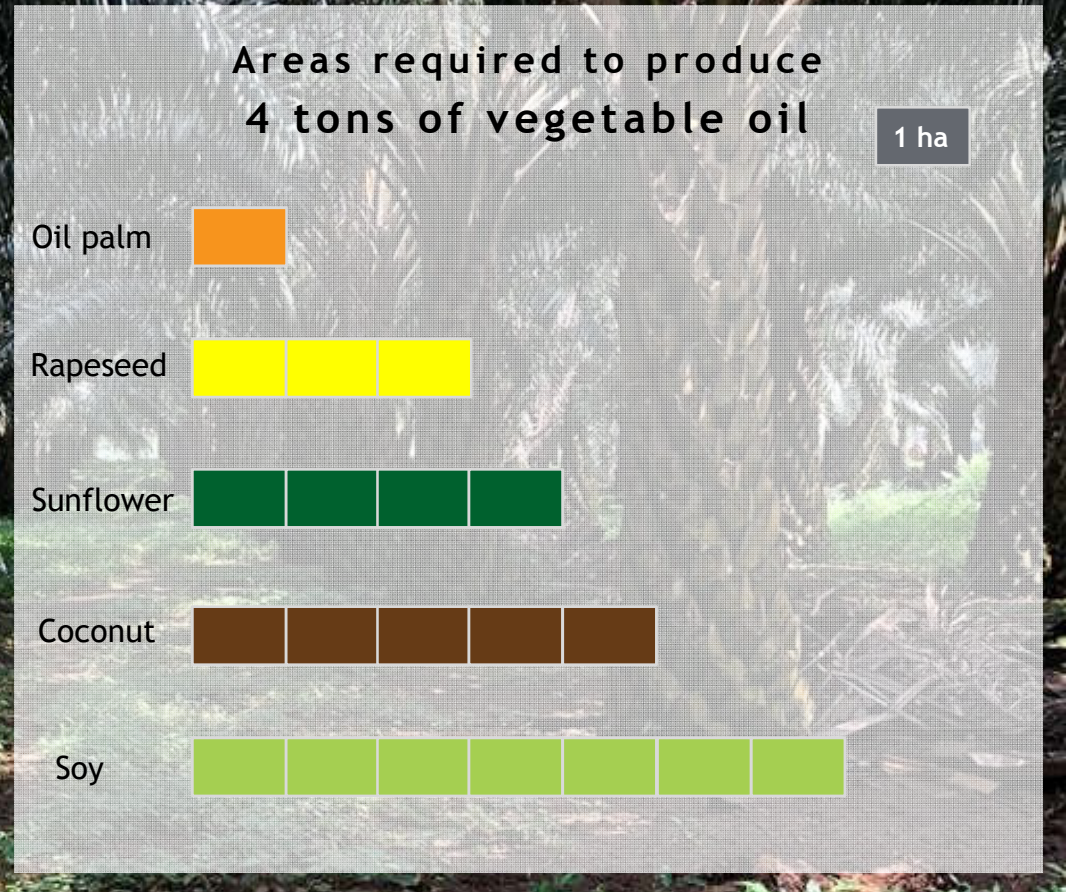


The palm oil mills are almost  
entirely energy self-sufficient  
thanks to renewable energy  
producing units



# Oil palm and the environment

- ✓ The most environmentally friendly crop for producing oil
- ✓ Life cycle: 30 years
- ✓ Yield: **6 times higher** than other oleaginous fruits or seeds (7 X higher than soy)
- ✓ **Few agricultural inputs** (10 X less fertilizer than soy)
- ✓ Carbon sequestration
- ✓ Organic waste = **organic fertilizer**
- ✓ Mill: **energy self-sufficient**
- ✓ Local development: smallholders



# World production & demand for palm oil

## Demographic explosion

- 2018: 7.5 billion → 2050: 9.8 billion
- Half of the growth: in Africa (UN)

## Worldwide production

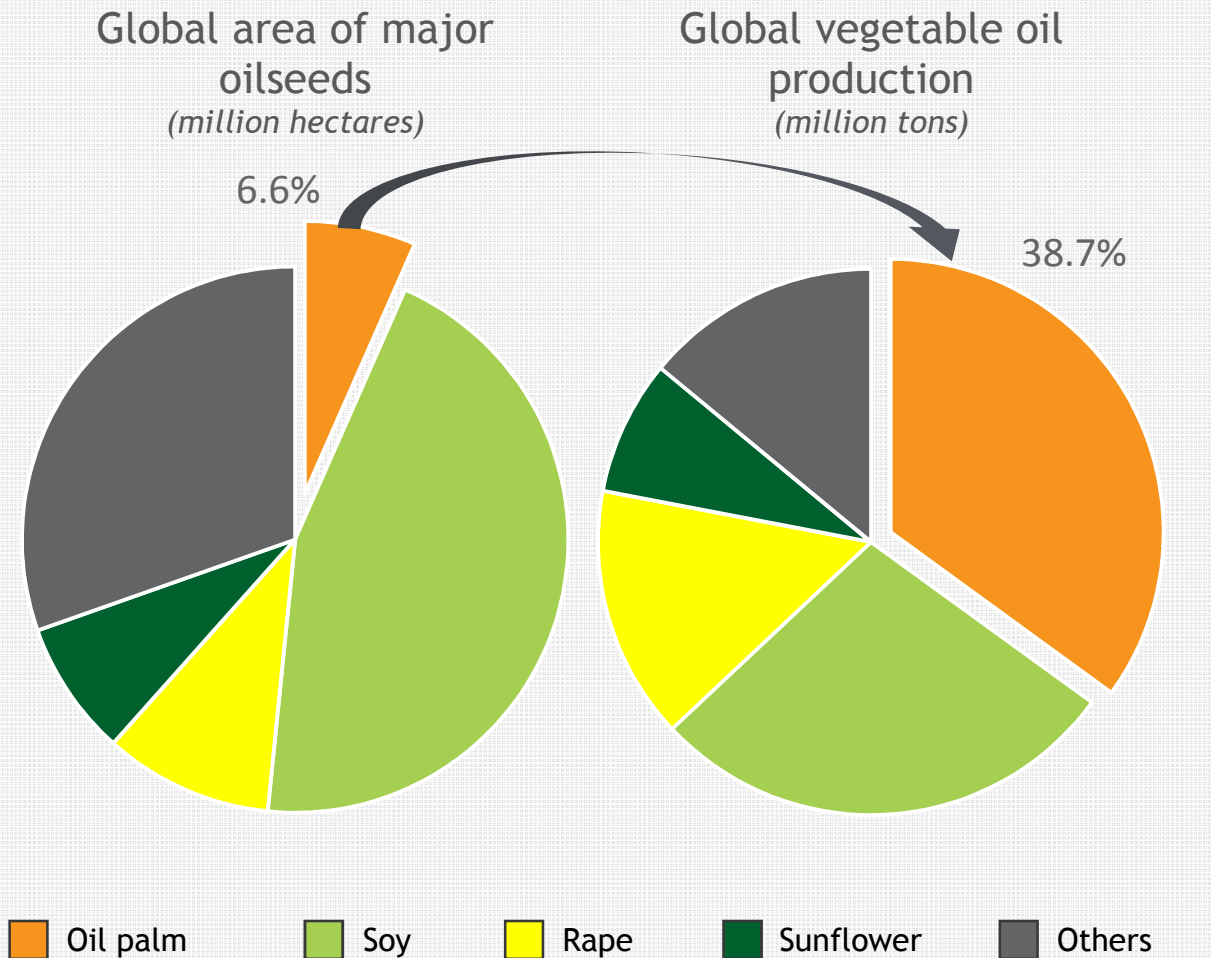
- 2019: 75.7 million tons
- By 2050: 212 million tons

