Development of rubber tree and oil palm crops in Congo by A. Hallet

1890

Foundation of the Socfin Group
Introduction of oil palm in Asia

1909

Development in DR Congo and French Cameroon

1920

End

1960

Wave of plantation nationalization

1968

Indonesia

1990

Côte d'Ivoire

1994

Côte d'Ivoire

1998

Cambodia

DR Congo

Liberia

2000

Cameroon

2007

Ebola outbreak: prevention in Guinea, Liberia and Sierra Leone

Socfino: all plantations are certified RSPO

2008

Sierra Leone

2010

Nigeria

Socfin becomes an internationally recognized seeds producer

2012

Cameroon

2013

Cameroon

2014

Socfin becomes an internationally recognized seeds producer

2015

Ebola outbreak: prevention in Guinea, Liberia and Sierra Leone

Socfino: all plantations are certified RSPO

2016

Formalization of the responsible management policy

2017

Founding member GPSNR

2018

RSPO certification in Nigeria

Socfin Green Energy

Socfin Research

2020

Inauguration of the hydropower plant, LAC, Liberia
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
- 10 countries
- 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
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
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

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
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.
Presssed into standard 35 kg slabs.

**Present of rubber cultivation**

**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

Carbon fixation (C Ton) per ha per year

- Rubber: 4.2
- Tropical rainforest: 4
- Oil palm: 2.2
- Olive grove: 0.7
- Soy / Rapeseed: 0.25
Rubber prices

- The average price of natural rubber (TSR20 1st 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.
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

Rubber tree planted area
- 63,100 ha

Oil palm planted area
- 129,600 ha

Distribution of rubber tree planted area by estate
- SOGB, 26%
- LAC, 20%
- Socfin, 12%
- Okum, 12%
- Safacam, 7%

Distribution of oil palm planted area by estate
- Socfindo, 29.7%
- Socapalm, 25.1%
- Okum, 14.7%
- SAC, 9.5%
- Brabanta, 4.8%
- Safac..., 4.1%

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Economic performance: production and sales

Rubber production
- Asia: [PERCENTAGE]
- Africa: [PERCENTAGE]
- Total: 160,000 T

Palm oil production
- Asia: [PERCENTAGE]
- Africa: [PERCENTAGE]
- Total: 469,800 T

Seed sales
- Total: 6.74 million

Distribution of rubber production by estate
- SOGB: 39.1%
- SCC: 23.9%
- Safacam: 4.6%
- Okomu: 4.5%
- LAC: 15.6%
- Socfindo: 7.1%
- Socfin KCD: 2.3%
- Socapa: 1.5%
- SRC: 1.4%

Distribution of palm oil production by estate
- Socfindo: 40.3%
- Socapalm: 29.9%
- Okomu: 9.0%
- SOGB: 8.2%
- Safacam: 3.4%
- SAC: 5.2%
- Brab: 3.5%
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

Evolution of the annual prices of palm oil, rubber RSS3 and TSR20 with 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

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oil palm, 52%</td>
<td>150</td>
<td>144</td>
<td>198</td>
<td>153</td>
<td>152</td>
</tr>
<tr>
<td>Rubber tree, 34%</td>
<td>18</td>
<td>39</td>
<td>72</td>
<td>47</td>
<td>31</td>
</tr>
<tr>
<td>Other, 14%</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

2020 Corporate presentation
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

Through promotion of respectful and transformative tropical agriculture.

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

- Compliance with local legislations and international conventions
- Membership and freedom of association
- Code of ethics based on international standards
- Salary higher than the legal minimum
- Grievance management system
- Health care coverage: employees

- 47,600 employees
- 17% = women
- 3,900 people hired (2019)
- 236 plantations villages
- 201 sports fields
- 44 market places
Responsible employer

Occupational Health & Safety

OHS system based on OHSAS 18001

Existence of safety and health committees

Training upon employment and continuous education

Medical check-up to ensure fitness for work upon employment and periodically

First aid trainings and creation of first aid posts

OHS training for subcontractors

Training and sensitization 12 700 in 2019

€ 1.4 million
Responsibility 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 highschools
- NGO’S: EFAs in Cameroon

61,300 pupils
311 schools
2,800 teachers
Students/teacher rate: 26.10
€ 2 million
Responsible employer

Management of natural resources

- Harmonization of “good practices” within the Group
- Respect of local laws and international environmental standards
- Group policy for responsible management (adoption of the HCS approach)
- RSPO certification => 100% in 2021 (HCV studies and obtaining CLIP)
- Rational energy use
- Soil protection: techniques to reduce erosion

Separate waste collection system

Organic fertilizer spreading

+1.4 million L of fuel saved thanks to green technologies

Water treatment facilities

€ 4.2 millions
Responsible employer

Local development

Priority hiring of local residents

- Creation and maintenance of access roads within and around plantations
- Installation of telecommunications networks
- Community development projects: fish farming, rice fields, microcredits, AFS
- Construction of wells & boreholes
- Long-term job creation: reducing rural exodus

Support to smallholders:

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

6 tapping schools & 1 vocational school
2 Agricultural Family Schools (AFS)
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

<table>
<thead>
<tr>
<th>Year</th>
<th>Company</th>
<th>Certification Progress</th>
</tr>
</thead>
<tbody>
<tr>
<td>01/2019</td>
<td>Socfindo</td>
<td>30%</td>
</tr>
<tr>
<td>01/2020</td>
<td>Okomu</td>
<td>44%</td>
</tr>
<tr>
<td>12/2020</td>
<td>Safacam, SOGB</td>
<td>72%</td>
</tr>
<tr>
<td></td>
<td>Socapalm (2/6)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>SAC</td>
<td></td>
</tr>
<tr>
<td>12/2021</td>
<td>Socapalm (4/6)</td>
<td>100%</td>
</tr>
<tr>
<td></td>
<td>Brabanta</td>
<td></td>
</tr>
<tr>
<td></td>
<td>PSG</td>
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<tr>
<td></td>
<td>Agripalma</td>
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</tr>
</tbody>
</table>
✓ 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 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% = 9th 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% = 24th place out of 99
  - Rubber: 67% = 3rd place out of 15

Overall score distribution

Evaluation SPOTT
### Partnerships

<table>
<thead>
<tr>
<th>Organizations</th>
<th>Institutions &amp; universities</th>
</tr>
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<tbody>
<tr>
<td>FISDES</td>
<td>UCLouvain</td>
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<td>ZSL</td>
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<tr>
<td>ACMS</td>
<td>UNIVERSITEIT GENT</td>
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<tr>
<td>Earthworm</td>
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<td>30 iecd</td>
<td>KU LEUVEN</td>
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<tr>
<td>Pediadic AIDS Foundation</td>
<td>DEG KFW BANKENGRUPPE</td>
</tr>
<tr>
<td>Aimas</td>
<td>IFC International Finance Corporation</td>
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<td></td>
<td>UNITED NATIONS HUMAN RIGHTS Office of the High Commissioner</td>
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<td>LA BANQUE MONDIALE</td>
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2020 Corporate presentation
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
Opened in 2017
248 employees

Indonesia
Opened in 1913
156 employees
Biomass boiler + turbines = cogeneration

Produces the heat and electricity needed for palm fruit processing

Hydroelectric plant

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

Biomass dryer

Produces the heat needed to dry natural rubber

Study, construction and operation of green and renewable energy installations

Objective: self-sufficiency of plants

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

On study: Sources of wind energy
Socfin Green Energy: in operation

- Hydroelectric plant
- Biomass boiler
- Turbine
- Biomass dryer
Thank you for your attention