

A PERIOD OF PROGRESS AND ACHIEVEMENT

ED&F MAN
Corporate Social Responsibility and Sustainability 2016-2018





10-15

WHAT WE'VE DONE ENVIRONMENT

Continued high standards of operations with reduced impact on environment.



16-19

WHAT WE'VE DONE MARKETPLACE

Supporting coffee smallholders to improve yield, profit and longevity.



20-23

WHAT WE'VE DONE WORKPLACE

Local, regional and global work to roll out our values, develop our employees and celebrate success.



24-29

WHAT WE'VE DONE SOCIETY

Award-winning work to communicate the value of education in rural coffee communities.

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Our commitments
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Our approach
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Sustainability Action Plan 2020-2030

COMMITTED TO CREATING VALUE IN A RESPONSIBLE AND SUSTAINABLE MANNER

At ED&F Man, we have been owners, managers and traders in selected businesses across the world for more than two centuries. During this time, we have focused on building success based on a common foundation of positive values, a commitment to excellence, and constant evolution and improvement in the way we work.

We have long been believers, and acted on our belief, in the value of doing business in a manner that lives up to our company's high standards of corporate social responsibility (CSR) and sustainability. We have defined a set of values, commitments and practical approaches that underpin each of our businesses as well as our group as a whole. These address issues critical to our products and services: workplace health and safety, protecting the environment, and engaging with communities in our origin markets to improve skills and livelihoods.

As a result, we are proud to have earned a reputation as a responsible and trustworthy partner for all of our stakeholders. We have also engaged with our clients, suppliers, supply chain participants, strategic partners, industry bodies and selected NGOs where a combination of efforts and expertise can lead to better outcomes for us all. We remain committed to continuing this effort into the future, building on our long-established traditions and evolving our current approaches to respond to the opportunities and risks of a modern, changing world.

We are proud to have earned a reputation as a responsible and trustworthy partner for all of our stakeholders.”

Despite our achievements, there is still work to be done. Social issues, farmer economics, climate change, water scarcity, environmental pollution, deforestation, and human rights are all issues that feature high on our agenda and will only increase in significance as the world population grows toward 10 billion and demand for food increases.

We have made much progress, but there is still much to do. Urgent action is required to define and ensure a sustainable future, not only for ED&F Man as a company, but for our entire society as a whole.

That is why we have continued to develop our CSR work, integrating it even further into our business strategy, focusing on achieving a new set of targets adding value to the business and reviewing our commitment to the UN Sustainable Development Goals. Our newly defined CSR and Sustainability Action Plan 2020-2030 will be finalised and launched later this year.

I commend and thank the ED&F Man CSR team and all members of our organisation for their hard work, valuable insights and applied expertise. We can look forward together to a future of continued progress in these important areas to the benefit of every individual and organisation in the ED&F Man stakeholder community.

Rafael Muguero

Chairman, ED&F Man
Chair, CSR Steering Committee (2012-2019)



ADDRESSING SUSTAINABILITY ISSUES

COMPANY OVERVIEW ABOUT US

With trading roots dating back to 1783, ED&F Man is one of the world's leading providers of agricultural commodities, logistics and financial services, with annual revenues of over \$8 billion*.

We source, store, process, ship and distribute agricultural products including sugar, coffee, molasses, animal feed and pulses. Underpinning this is our business model – global infrastructure, operational expertise and execution capability – ensuring timely delivery of products of the highest quality. This model has secured our long and successful presence in our markets and strong customer base.

Our global financial brokerage arm combines the heritage and experience of ED&F Man with expertise in modern capital markets. We help our counterparties manage price risk through hedging and provide access to global commodity and capital markets. Our services include trade processing, financing, clearing, execution and agency services.

We are present in 160 locations in more than 60 countries employing over 6,000 colleagues from a wide variety of nationalities, cultures and backgrounds.

* For the year ended 30 September 2018.

SUGAR

A leading global sugar business spanning milling, refining, blending and packaging.

COFFEE

One of the world's largest suppliers providing beans for over 80 billion cups a year.

MOLASSES

A world-leading trader of molasses and agricultural by-products.

PULSES

Global trader of pulses and seeds including peas, beans, lentils, sesame seeds and cashew nuts.



OUR BUSINESS IN NUMBERS...

EMPLOYEES

+6,000

NATIONALITIES

+80

CUSTOMERS

+15,000

SUPPLIERS

+14,000

OPERATING GLOBALLY IN

+160

ACROSS

+60 COUNTRIES

OVER

230

YEARS IN BUSINESS

ANNUAL REVENUE OF OVER

\$8 billion

(FOR THE YEAR ENDED
30 SEPTEMBER 2018)

WE TRADE

12 million

BAGS OF COFFEE

7 million

TONS OF SUGAR

6 million

TONS OF LIQUID MOLASSES



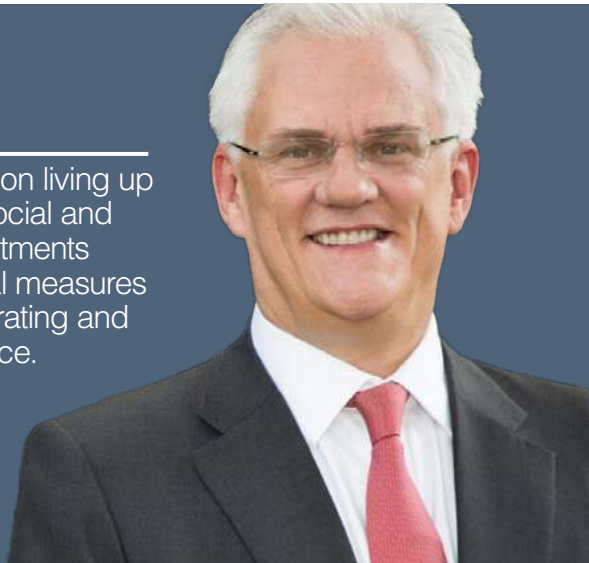
MAKING US AMONG THE
WORLD'S TOP TRADERS IN
THESE THREE COMMODITY
GROUPS.

OUR APPROACH TO CSR

RESPONSIBILITY AND SUSTAINABILITY ARE AN INTEGRAL PART OF THE WAY WE DO BUSINESS



Success now rests on living up to environmental, social and governance commitments alongside traditional measures of competitive, operating and financial performance.



I am delighted to introduce our second report on our achievements in corporate social responsibility (CSR), sustainability and philanthropy, covering the period from October 2016 to September 2018.

Our long-standing commitment to ethical business practice, social responsibility and sustainability is fundamental to all that we do as one of the world's leading commodity trading businesses and significant providers of a range of financial services. Our CSR programme is all about adapting our high-level goals and commitments to suit each individual business and the group as a whole. Across the world we put our commitment into practice, promoting responsible, sustainable growth with special attention to four related areas which we have determined to be our highest priorities: Environment, Marketplace, Workplace and Society.