## Planted area

- 2018: 20 million ha oil palm
- 150 millions ha soy
- 70 million ha rape

## Oil palm

= less land use



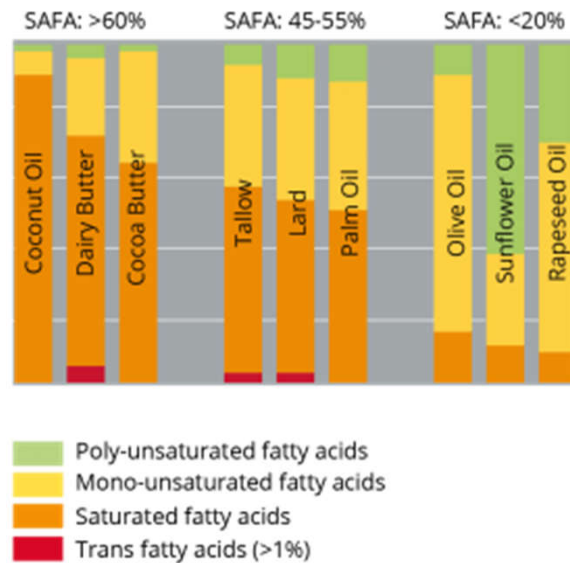
Source: European Alliance for Sustainable Palm Oil (2016)



# Palm oil and health

- ✓ Resists to high temperatures
- ✓ Oxidizes more slowly than most other vegetable oils
- ✓ No evidence to date of carcinogenic effect

*Fatty acid content in different fats and oils*



In the West, prized for its virtues:

Does not go rancid - Neutral taste - Smoothness - Resistant to cooking  
Solid at room temperature (no trans-fatty acids)



In many tropical countries

= staple food in traditional cuisine.

Promotes food safety - Stable source of vitamin A and antioxidants.

Plays a role in a balanced diet for millions of people

# Rubber



*Presence of rubber cultivation*



**Natural rubber**  
comes from the  
rubber tree



## Harvesting

- After 6 years, during 30 years
- A fine incision in the bark
- Tapping every 4 days



## Latex processing

The raw material is blended,  
washed several times, granulated  
and dried  
Pressed into standard 35 kg slabs



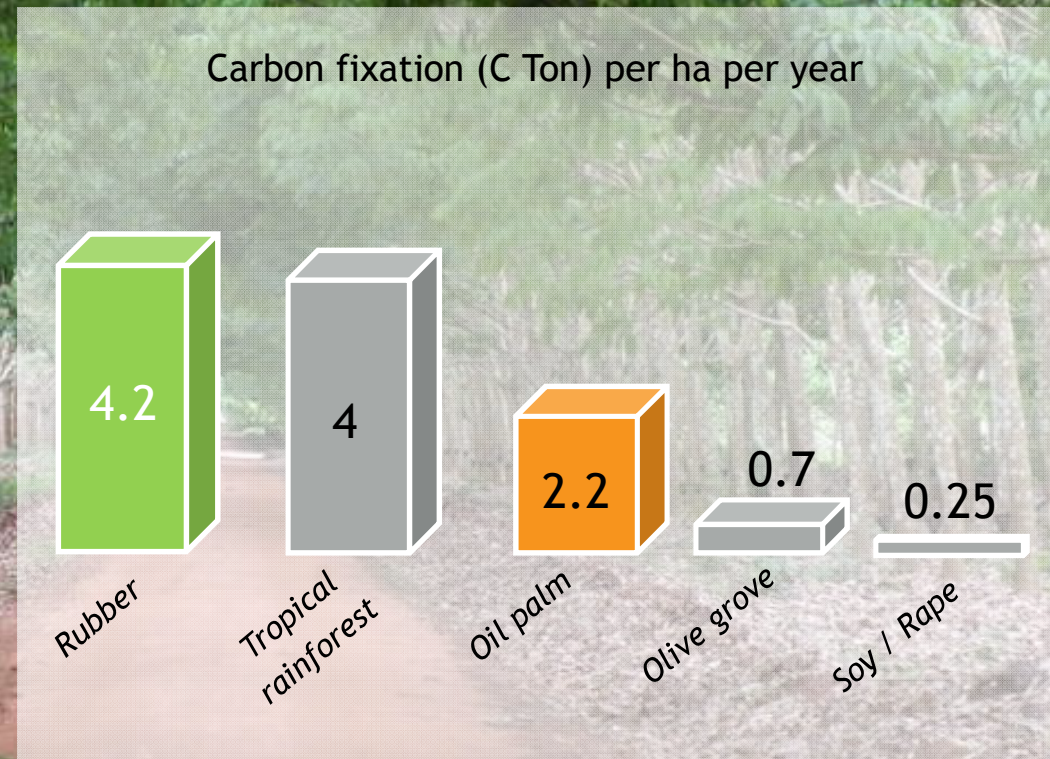
## Rubber dryers

Can be fuelled with biomass  
Electricity can be supplied by  
hydroelectric installations



# Rubber tree and the environment

- ✓ Perennial crop: life cycle > 30 years
- ✓ Biodiversity preservation
- ✓ Green energy producer
- ✓ Rational fertilizer use
- ✓ Carbon fixation = primary forest
- ✓ Substitute for synthetic rubber (derived from refined petroleum)
- ✓ Local development: support to smallholders
- ✓ 92% of natural rubber is produced by 6 million smallholders

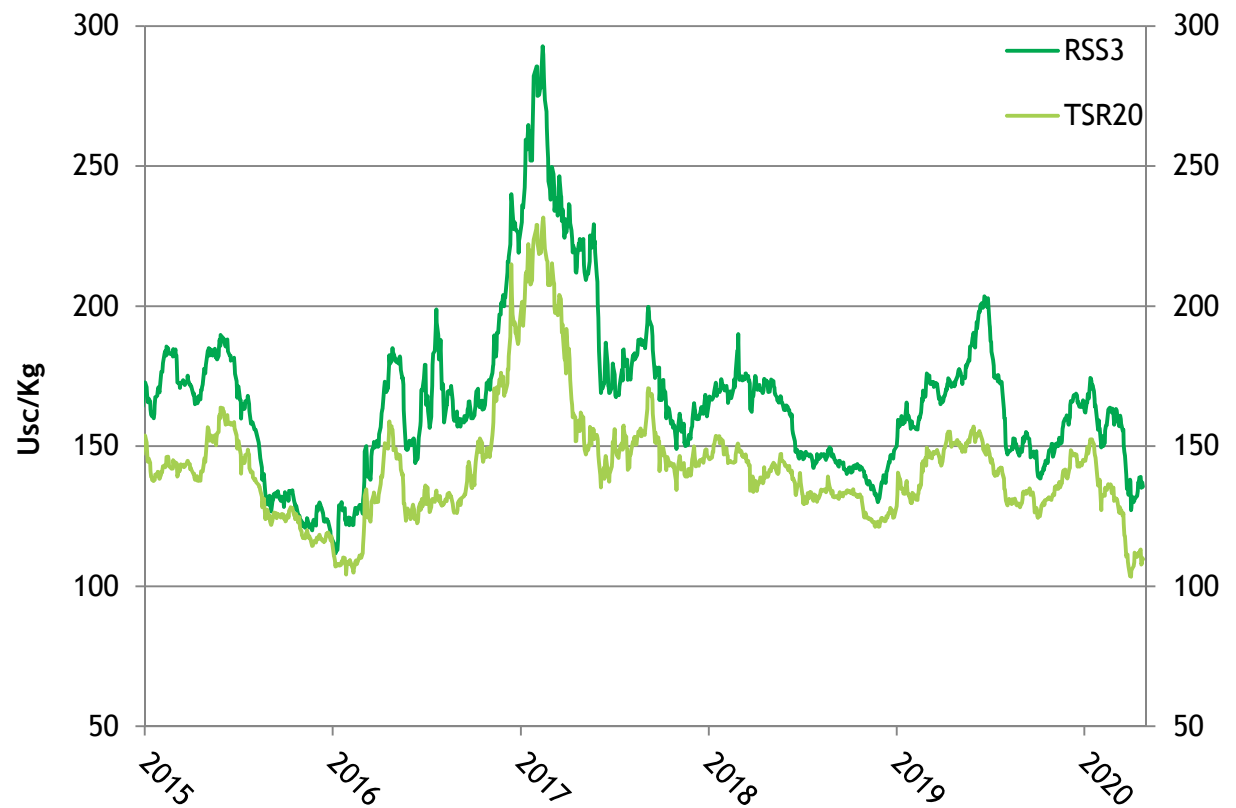


# Commercialisation

## Rubber prices

- ✓ The average price of natural rubber (TSR20 1<sup>st</sup> position on SGX) in 2019 was 1 406 USD/T FOB Singapore against 1 365 USD/T in 2018
- ✓ Natural rubber prices started to rise again in the first half of 2019

SGX - NATURAL RUBBER - 5 YEARS +

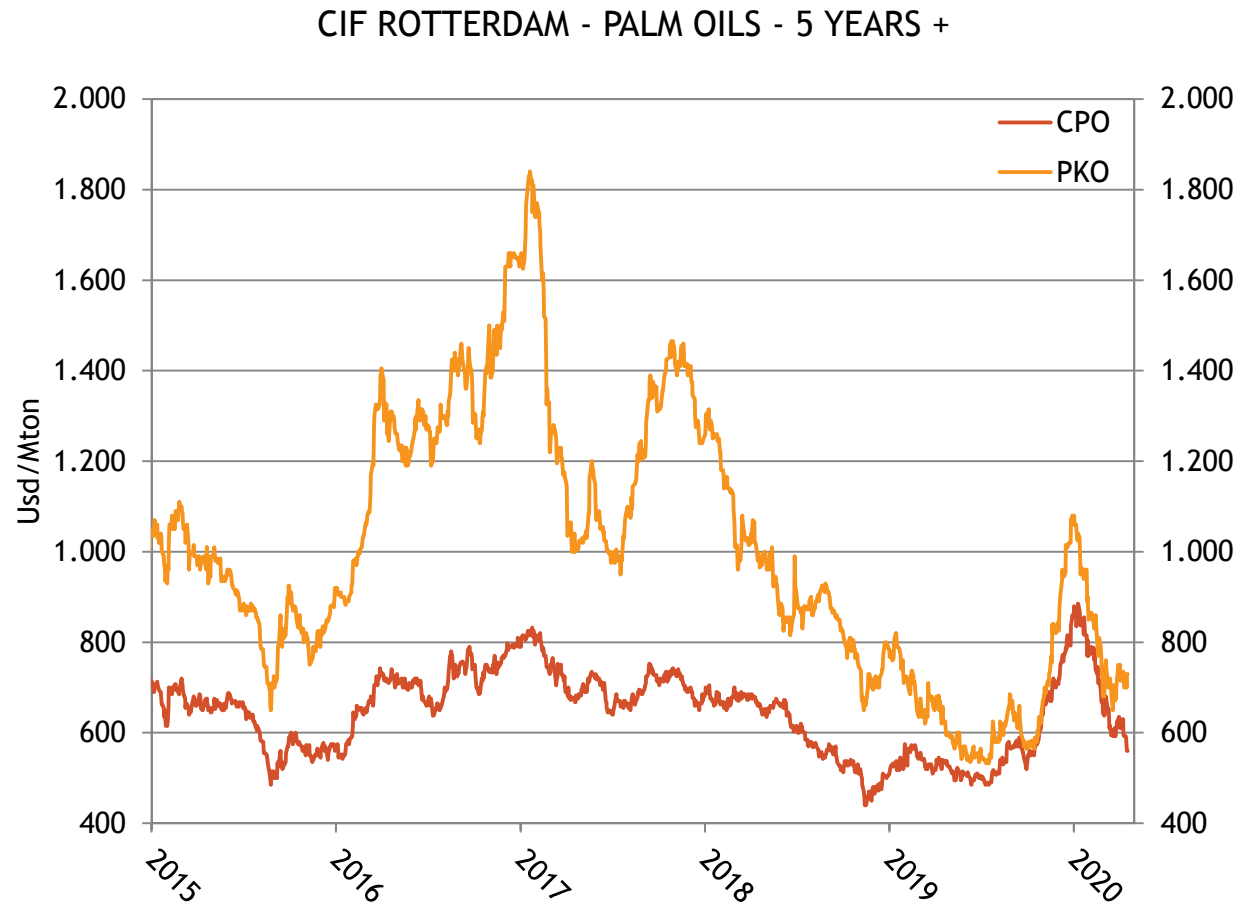




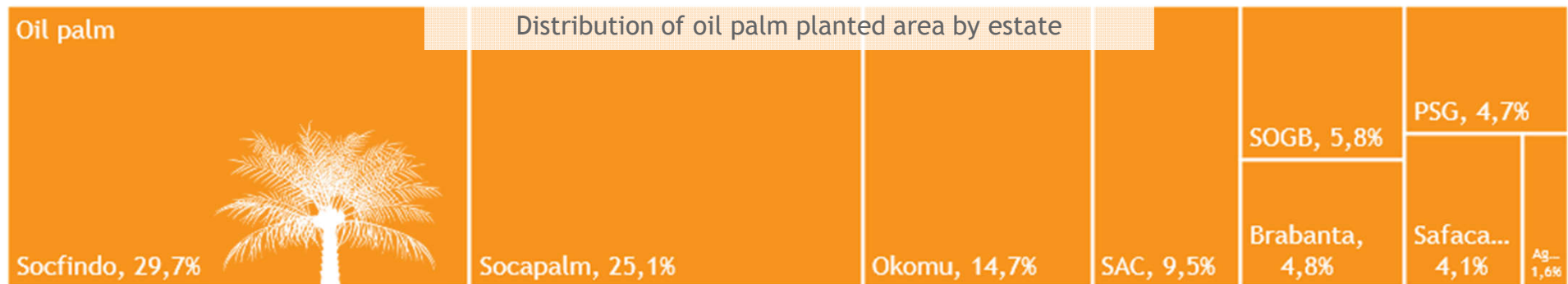
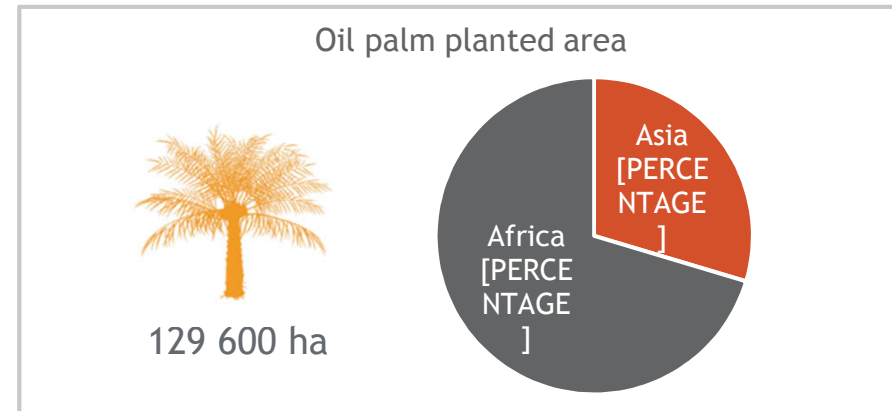
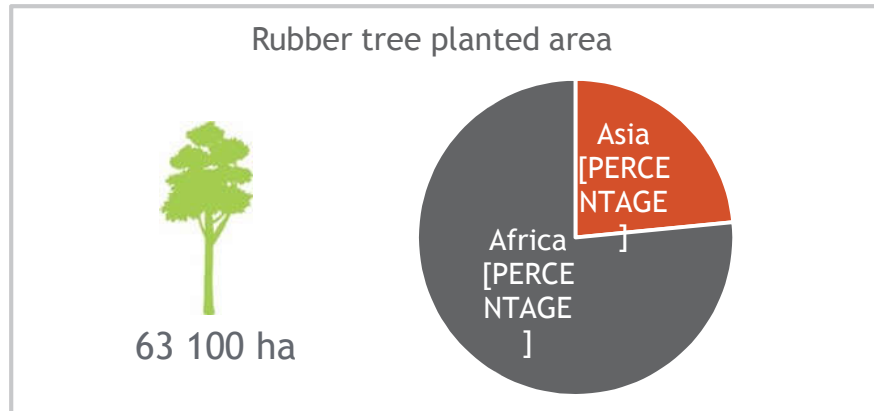
# Commercialisation