The programme supports us to set broad policies and specific goals, establish principles and act decisively to provide customers with safe, secure products, limit the impact of our business on the environment, embed ethical principles and address a range of social issues across all of our operations. Where appropriate, we pursue our goals in shared efforts with our clients, business partners, supply chain participants, external organisations and trade associations which complement our dedicated internal approaches.

Setting priorities, taking action

For our business units, it is all about setting priorities and embedding CSR practice into core business strategy – strengthening our competitive position in a world where success continues to be defined by strategic progress, but also now rests on living up to environmental, social and governance commitments alongside traditional measures of competitive, operating and financial performance.

Our future success will increasingly include assessment of our role in fostering broader economic prosperity, living up to the requirements of responsible environmental stewardship, respecting human rights, and contributing to the achievement of the relevant UN Sustainable Development Goals.

Highlights 2016-2018

Progress to date can be seen in every business, but selected highlights include:

- Another year of improved results in workplace health and safety.
- Expanding the 'Volcafe Way' in our coffee business to upgrade farmer agri-expertise in order to help them to manage their farms on a more profitable and sustainable basis; today, Volcafe Way is present in nine coffee origin areas in Africa, Asia and Latin America.

- Promoting partnerships in our efforts to eradicate child labour in coffee farming.
- Improving standards in the sugar business by working through Bonsucro to establish sustainability standards in sugar cane farming.
- Investing to increase the availability of sustainably produced molasses in our Molasses and Liquid Products business.
- Focusing on the reduction of electricity, fossil fuel and water use via numerous projects to reduce our impact on the environment.
- Promoting charitable contributions, active support and relief aid across our group through a co-funded set of activities with employees, contributing to the communities in which we operate.
- The MD of our coffee business, Trishul Mandana, is an active member of the board of the Global Coffee Platform to further sustainability efforts across the whole industry.

Our employees, shareholders and other stakeholders can be justly proud of these, and other, real achievements which are detailed in this report. We will continue to support these activities, and also increase our resources and engagement in other areas of highest priority as our business evolves.

A renewed approach for the future

But there is, of course, much more to do to address new challenges and add to achievements.

I am pleased to report that the CSR Committee and Board have reviewed and approved a new long-term CSR strategy which sets out our overall vision and supporting goals. This can be found in more detail in the Looking Forward section on page 31.

This Strategy will underpin our efforts this year and beyond, positioning our CSR programmes for continuing impact, and maximising their contribution to the overall long-term success and value of our business.

Mark Daniell, Independent Non-Executive Director,
ED&F Man Chair, CSR Steering Committee
(from October 2018 to present)





OUR STRATEGY FOR CORPORATE SOCIAL RESPONSIBILITY AND SUSTAINABILITY

We focus resources in four areas where we can effect meaningful change by reducing negative influences and increasing positive impact.

Environment

We are committed to protecting the environment and minimising any adverse effect of our operations. We are taking steps to reduce the amount of carbon dioxide we produce by reducing the amount of energy we use. This lowers costs, limits damaging effects on the environment and contributes to our efforts to be a responsible member of the communities in which we work.

Priorities:

- Responsible energy and water use
- Managing waste
- Carbon footprint
- Preventing pollution

Marketplace

We are committed to bringing safe products of confirmed quality to our customers. We work ethically, in accordance with our Standards of Business Conduct. We also partner with our suppliers to act in line with our CSR commitments and actively take part in creating or expanding sustainable supply chains.

Priorities:

- Deliver safe products of agreed quality
- Long-term relationships with suppliers sharing our values and ethics
- Engagement with customers and consumers
- Comply with fair operating practices
- Practice responsible sourcing
- Grow the certified sustainable supply chain
- Manage change intelligently

Workplace

We recognise that the success of our business depends upon attracting, hiring, retaining and developing highly-talented employees. We respect human rights and progressive labour practices, and are committed to ensure that our offices and industrial assets are safe and meet all legal requirements.

Priorities:

- Ensure safe workplaces
- Comply with all relevant labour practices
- Ensure human rights of all our employees are respected and complied with
- Enable an environment for employees to develop their skills, grow in their roles and advance their careers

Society

We play an active role in the community. Philanthropy and volunteering are part of our culture, and our employees are making a difference through their involvement in local and corporate community activities. Our businesses support local projects through our Charico fund, where activities focus on education, health, society and the provision of emergency aid. We are committed to being a responsible member of society, building strong relationships with local communities and complying with all local laws. By so doing we are improving local economies and raising standards of living.

Priorities:

- Be a responsible business in all countries where we operate.
- Ensure basic human rights are respected.
- Support local communities.
- Community involvement.
- Corporate giving.

CSR TRENDS IN OUR INDUSTRY DURING PAST TWO YEARS – VIEWS FROM RESEARCH



The past two years have seen a growing focus on sustainability, diversity and environmental issues in the food and commodity industries. While major food and drinks companies, many of them important clients of ours, have been setting new targets and implementing initiatives to reduce waste and achieve sustainability goals, across the supply chain

tradehouses like ourselves have also been more active. From boosting the traceable sourcing of certified commodities to working towards reducing carbon foot prints, narrowing the gender pay gap, complying with the upcoming IMO 2020 shipping fuel standards and responding to the growing demand for meat-free alternatives, 2017 and 2018 definitely saw a marked step up in initiatives and progress in commodity supply chains. It should be noted that all this took place against a backdrop of falling sugar, coffee and grain prices. In this challenging economic environment, food companies are increasingly demanding traceable and responsible supplies. For longer term sustainable goals to be achieved there will need to be even greater joint collaboration along all stages of the supply chain for all parties to maximise their collective impact.

Kona Haque
Head of Research

QUALITY AND FOOD SAFETY – WHAT NEXT?

As a company trading food and feed products, it's vital that we operate robust quality and food safety management systems. These allow us to comply with relevant food and feed safety regulations, and ensure we deliver safe products of agreed quality to our customers, delivering on two of our most important responsibilities.

Thanks to stricter food regulations across the globe and improved quality and risk management systems, unintentional contamination incidents in the sector have reduced in number and severity. However, a growing issue of concern is food fraud. Incidents around purposely altering, misrepresenting, mislabelling, substituting or otherwise tampering with food or feed products have increased dramatically. Fraudulent and intentional substitution, dilution or addition to a raw material or food product, or misrepresentation of the material or product on labelling are also on the increase.

To protect food quality, we are improving the procedures that prevent food fraud by intensifying and reinforcing our controls on food defence. This will affect the way we assess our supply chains, perform supplier evaluation, product analysis and incoming product inspections, and improve site security. This is part of preventing the 'economically motivated adulteration' by others to ensure the integrity of the products we deliver to our customers.



REPORT TO OUR STAKEHOLDERS ACHIEVING TANGIBLE RESULTS



Our products touch the lives of millions of people, from those who grow, pack, trade and deliver them in the sixty countries where we do business, to the sellers and consumers who rely on their integrity and quality around the world. It is vital that we pursue our business interests in a responsible and sustainable manner at every step along the way. This approach reflects our full commitment and passionate belief in responsible and sustainable practices.

Our job is to provide a financial return for our investors, and maintain and develop trusting and successful partnerships with our clients. We can only achieve this by operating in compliance with the regulations and laws in place locally, nationally and internationally. We also take seriously our responsibility towards the environment, to use natural resources sensibly, and to do all we can to safeguard the world for future generations.

It's also our responsibility to ensure that the products that we buy and sell, and the supply chains in which we operate, are underpinned with quality assurance, integrity and safety of supply, and constant vigilance to ensure we are not endangering land or life through our trade.

It's our duty and our aim to be a fair and responsible employer to our staff, ensuring a safe and healthy workspace and a supportive work culture that encourages engagement and stimulates our teams to be the best they can.

In this Report you can read about our progress over the past two years, from 2016 to 2018, when we continued to bring our skills and know-how to a series of activities and projects that deliver on our CSR commitments to our stakeholders. We have focused here on case studies from the period that illustrate the work we've done and highlight our influence and achievement. This is important work showing how we participate to improve critical aspects of production and supply of some of the world's most heavily-traded commodities upon which millions of jobs and households rely.

You can also read about the initiatives to engage and develop employees to ensure that ED&F Man remains a great place to work, and how our charitable arm, Charico, supported the fundraising efforts and charitable engagement of our employees around the world.

The challenge now lies in ensuring that our current CSR and sustainability successes evolve into long-term plans that meet the needs and interests of all our stakeholders and society at large. Recently, we have challenged ourselves to be even more effective by adding environmental, social and governance (ESG) objectives to our CSR commitments. And with our leaders we have asked ourselves the following:

- What are the issues for our company's long-term future?
- What are the issues for our stakeholders, and which issues do all stakeholders express most frequently?
- What are the issues and targets that are most relevant to our engagement objectives?

We are finalising the update of our CSR sustainability strategy, and the potential is exciting. Many of the 'next steps' are explained on pages 28 and 29. They will further integrate CSR and sustainability into our operations, which will increasingly involve our employees and partners. This will ensure ED&F Man remains **relevant** for its suppliers, customers stakeholders, **responsible** towards its staff, and the environment, and **resilient** in rising to future changes, challenges and the constant evolution of our business.

René Kleinjan

Group CSR and Health & Safety
and Quality Manager

CONTINUING A DOWNWARD TREND FOR ENERGY USE AND CARBON EMISSIONS



WHAT WE'VE DONE... ENVIRONMENT

ED&F Man complies with all relevant obligations placed upon us by environmental laws and regulations in all countries where we operate. However, we are committed to go well beyond minimal legal obligation and are trying continuously to improve our environmental performance and protect valuable natural resources. This is not only good for our company, but also for the environment and for the communities where we operate. We also collaborate with selected partners across our supply chains and encourage our partners and members of the wider relevant business community to join us in this effort.

Our approach

We set a minimum performance standard for each critical area in our Group Environmental Policy, which governs all operations. Due to the range of our business activities, markets and geographic regions, our approach to environmental management is decentralised and each different business is responsible for complying with local standards and regulations. Site-specific environmental improvements are developed and implemented by local staff.

Our business portfolio, and hence the basis upon which we report for CSR and sustainability purposes, is both complex and evolving. Our commodity trading and financial services businesses operate mainly from an office-based infrastructure. However, our performance on carbon emissions and water use was affected by the addition of our new sugar mills in Chile and Mexico which were added to our recording and tracking systems in 2016. In 2018 we also added our new crops business Maviga. Overall however, the performance of the Group in year-on-year comparison has been good, showing a downward trendline for both energy use and carbon emissions.

In the past period we are now also tracking energy use per metric tonne (in kWh/MT) allowing us to report on our energy efficiency and environmental sustainability.



MANAGING THE USE OF NATURAL RESOURCES

For each location, in each Business Unit, and for the Group as a whole, we record the use of natural resources in a central energy and water use tracking and reporting system, and aim to reduce this whenever possible. We report these numbers monthly into the Management Committees of each Business Unit, but also to senior management, to ensure all responsible persons are informed about our environmental performance on a regular basis.

For full transparency all numbers shown in the tables are actual values, meaning these include also any positive or negative effects of business acquisitions or operations sold. This also means the reported values from year to year cannot always be compared. For example, in the case of FY16/17, the Group has added 15 additional sugar refineries to its tracking system following the acquisition of IANSA in Chile and AGS Saenz in Mexico and the start of a refinery of Man Ingredients in the Czech Republic. The comparison between FY15/16 to FY14/15 and the one of FY17/18 to FY16/17 can be made as in these years changes in the business did not have a large effect. Our latest acquisition of pulses trading company Maviga, now our Special Crops unit, has been added to our tracking and reporting system in FY17/18, so no prior year comparison can yet be made for this unit.

As shown in the energy consumption numbers (see Table 3), the individual Business Units and the Group as a whole achieved significant reductions in the past year, and are all achieving an improvement on our FY14/15 baseline performance. The total reduction of 33% achieved last year represents an saving of 576,343,435 kWh, capable of heating 164,669 households* for one year in the communities where we operate. But this reduced impact on our environment has also reduced our cost of operation, making the company less dependent on the fossil fuel energy market, and adding value to our assets.

* global average energy use of 3,500 kWh/year



Energy

We record the use of electricity, fossil fuels and renewable fuels individually, and then convert these into kWh, allowing us to monitor our total energy use in kWh, but also the energy used for producing or processing 1 metric tonne of product.

Table 1: Use of natural resources per type, total for all operational assets:

	FY14/15	FY15/16	FY16/17	FY17/18	+/- TO PRIOR YEAR
Electricity (kWh):	49,357,089	39,419,501	88,849,624	94,224,635	6%
Gas (m ³):	24,777,084	16,307,997	23,847,355	13,995,144	(41)%
LPG (m ³):	75,967	78,309	245,625	60,508	(75)%
Oil / Diesel (ltr):	883,691	807,948	2,565,730	3,683,634	44%
Coal (MT):	69,949	69,133	166,886	102,247	(39)%
Gasoline (ltr):	48,753	91,278	121,735	561,158	361%
HFO (ltr):	112,875	198	4,567,643	5,735,826	26%
City Heating (GJ):	2,742	2,952	2,312	2,446	6%
Wood chips (MT):	0	0	1,031	173,690	16,747%

Notes:

The increase in FY16/17 on all parameters is caused by adding all assets of IANSA (Chile), AGS Saenz (Mexico) and Man Ingredients (Czech) to our tracking and reporting system.