## Oil palm prices

- ✓ The average price of CIF Rotterdam crude palm oil in 2019 was 566 USD/ton compared to 598 USD/ton in 2018
- ✓ World prices have fallen in 2018 as a result of robust market supply

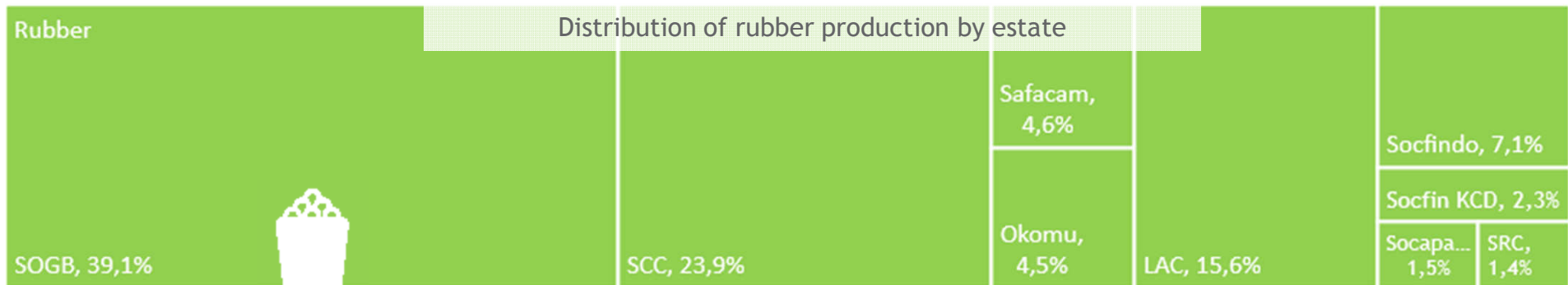
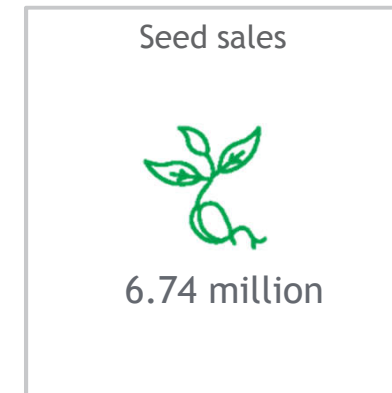
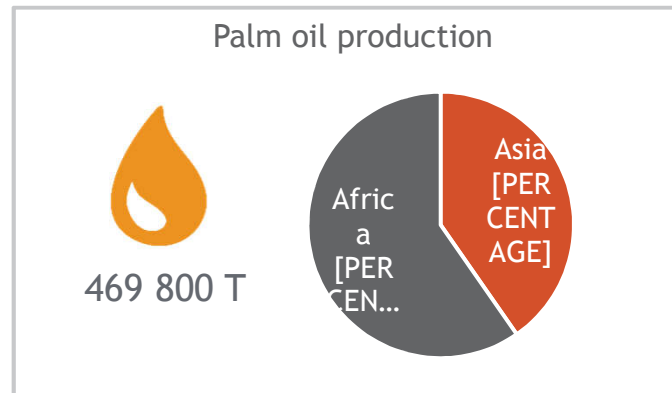
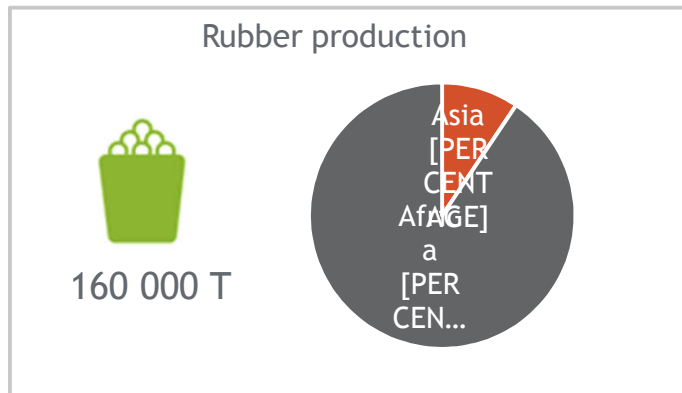


## Economic performance: area





# Economic performance: production and sales



# Economic performance: Comparison and evolution

Price evolution over the last 5 years

✓ Palm oil:

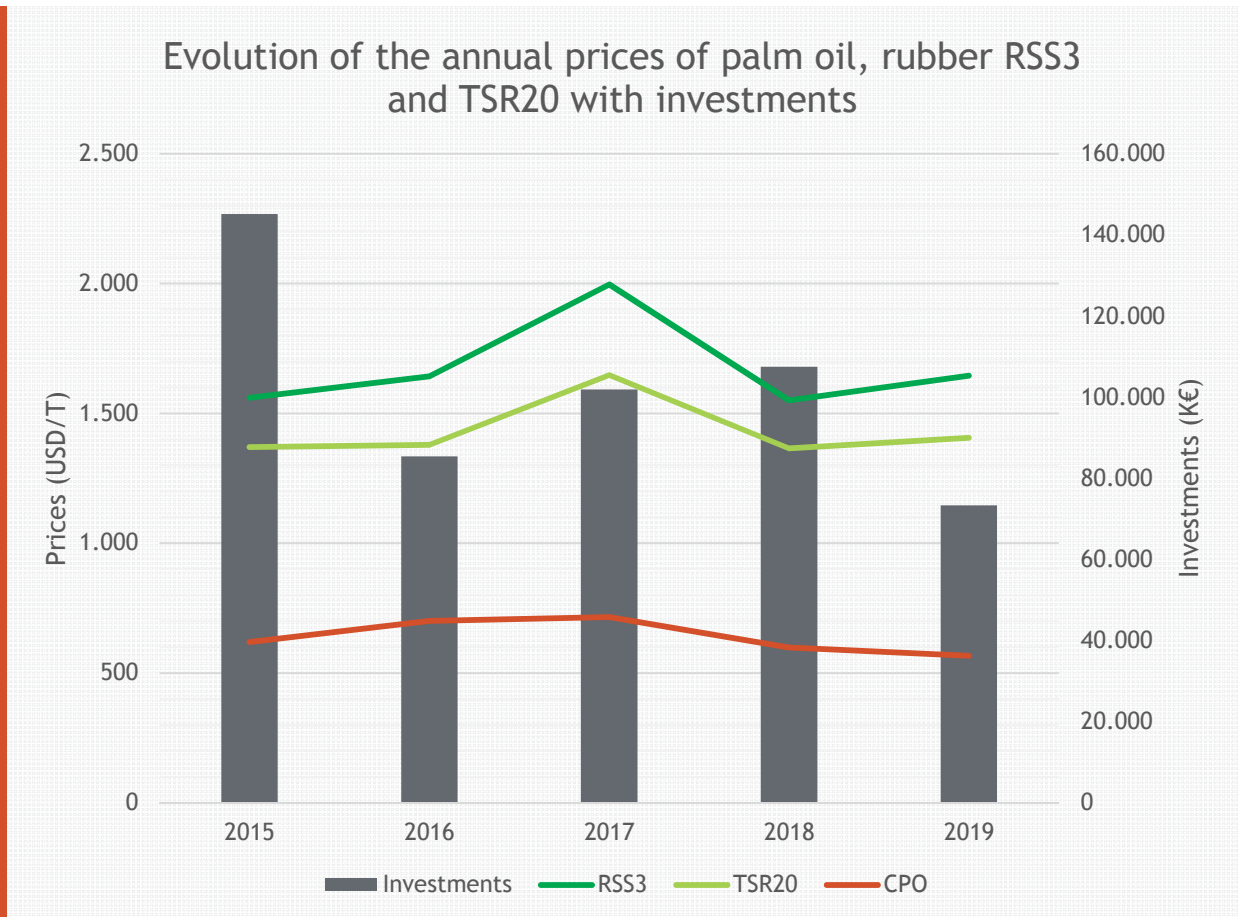
✓ CPO: crude palm oil

✓ Rubber: 2 grades

✓ TSR20: ex coagulum

✓ RSS3: latex

✓ Actual investments





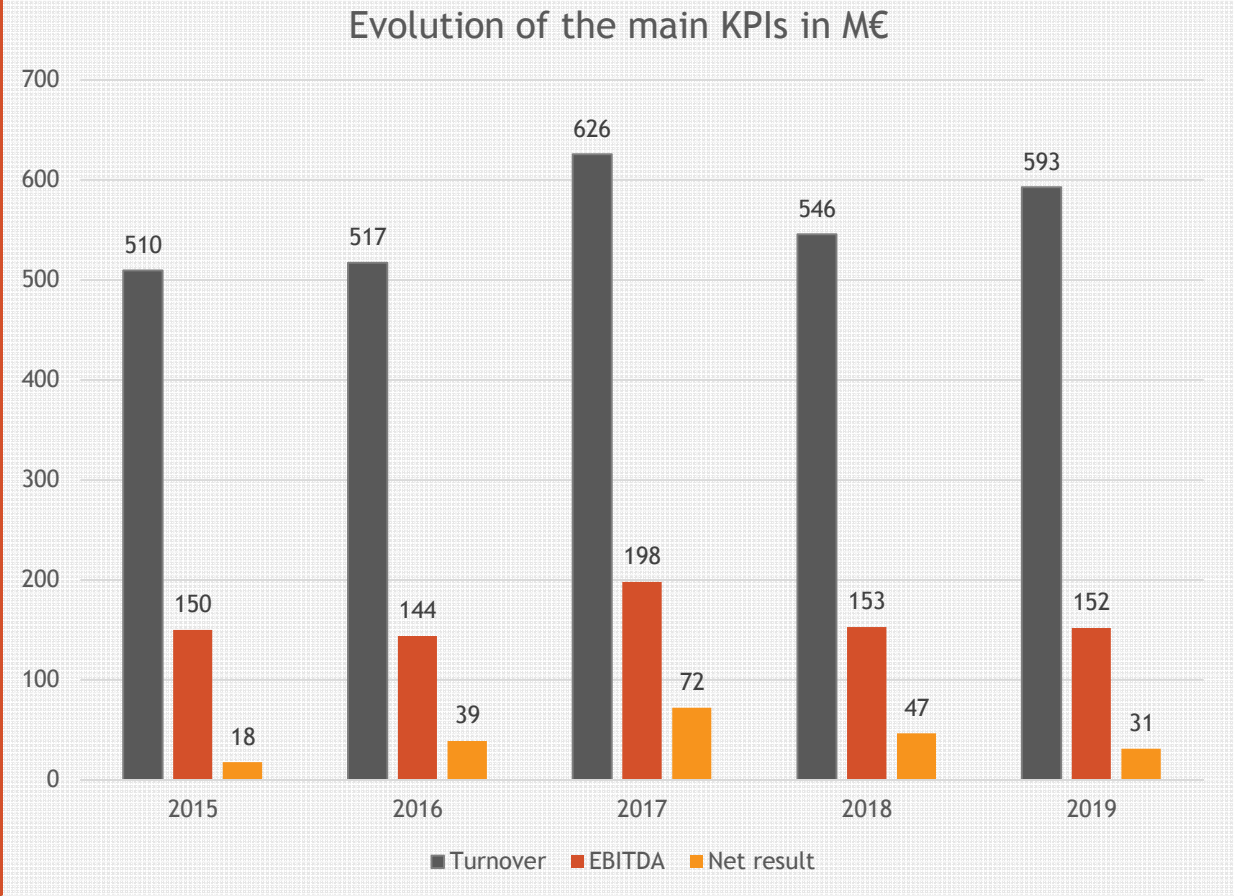
## Economic performance: Evolution of the main KPI (M€)

Evolution of:

- ✓ Turnover
- ✓ EBITDA
- ✓ Net result

Over the last 5 years

- ✓ 2019: € 36.3 million sustainable development budget



### Breakdown of turnover

Oil palm, 52%

Rubber tree, 34%

Other, 14%

# Responsible management



## Policy for responsible management

- ✓ Responsible employer
  - Safety
  - Health
  - Education
- ✓ Environmental protection
- ✓ Local development

€ 36.3 million

Sustainable development  
budget 2019

*Of which*

€ 6.2 million

Medical budget

€ 20.4 million

General social infrastructure



## Key figures



Key figures (2019)			
Health	92 hospitals and medical centers	440 200 annual consultations	449 doctors and nurses
Education	311 schools	2 800 teachers	61 300 students
Local development	6 tapping schools & 1 vocational school	2 Agricultural Family Schools: 65 students	€ 36.3 million spent on responsible management
Certification	10 RSPO certified sites	7 ISO 14001 certified sites	7 ISO 9001 certified sites

# Our commitments by 2025

---

For rural & local development  
in Africa & Asia

**Economic performance**



100% Agricultural, Technical and  
responsible skill-transfer

For our local employees &  
communities

**Social & Human rights**



Protect and enhance social well-  
being for employees, their  
families and the local  
communities

For our planet

**Natural resource  
management**



Conduct integrated activities  
to fight deforestation and  
protect ecosystems



# Responsible employer

## Human resources



47 600 employees

17% = women

3 900 people hired (2019)



236 plantations villages

201 sports fields

44 market places



# Responsible employer

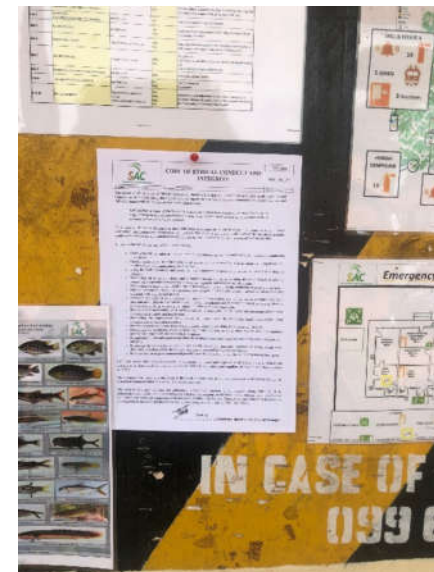
## Occupational Health & Safety



Training and sensitization  
12 700 in 2019



€ 1.4 million



# Responsible employer

## Health

Preventive and curative medicine: malaria, HIV, tuberculosis, Ebola, hygiene and family planning, etc.