The increase in FY17/18 on oil/diesel and gasoline use is caused by adding our Ukraine farm operations to our tracking system.

The increase in FY17/18 on heavy fuel oil use is caused by the increase of use of this fuel for boilers, replacing coal.

Our achievements

The growth of energy we extract from renewable sources, such as where more waste wood chips are being used to produce heat, is promising. Our Albany plant near New York, part of Westway Feed Products in our Liquid Products division, has installed solar panels, and is now running on 100% solar electricity, making it the first bulk liquid terminal in the US to do so. While total electricity use increased slightly, by 6%, our total use of fossil fuels reduced by 36% (see Table 2).

Each individual business unit achieved significant reductions in energy use in the period except where IANSA, AGS Saenz and Man Ingredients were added to our tracking and reporting system for Sugar & Industrials. The other units performed the same or achieved a reduction, when looking at total energy use (see Table 3).

When we eliminate the effects of acquisitions and look at energy use per metric tonne of product produced or processed, our results are even more impressive. Coffee has consistently achieved a reduction and uses 34% less energy per metric tonne of product than in FY14/15. Sugar & Industrials has cut its energy use almost in half in the same period. Liquid Products, already an efficient operation, was able to achieve a 21% reduction on its energy use per MT of product (see Table 4).

All our Business Units individually, and the Group as a whole, have performed below the FY14/15 baseline, demonstrating how environmental stewardship is helping achieve energy-neutral business growth.

36%

REDUCTION IN FOSSIL FUEL USE

Table 2: Energy consumption in kwh: total for all operational assets:

	FY14/15	FY15/16	FY16/17	FY17/18	+/- TO PRIOR YEAR
Electricity	49,357,089	39,419,501	88,849,624	94,224,635	6%
Fossil Fuels	825,384,813	724,101,264	1,631,749,945	1,050,031,499	(36)%
Total:	874,741,902	763,520,765	1,720,599,569	1,144,256,134	(33)%
Renewable Fuels	–	–	3,814,700	642,653,000	16,747%

Table 3: Energy consumption in kwh, trend per business unit and for Group:

	FY14/15	FY15/16	FY16/17	FY17/18	+/- TO PRIOR YEAR
Coffee	18,142,142	21,254,769	21,815,840	20,112,171	(8)%
Sugar & Industrials	796,332,976	688,820,589	1,644,377,114	1,071,904,087	(35)%
Liquid Products	60,266,784	53,445,407	54,406,615	50,381,394	(7)%
Special Crops	0	0	0	1,858,482	–
Group:	874,741,902	763,520,765	1,720,599,569	1,144,256,134	(33)%

Table 4: Energy consumption in kwh/mt, trend per business unit and for Group:

	FY14/15	FY15/16	FY16/17	FY17/18	+/- TO PRIOR YEAR	+/- TO FY14/15 BASE
Coffee	77	63	49	51	4%	(34)%
Sugar & Industrials	1,310	1,138	1,381	747	(46)%	(43)%
Liquid Products	24	21	23	19	(17)%	(21)%
Special Crops	–	–	–	19	–	–
Group:	260	219	427	252	(41)%	(3)%





38%

REDUCTION IN WATER USE
BY COFFEE

Water

The total water use for the Group has increased in the period, primarily due to the high water consumption by the sugar refineries in Chile, Mexico and the Czech Republic. The increase in the quantity of sugar produced and/or refined contributed to the increase. It is evident that action to manage water use in the Sugar & Industrials unit is needed, and many initiatives have started where indications show a major improvement will be achieved in the next period.

Water use by our Liquid Products division has remained relatively stable over the past years.

Strong performance by our Coffee unit has achieved a water use reduction four years in a row. Their continuous efforts have resulted in another 11% reduction in the past year, achieving a total reduction of 38% from their FY14/15 baseline.

Table 5: Water use in m³, by business unit and total for Group:

	FY14/15	FY15/16	FY16/17	FY17/18	+/- TO PRIOR YEAR
Coffee	374,114	372,464	258,205	230,417	(11)%
Sugar & Industrials	553,479	479,295	10,884,663	16,009,238	47%
Liquid Products	208,844	153,109	178,959	182,297	2%
Special Crops	0	0	0	325	—
Group:	1,136,437	1,004,868	11,321,827	16,422,277	45%

Table 6: Water use in ltr/mt, by business unit and total for Group:

	FY14/15	FY15/16	FY16/17	FY17/18	+/- TO PRIOR YEAR	+/- TO FY14/15 BASE
Coffee	1,588	1,104	576	580	1%	(63)%
Sugar & Industrials	911	792	9,144	11,155	22%	1124%
Liquid Products	83	64	75	70	(7)%	(16)%
Special Crops	0	0	0	3	—	—
Group:	338	303	2,810	3,618	29%	970%

14 CARBON FOOTPRINT:

The Paris Agreement on climate change came into force in November 2016 and since then the world carries an obligation to keep global warming to no more than 2 degrees Celsius above pre-industrial levels. At that time ED&F Man was already tracking its use of natural resources and carbon emissions, and already working on reducing these numbers.

The energy and water use as reported on the previous page are converted into kg of carbon dioxide equivalents. The increase of carbon emissions for the Group in FY16/17 is explained by the acquisitions in Chile, Mexico and the Czech Republic. In all other years we have consistently achieved a reduction in carbon emissions. The overall high level of carbon emissions for our Sugar & Industrials unit is caused by the use of coal. Reductions are being achieved here, reducing our emissions significantly. Much of our effort to reduce emissions focuses on substituting coal as the main energy source in our refineries.

In total the Group has saved 158,029 metric tonnes of CO₂ last year. One metric tonne of CO₂ is said to cause \$200 of environmental damages to our planet, so this reduction also avoided \$31,605,800 of environmental damages.

Carbon footprint

Our initiatives to reduce energy use have directly impacted our carbon emissions. Coal use has been significantly reduced, by 39%, and brought the total emissions for the Group down by 32%. We still see further opportunity to improve on our environmental performance and are expecting another significant reduction for the next report.

All commodity business units contributed to this achievement. Coffee and Liquid Products achieved a 6% reduction, and Sugar & Industrials accounted for 33%.

Overall, when relating these emissions to production, the group emits 74 kg CO₂ per 1 metric tonne of product processed. When looking at emissions per metric tonne, all commodity business units are performing well below their original FY14/15 baseline, with Coffee, Sugar & Industrials and Liquid Products at -33%, -37% and -18% respectively. With the Group being almost back at its original FY14/15 baseline, our efforts in reducing energy use and carbon emissions have almost eliminated the impact of the added businesses in FY16/17.

Table 7: Total carbon emissions in kg CO₂, by energy source

	FY14/15	FY15/16	FY16/17	FY17/18	+/- TO PRIOR YEAR
Electricity:	22,457,475	17,935,873	40,546,329	43,051,856	6%
Gas:	46,479,332	30,592,171	44,735,252	26,253,941	(41)%
LPG:	431,339	444,641	376,933	343,564	(9)%
Oil / Diesel:	2,371,826	2,168,532	6,886,215	9,882,762	44%
Coal:	161,984,572	160,094,358	386,468,075	236,780,284	(39)%
Gasoline:	114,496	214,367	285,616	1,317,879	361%
HFO:	351,560	617	14,226,381	17,864,804	26%
City Heating:	55	59	60	56	(7)%
Total:	234,190,655	211,450,618	493,524,861	335,495,146	(32)%

Table 8: Total carbon emissions in kg CO₂, by business unit and for Group

	FY14/15	FY15/16	FY16/17	FY17/18	+/- TO PRIOR YEAR
Coffee	7,673,321	8,996,720	9,230,657	8,676,293	(6)%
Sugar & Industrials	213,341,520	192,089,515	472,373,066	315,130,476	(33)%
Liquid Products	13,175,805	10,364,383	11,921,138	11,162,404	(6)%
Special Crops	0	0	0	525,973	—
Group:	234,190,646	211,450,618	493,524,861	335,495,146	(32)%

Table 9: Total carbon emissions in kg CO₂/mt, by business unit and for Group

	FY14/15	FY15/16	FY16/17	FY17/18	+/- TO PRIOR YEAR	+/- TO FY14/15 BASE
Coffee	33.04	26.99	20.75	22.03	6%	(33)%
Sugar & Industrials	351.36	317.59	399.59	220.05	(45)%	(37)%
Liquid Products	5.26	4.38	5.01	4.30	(14)%	(18)%
Special Crops	0.00	0.00	0.00	5.49	—	—
Group:	69.75	63.79	123.35	74.09	(40)%	6%

OVER

\$31 million

WE SAVED 158,029 METRIC
TONNES OF CO₂, WHICH IS
EQUIVALENT TO \$31 MILLION
OF ENVIRONMENTAL DAMAGE



ED&F MAN SHIPPING GREEN POLICIES ON BLUE OCEANS

Murat with Green Environmental
Achievement Award

Sea transport has a big impact on the environment, mainly due to the number of ships on water – around 53,000 merchant vessels in all sizes. 90 per cent of the world's trade is by sea, and to enable our globalised needs, tastes and lifestyles, there are no practical alternatives to moving commodities around the planet other than on ships.

At ED&F Man we have a world-class shipping service, with a time charter fleet of vessels formed of Supramax and Ultramax 4.0 ships, popular vessels with larger capacities, capable of trading dry bulk cargoes in a wide range of ports and terminals worldwide. It's a big fleet and we're respected as an important player, so we have a role to play in making shipping more sustainable.

We comply with the IMO International Convention for the "Prevention of Pollution from Ships and Safety of Life at Sea", supporting IMO's strategy on reduction of greenhouse gas emissions from ships. All vessels today have a GHG-rating assigned by Rightship, whose mission is to improve the safety and environmental sustainability of the maritime industry. Performance against GHG emissions has become a deciding factor when chartering our vessels.

We are also concerned with economical speed and consumptions. We received a "Green Environmental Achievement Award" for our environmental approach in the Port of Long Beach in California, one of the world's largest shipping ports. The port's Green Flag incentive program is a voluntary clean-air initiative targeting smog-causing nitrogen oxides by getting operators to reduce vessel speeds.

In March 2017, we ordered our vessel MV Geneva, a 57,000 tonner, calling at Long Beach, to steam on her economical speed and thus burn less fuel while calling in at the port of Long Beach. As a result, we received a 15% discount on port costs when MV Unity Force called into Long Beach in July 2018.

We also continue with efforts to make sure that cleaning agents do not harm the marine environment. We safely dispose of dunnage used to keep cargo in place, and pump ballast water to onshore facilities or treat it on-board to prevent the spread of non-indigenous species to marine environments.

Murat Aktas
Freight Trader
Shipping

SETTING HIGH STANDARDS AND DELIVERING HIGH QUALITY

Under Marketplace we report on the work we've done to meet our commitment to deliver high-quality, safely-sourced products and services around the world.

We're proud to present case studies illustrating the scope of our influence and participation. On pages 16 and 17, our Sustainability and Quality Director for the Americas, Meredith Smith, talks about the

work she's leading with sugarcane sustainability organisation Bonsucro to address production of sugar cane – the large agricultural commodity in the world – with resilient, assured supply chains. And on pages 18 and 19 our global programme manager for Volcafe Way, Carlos Ortiz, reflects on the progress made by our work to transfer skills and knowledge to coffee farmers around the world.



WHAT WE'VE DONE... MARKETPLACE

SECURING STANDARDS FOR GLOBAL SUGAR CANE PRODUCTION

Starting with founding the Better Sugarcane Initiative over a decade ago to now serving as one of six Directors of the Bonsucro Board, ED&F Man has always been at the forefront of sugarcane sustainability.

Bonsucro is the global sugarcane platform with a mission to promote sustainable sugarcane. Bonsucro's number of certified mills continues to grow, with 26 new certificates issued in eight countries in 2018. Bonsucro continues to grow globally in diverse regions. In 2018, mills in Bolivia and China became Bonsucro certified for the first time.

ED&F Man has worked with trusted supplier partners to promote and achieve Bonsucro certification in El Salvador, Nicaragua, Guatemala, and the Dominican Republic.

Through our involvement in many sugar-related industry associations we are working to promote Bonsucro awareness and certification in many more countries. ED&F Man sources from all of the certified mills in Central America and the Caribbean and markets 66% of the total molasses exported from that region.

Since 2016, Bonsucro has achieved much success with the support of ED&F Man and other stakeholders. In 2016, Bonsucro updated its Theory of Change to move from a certification scheme to a global platform for change. This shift allows Bonsucro to create a unique pre-competitive space for stakeholders at all levels of the value chain to work together to create measurable change. 2017 saw the launch of Bonsucro Connect, an online calculator that allows farmers and mills to benchmark their performance (in social, environmental and economic terms) against peers and against Bonsucro's standards, metrics, tracking their performance and improvement over time. Bonsucro-certified mills have been able to demonstrate higher yields than expected, reduce water use by 3x (2018 vs 2013) and avoid 1.7 million tonnes of equivalent carbon dioxide emissions compared to 2013.

Bonsucro has also launched accelerator programs in Mexico, Thailand and India, leading to new certifications in



Bonsucro Members Council: Claudia Asensio (Pantaleon) current Chair, Diane Stevenson (CSC Sugar) former Chair, and Meredith Smith (ED&F Man) current Vice-Chair, attending the 2019 Sugar Club Dinner in NYC.