Healthcare coverage for employees and beneficiaries

Access to the Group's health centers for isolated local populations



€ 6.2 million



92 medical centers



440 200 consultations



449 health staff





# Responsible employer

## Education

Creation, support & donations to public and private school infrastructures

Creation of specific projects in partnership with:

- Governments: Technical highschoools
- NGO'S: 2 EFAs in Cameroon



61 300 pupils



311 schools



2 800 teachers



Students/teacher rate: 26.10



€ 2 million



# Responsible employer

## Management of natural resources



Separate waste collection system

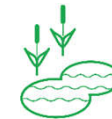


+47%

Organic fertilizer spreading



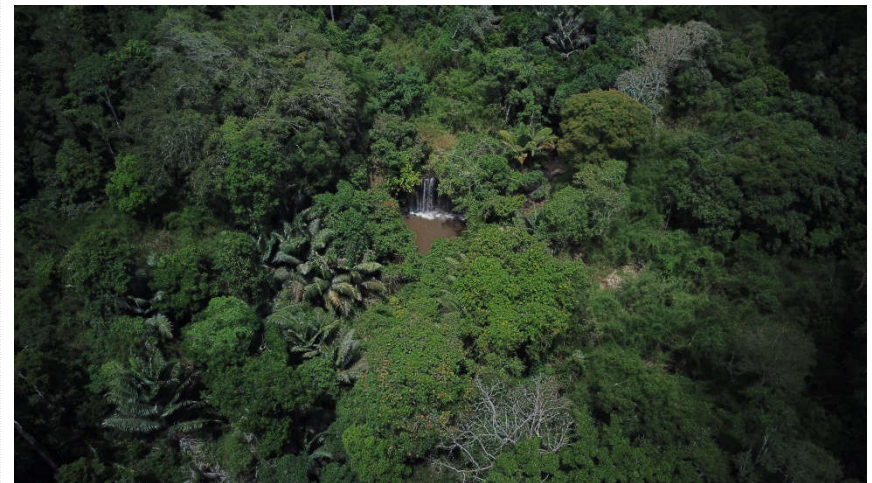
+ 1.4 million L of fuel saved thanks to green technologies



Water treatment facilities

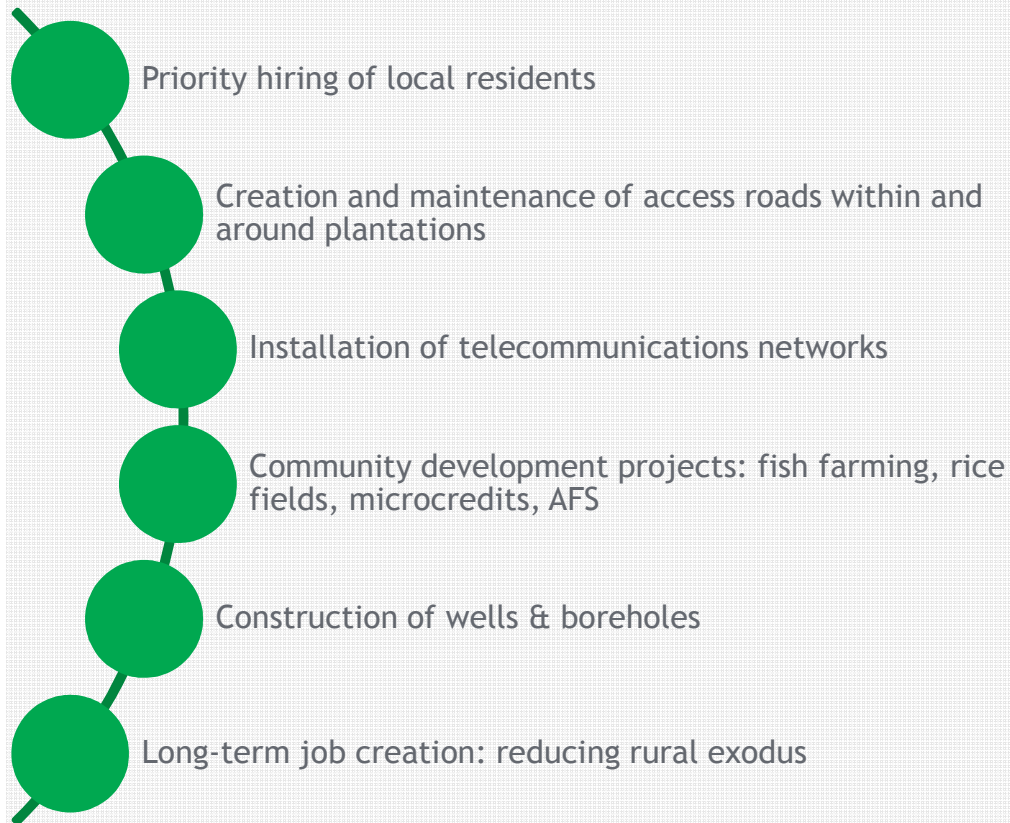


€ 4.2 millions

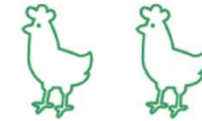


# Responsible employer

## Local development



6 tapping schools &  
1 vocational school



2 Agricultural Family Schools  
(AFS)

### Support to smallholders:

- ✓ Supply of fertilizer
- ✓ Supply of selected seedlings
- ✓ Support & training
- ✓ Purchase of production at market price





# Adherence to international standards

---

## Founding member of RSPO (Roundtable for Sustainable Palm Oil)

- ✓ 9 certified sites in Indonesia
- ✓ Certification in Nigeria

## Founding member of GPSNR (Global Platform for Sustainable Natural Rubber)

- ✓ Platform created in October 2018: 12 Principles for sustainable natural rubber
- ✓ Actively participates in the implementation of the GPSNR

**ISO 9001:** quality management system

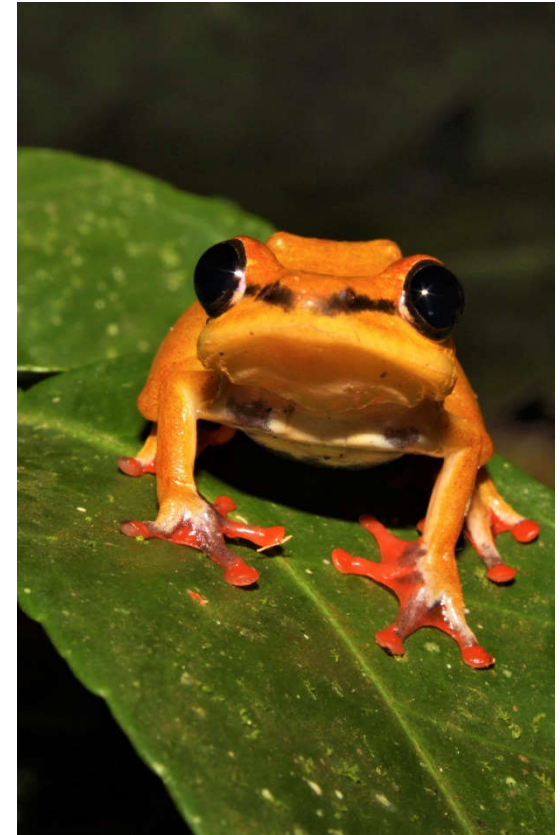
**ISO 14001:** environmental management system