Meredith Smith, (centre) with Carla Patiño, CASSA, Bonsucro-certified mill and Omar Soto, Bacardi, Bonsucro member, at the port in Acajutla, El Salvador.

those countries. Together with Ser San Antonio and La Isla Network, Bonsucro rolled out the Adelante Initiative in Nicaragua to study and lessen the occurrences of Chronic Kidney Disease, a disease that impacts many sugarcane workers. This study highlights the benefits of a global platform for change. Results from the initiative will be shared broadly to help reduce the occurrences of this fatal disease globally.

ED&F Man was involved with the Smallholder Advisory Committee that lead to the launch of the Smallholder Production Standard and the first certified smallholder in 2018.

ED&F Man also recently became an active member of working groups that revised the Chain of Custody Standard, the Code of Conduct, and Grievance Processes. Through work on these committees, Meredith Smith was nominated and elected as Vice Chair of the Bonsucro Members Council and a member of the Board for 2019-2020 where she serves on the Finance and Risk Committee.

Since 2016 ED&F Man has been a key sponsor of Bonsucro Global Week. Meredith Smith was a speaker at Bonsucro Week 2018 in Nicaragua, where she presented "Pathways to Assured Product".

ED&F Man's Liquid Products business has been able to incorporate Bonsucro-certified products as a key part of their Sustainable Sourcing Strategy which has led to commercial

BONSUCRO



Bonsucro is a global multi-stake holder non-profit organisation that exists to promote sustainable sugarcane production, processing and trade around the world.

Bonsucro supports a community of over 500 members in over 40 countries from all elements of the sugarcane supply chain, including, farmers, millers, traders, buyers and support organisations.

success with clients in the rum sector and plans for additional sustainable sourcing for the yeast and feed sectors over the coming years. MLP will be investing in impact projects, through its new 'MAS' Program (MAS means 'more' in Spanish), in the communities in which it sources molasses to show our commitment to improving the sugarcane value chain.

ED&F Man will continue the sustainable sugarcane journey through improved supply chain risk mapping, communication of sustainable sourcing options to our customers, and by our influential role on the Bonsucro Members Council and the Board of Directors.



Meredith Smith

Sustainability and Quality Director – Americas

KEY HIGHLIGHTS

HIGHER YIELDS

+11.13^{TNS}

ADDITIONAL 11.13 TONNES OF SUGARCANE YIELDED PER HECTARE ON BONSUCRO CERTIFIED FARMS COMPARED TO THE AVERAGE FARM

HIGHER WAGES

22%^{ABOVE}

WAGES ARE ON AVERAGE 22% ABOVE THE NATIONAL MINIMUM WAGE

EMISSION AVOIDANCE

1.7^{MILLION TNS}

THERE HAS BEEN AN AVOIDANCE OF 1.7 MILLION TONNES OF CO₂ EQ. EMISSIONS COMPARED TO 2013 (INCLUDING LAND-USE CHANGE), WHICH IS EQUIVALENT TO ANNUAL EMISSIONS OF 1.2 MILLION CARS

WATER SAVING

54^{BN CUPS}

WATER USE AT CERTIFIED MILLS IS 3 TIMES LESS THAN 2013 LEVELS, EQUIVALENT TO 54 BILLION CUPS OF WATER SAVED

CERTIFICATION

160,000^{WORKERS}

BONSUCRO CERTIFICATIONS REACH 160,000 WORKERS AND SUPPORT THEIR COMMUNITIES

IMPROVEMENT

\$278,000

WAS INVESTED IN BONSUCRO IMPROVEMENT PROGRAMMES IN 2018

FEWER ACCIDENTS

40%^{REDUCTION}

FARMS CERTIFIED FOR >4 YEARS HAVE ON AVERAGE 40% FEWER ACCIDENTS THAN NEWLY CERTIFIED FARMS



PARTNERSHIPS AND PROFESSIONALISM



Our Volcafe Way programme went from strength to strength in 2015-18 and is now present in nine origins on two continents, helping farmers make the most of their land, plants and endeavour. Here manager Carlos Ortiz (above) talks about why it's working

Join us on a trip back to 2014 when sustainability was still just a buzzword for many people, when coffee growers sold coffee with little idea about the true costs of what they were selling and essentially used the same practices their parents and grandparents had. When technology was not used in coffee production and if we captured data at all it was recorded on a piece of paper that often just went into a dusty folder that barely saw the light of day. And where reputational risk, climate change and loss of the next generations of growers were not yet identified as challenges to our world ... scary huh? We thought so.

We started wondering if there was a way to produce coffee that worked for all stakeholders, meeting needs, adding value, and creating a business model where the word 'partnership' was a true description, and that profits for one meant profit for all. A way that was about giving back, sharing knowledge and expertise, providing solutions that made the coffee world a better place to work and live... the Volcafe Way.

The main goal of business is to make a profit in a consistent way, otherwise it will simply go out of business taking livelihoods with it. This is why, at Volcafe Way, we believe that, in order to be sustainable, we must first be profitable. Volcafe Way's main aim is to show coffee families how to farm as a business and to achieve sustainable profitability.

I'll let some of our team explain this better:

OUR TEAM'S COMMENTS:



Tania Saldarriaga (1) – Technical Commercial Assistant for Antioquia, Colombia:

"Volcafe Way is the route to sustainability for coffee entrepreneurs. It focuses on improving in key areas of productivity, quality and resource efficiency, leading to sustainable profitability and allowing a family business to remain financially healthy. It's exciting to see families get empowered when implementing the Volcafe Way as they enjoy and understand better how to perform all the business activities."

Cyprian Ipomai (2)

– Volcafe Way Manager, Kenya
"We are currently working with a number of coffee producers, whom we call coffee entrepreneurs, to identify the socio-environmental risks in farm businesses and determine ways of mitigating them through tailor-made action plans. In this way we help these entrepreneurs build farm businesses that are truly sustainable – economically, socially and environmentally – while entrenching transparency and traceability through the continuous collection, analysis and sharing of information and data."

Brian Owachgiu (3)

– Volcafe Way Agronomic Coordinator for West Nile, Uganda
"Volcafe Way focuses on teaching the principles of farming as a business. It trains the producers to achieve sustainable profitability by increasing their coffee productivity, reducing costs of production and improving quality. For this reason, a number of technical commercial assistants have been trained to assist producers and five business model farms have been established."

ENTREPRENEUR'S COMMENTS:

Koneka Richard (4)

– Coffee entrepreneur, Uganda
"I appreciate Volcafe for this wonderful programme. I never used to take coffee farming as my 'business', I did not know my costs of production, my incomes and I never used my resources efficiently. I appreciate all the support in terms of trainings and input that have been provided by Volcafe."

Aleida Herrera (5)

– Coffee entrepreneur, Guatemala
"I've enjoyed implementing the Volcafe Way. We used to lose money but now we're being more efficient with labour and inputs, while keeping track of all the costs. I'm very thankful for being the business model farmer of the region and I feel very satisfied to see my company improve. My dream is to leave the farm to my kids. It might be small, but I want them to value all the effort and advances we've made so far. We're aiming now to produce more, better quality coffee and demonstrate that women can also produce and run a coffee farm as a business."

Danny Venegas Cordero (6)

– Coffee entrepreneur, Costa Rica
"Volcafe Way has taught us to do everything with a business mindset. I have received support from other sources, but Volcafe is the only one that has truly invested the time to teach us how to achieve profitability in a sustainable way. The Technical Commercial Assistant will come even when it is pouring rain out there! We're very convinced that this methodology works as we've learned by doing and we've seen more profit on the part of the farm where we started implementing, compared to the parts we didn't implement. I wish you guys had come earlier in my life and provide this knowledge but... it is better late than never!"

LOOKING AHEAD:

We acknowledge that a big percentage of coffee families are still not profitable, still don't know their costs of production, still haven't identified their budget or achieved stable productivity. The main goal and biggest challenge now is to scale up the Volcafe Way model so are able to support more families. The efforts of this last five years are paying off. Our army of more than 250 'soldiers' worldwide are truly committed. Working with producers, the roasters and Volcafe, we are here to tell you that we'll do our best, wherever we are.

1. Tania Saldarriaga
2. Cyprian Ipomai
3. Brian Owachgiu
4. Koneka Richard
5. Aleida Herrera
6. Danny Venegas



TRAINING

+7000 FAMILIES

BUSINESS MODEL FARMS

280

COFFEE HECTARES

150,000+
IN THE PROGRAM

HECTARES

30,000+
IN THE CONSERVATION AREA

TEAM MEMBERS

250

WORKING AS CHANGE AGENTS IN OUR COMMUNITIES



A GREAT PLACE TO WORK

Our success depends on attracting the most talented staff and keeping them safe, productive and happy.

We provide a supportive work environment. Our offices and industrial sites meet all health and safety requirements. We conduct regular training to give our staff the knowledge and confidence to work safely.



Westway's Cheramie Viator and Madison Fischer of Trademark Genetics share a moment of success. Madison exhibits cattle across the U.S. and Cheramie is known globally for her talent with beef industry youth and cattle genetics.

Labour practices

We support and respect the principles of the ILO Declaration of Philadelphia that labour is not a commodity.

We do not discriminate in personnel practices, never use child or forced labour and observe all rights of our employees. We expect the same from our suppliers and service providers.

Human rights

We support human rights for employees and local communities who may be affected by our business activities.

We fight against child and forced labour and uphold all national laws and human rights.

We follow principles including:

- the right for everyone to earn a living by freely chosen work without being subject to forced, bonded or compulsory labour, or trafficking
- the right to just, safe and favourable conditions of work
- freedom of association
- the right of collective bargaining

Employees

We respect employees' privacy and treat each other with dignity and respect.

We provide safe and healthy working conditions, an atmosphere of open communication and a work environment free from discrimination and harassment.

Health and safety

We aim for a workplace that is free from known safety and health hazards. Avoiding physical harm to anyone working on our sites is paramount. It's that simple.



1. Monica Samoje delivers management training
2. Celebrating International Women's Day

- **Leading Producer Teams** is our flagship leadership development initiative aimed at senior managers. Content covers self-awareness, team leadership and dynamics, and business leadership and strategy.
- **Individual Development** of our senior team including access to business school programmes and individual coaching and mentoring.

Diversity, inclusion and unconscious bias training

To ensure our workforce is aligned with our commitment to inclusivity we launched a high impact three-hour workshop on diversity, inclusion and unconscious bias. Our Coffee leaders mandated that their employees should go through the programme and around 80% of their global workforce have now completed the training. Diversity and Inclusion Workshops have been run throughout our Latin American region where 87% of employees have now completed the training

Supporting women in our workforce

The ED&F Man Women's Network was successfully established in our London Capital Markets business in 2017 and extended – by popular demand – to all of ED&F Man in London in June 2018.

It aims to address gender imbalance in the business, and the wider commodities sector, by supporting the careers of women working at the firm. It is supported by our senior management and has run a series of successful events.

Marking International Women's Day

We use the occasion of International Women's Day to raise awareness of gender issues in the workplace and host office events celebrating female leaders, offering coaching and reminding colleagues about opportunities for women at ED&F Man.

Our Swiss office organised a panel event with senior women discussing their careers and hosting a Q&A. Our Kampala office hosted a Women's Day health workshop for our female employees with a hospital GP talking about women's health issues. All our South America offices marked International Women's Day with events celebrating the contributions women make to their businesses.

Publishing our Modern Slavery Statements 2016, 2017 and 2018

We published these on our website. They document our journey towards ensuring that slavery and trafficking are not present in any part of our business, and that human rights are respected wherever we operate.

Our achievements



1. Senior Sugar Trader Antonio Ruiz takes part in the annual cleaning day in our Mexico office.
2. Our Honduras office celebrates Labor Day in 2018.
3. Our Kyagalanyi office took part in the Uganda Coffee Football Tournament

Wellbeing of our US workforce

In the US, in addition to the Employee Assistance Programme that we offer to help employees manage issues that may affect them at work or in their personal lives. These can be related to, for example, financial hardship or relationship problems. ED&F Man introduced free health evaluations (blood tests and also an on-line health survey) through our provider – Interactive Health – which could be linked to discounted health care costs.

This program is free to all employees participating in the company's health plan.

Football and coffee = a good match!

In October 2018 colleagues from our Kyagalanyi office participated in the annual Uganda Coffee Federation football tournament and qualified through to the quarter finals. This was a mixed team and included two female employees.

This Coffee football tournament is part of a drive to promote 'everything coffee' to the youth of Uganda. Organised by the Uganda Coffee Federation it aims to use football as a way of attracting youths to the coffee sector through interaction, sharing of information and networking.

HOW OUR LATIN AMERICAN BUSINESSES ADDRESSED EXTERNAL CHALLENGES INTERNALLY



Our Latin America region comprises eight very different nations with their own cultures and infrastructures. All have faced economic and political challenges that have a direct impact on our businesses, as well as our employees. It was clear that a competitive and engaged workforce was required to help meet these

challenges and ensure the viability and longevity of ED&F Man in the region.

A programme of support and development for employees was implemented, alongside leadership training, to prepare our businesses for future success. Work included Fundamentals of Management training in Colombia, Costa Rica and Miami for leaders from Mexico, Peru and Brazil.