**OHSAS 18001:** occupational health and safety

**Global Gap & Bio Agricert:** organic farming

**Evaluation of responsible management policy and activities by independent bodies:**

- ✓ SPOTT & Ecovadis

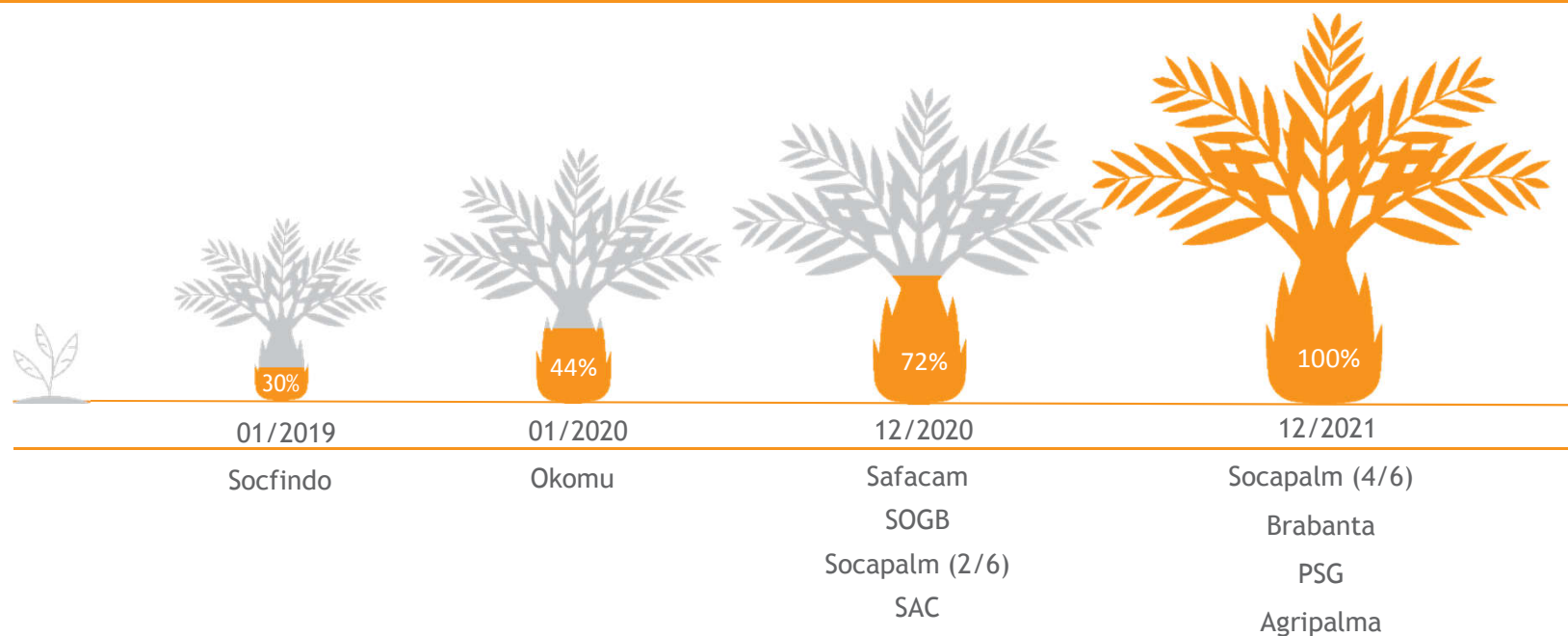




## RSPO: certification planning

✓ Socfin = Founding member of RSPO (Roundtable for Sustainable Palm Oil)

- All Indonesian sites are certified since 2015
- All African sites will be certified by 2021



✓ **Socfin = founding member of GPSNR** (global platform for sustainable natural rubber)

- Active participation in the field implementation of GPSNR
- Member of the Executive Committee

✓ **Founded in october 2018**

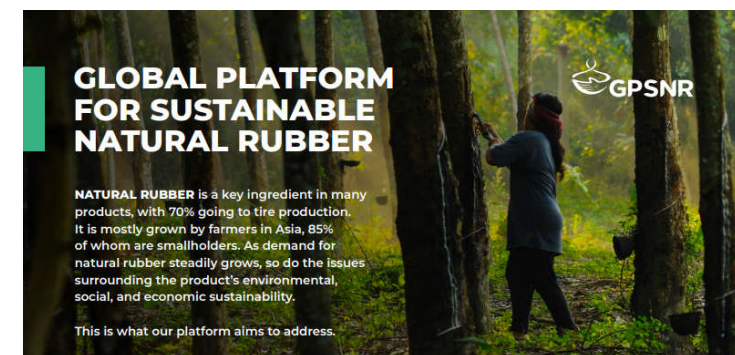
✓ **12 principles for sustainable rubber**

✓ **5 categories of membership:**

- Producers, processors, tire manufacturers, other end-users, NGOs

✓ **A series of “workshops” and “working groups” are gradually being organized to develop:**

- A code of conduct
- Statutes
- “Desired state”
- An integration of smallholders to the GPSNR platform
- Policies
- Method of verification

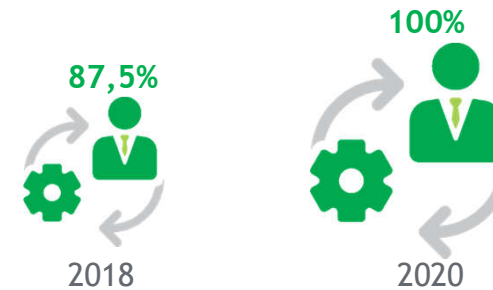




## Adherence to international standards



ISO 14001 certified plantations



ISO 9001 certified rubber factories

**ISO 9001:** sets out the criteria for a quality management system

**ISO 14001:** provides a very efficient framework for an environmental management system

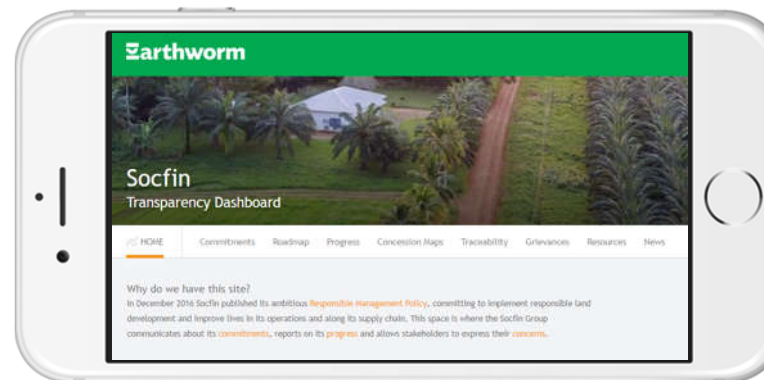
**OHSAS 18001:** provides a framework to identify, control and decrease the risks associated with health and safety within the workplace

**Global GAP & Bio Agricert:** organic farming certifications that provide a set of standards for good agricultural practices



## Earthworm Foundation - EF (ex-TFT)

- ✓ Environmental and social expertise
- ✓ Support the Socfin Group in the implementation of its responsible management policy in the field
- ✓ Present in 15 countries, actor in the field
- ✓ Transparency dashboard



# Our stakeholders evaluation



- ✓ Organization assessing the availability of social, environmental and governance information
- ✓ Socfin score 2019:

- 59% = 9<sup>th</sup> place out of 350



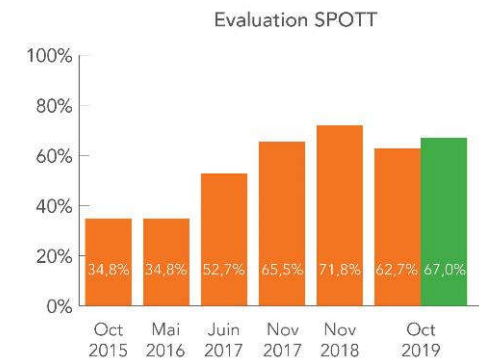
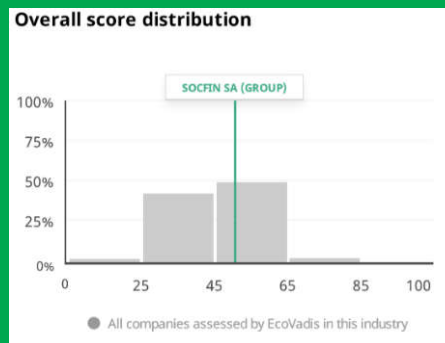
- ✓ Organization assessing our performance in terms of ethics, sustainability, responsible management and transparency

Socfin score 2019: 51% - silver



- ✓ Organization assessing the availability of social, environmental and governance information
- ✓ Socfin score 2019:

- Oil palm: 62.7% = 24<sup>th</sup> place out of 99
- Rubber: 67% = 3<sup>rd</sup> place out of 15





# Partnerships

## Organizations

FISDES



ELIZABETH GLASER  
PEDIATRIC AIDS  
FOUNDATION



## Institutions & universities



## Research and development: Socfin Research



- ✓ A driving force in agricultural research
- ✓ Specialized: oil palm & rubber tree
- ✓ 2 operating entities: Camseeds and SSPL Socfindo
  - Activities:
    - ✓ Genetic improvement of the oil palm
    - ✓ Selected seeds production

€ 17.2 million  
Investments 2013 - 2019


> 1 200 ha  
Experimental fields



Collaboration with research institutes and universities



Cameroon  
*Indonesia*



Opened in 2017  
*Opened in 1913*



248 employees  
*156 employees*

# Research and development: Socfin Green Energy



## Biomass boiler + turbines = cogeneration

Produces the heat and electricity needed for palm fruit processing

Study, construction and operation of green and renewable energy installations



## Hydroelectric plant

Produces electricity to meet the energy needs of the site and populations

Objective: self-sufficiency of plants



## Biomass dryer

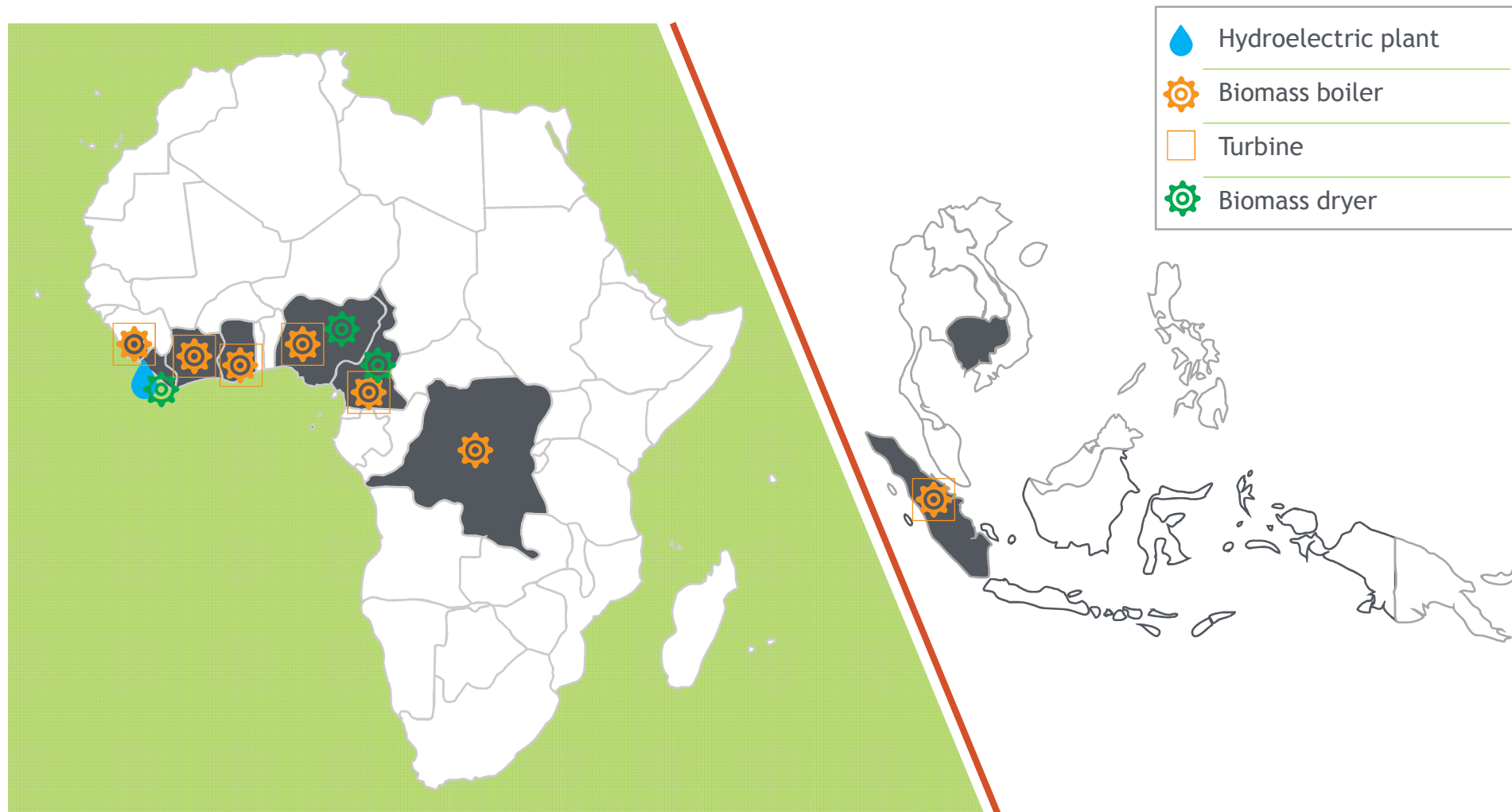
Produces the heat needed to dry natural rubber

Projects in place: hydroelectric dam, biomass dryers, biomass boilers and solar panels

On study: Sources of wind energy



## Socfin Green Energy: in operation



# Follow us online



@SOCFINSierraLeone



@lacliberia



@pageSOGB



@sscaboisso



@Okomu oil



@Socapalm



@Safacam



@AgrisalmaSaotome



@SOCFINCambodia



[www.linkedin.com/company/socfingroup/](http://www.linkedin.com/company/socfingroup/)



[www.socfin.com](http://www.socfin.com)

# Annual Sustainability Reports



	1. Scope	2. Environmental impact	3. Social impact	4. Governance	5. Other
Item	2019	2018	2017	2016	2015
<b>Environmental</b>					
Greenhouse gas emissions (Scope 1 & 2)	1,100,000	1,050,000	1,000,000	950,000	900,000
Water consumption	1,200,000	1,150,000	1,100,000	1,050,000	1,000,000
Waste generated	1,300,000	1,250,000	1,200,000	1,150,000	1,100,000
<b>Social</b>					
Number of employees	1,200	1,150	1,100	1,050	1,000
Number of smallholders	4,000,000	3,900,000	3,800,000	3,700,000	3,600,000
<b>Governance</b>					
Board of Directors	5	5	5	5	5
Executive Management	10	10	10	10	10





## Our publications

---

*Thank you for your attention*