In addition, our Latin American offices and mills are renowned in the business for their enthusiastic celebration of local, regional and international events:

- Our Brazil office took part in a Clean Beach Project where employees collected trash from the beaches in Santos in exchange for stand-up rowing classes.
- Mexican colleagues celebrated World Environment Day with an Office Cleaning Day with the participation of all employees who cleaned their work stations, archived documents and organised recycling bins in office facilities. Peru marked World Environment Day by collecting plastic bottle caps from water bottles to be sent to the children's hospital to exchange for funds and resources.
- In Colombia, the HR team organised a month of healthy activity and awareness including nutrition guidance, blood tests and blood pressure tests, glucose tests and exercise classes.
- In Central America (Honduras, Costa Rica and Guatemala) in offices and mills, there were activities marking Women's Day, World Environment Day, Breast Cancer International Day, Mother's Day and Father's Day.

Monica Samoje

HR Director, Latin America

A SAFE PLACE TO WORK

We've improved our safety auditing protocols so that they now cover all our sites, which are inspected annually. During such visits safety experts work with the local site teams to come up with the best solution to mitigate specific risks. They also perform risk assessments of new activity or products. As a result, collaboration has improved, and best practices are now being shared across our different businesses.

In parallel, investments in safety training have raised awareness universally in our business so that standards and awareness are high throughout. Our engineering team ensures safety is managed well during projects or change. And our Human Resources teams ensure that safety is integrated at every stage of our working lives, from our new joiner packs onwards.

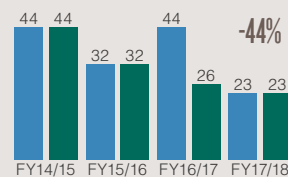
Our senior management team has set the aim to achieve zero accidents. They have a monthly update on the latest issues, challenges, achievements and progress in relation to safety. They also insist on seeing a copy of every single safety audit report.

We can be proud of our achievements in this area and progress since we last reported, but we still have some important work to do if we want to achieve our aim for all sites to score blue "Progressive" (Level 5) Site Rating by the end of 2020. We also want to reduce the number of incidents with lost time to zero.

Our goal is to further reduce the number of incidents by working closely together, sharing best practice and continuing to prioritise awareness, training and risk management.

Group Lost Time Incidents

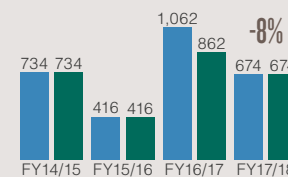
Total number of occupational workplace incidents with lost time



The number of incidents with lost time for the Group has decreased from 44 in FY14/15 to 23 in FY17/18. Apart from the reduction of incidents by 44%, with an average cost per lost time accident of \$37,000* this has resulted in a cost saving of \$770,000 * = \$37k as average direct cost per lost time incident – Source: National Safety Council

Group Lost Time Days

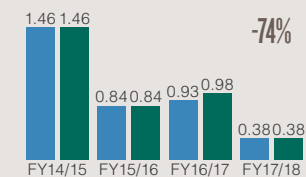
Total number of workdays lost due to occupational workplace incidents with lost time



After an initial decrease in the days lost due to safety accidents the performance on this area suffered from the addition of a number of sugar refineries in Chile and Mexico. These being high risk environments, in combination with some unfortunate events that required long recovery times the total days lost in FY16/17 increased. Our relentless efforts have resulted in a new start of decline in the seriousness of our incidents. Compared to FY14/15 a decrease of 8%

Group Lost Time Incident Rate

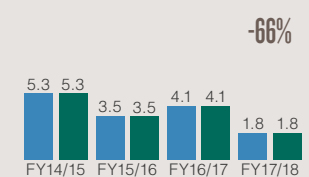
Total number of occupational workplace incidents with lost time per 100 co-workers



In 2014, 1.5 of every 100 co-workers were involved in an occupational workplace incident with lost time (and injury). This already was well below the 2.18 and 1.78 for "Manufacturing" and "All Industries" respectively. At the end of FY17/18 this has been brought down to 0.38. This means that today only 1 of every 263 co-workers are involved in a workplace incident with injury, a reduction of risk of injury to our co-workers of 74%

Group Lost Time Incident Frequency Rate

Total number of occupational workplace incidents with lost time per 1,000,000 hours worked



The frequency of accidents with lost time is also tracked per 1,000,000 hours worked. Where the Group experienced 1 lost time accident per 188,680 hours worked in FY14/15, this is now improved to 1 per 555,500 hours worked. This represents a decrease in incident frequency of 66%.

Key ■ Actual performance ■ Year-On-Year Fair Comparison



CREATING POSITIVE IMPACT IN THE SOCIETIES WE TOUCH





Our commitments

About us

Our approach

CSR strategy

Our achievements

Action plan
2020–2030

Charity Ayinyorwoh
(third from left) and
school friends.

PROMOTING THE VALUE OF EDUCATION IN RURAL FARMING COMMUNITIES

A SUCCESS STORY FROM WEST NILE, UGANDA



Anneke Fermon receives a
Sustainable Standard-Setter
Award, from Rainforest Alliance's
Britta Wyss Bisang.

Coffee farmers in this remote part of Uganda often can't afford to send their children to school or simply may not see the value of formal schooling and education. Anneke Fermont from our Ugandan coffee business Kyagalanyi, looks back on the beginnings of a long-term project to increase understanding and support to help children receive an education.

Meet Charity Ayinyorwoth from Erussi sub-county in West Nile, Uganda. At the age of 10, Charity dropped out of school when her ageing parents could no longer afford to pay for school books and uniforms. She saw her dream of becoming a teacher fading away.

In May 2014, Charity's parents joined the coffee farmers support scheme operated by Kyagalanyi Coffee, the Volcafe subsidiary in Uganda. The scheme provides a range of services to over 6,000 smallholder Arabica-growing households including farm visits, agronomy training and access to a central washing station for washing coffee cherries.

WEST NILE SCHEME

6000 SMALLHOLDER ARABICA-GROWING HOUSEHOLDS

THE SCHEME PROVIDES A RANGE OF SERVICES TO OVER 6,000 SMALLHOLDER ARABICA-GROWING HOUSEHOLDS INCLUDING INDIVIDUAL FARM VISITS, GROUP AGRONOMY TRAINING IN A DEMONSTRATION PLOT, PROVISION OF HAND-PULPERS AND CONSTRUCTION OF A CENTRAL WASHING STATION

When the Kyagalanyi team found out that Charity was not going to school, they sat down with her parents to discuss the importance of education and to try to find a way to raise the money to send her back. With the help that Kyagalanyi's agronomists were providing her father, he was able to improve the family's coffee garden and put aside money for school needs.

Charity is not the only child in danger of dropping out of school in the West Nile area. The sustainability team first encountered the problem of child labour in coffee when Kyagalanyi expanded its programme to West Nile in 2014, beyond the wealthier parts of Uganda where it is not such a problem. In this remote community, eight hours drive from Kampala, many parents can't afford school or do not value education as they are often illiterate themselves. But the sustainability team knew that securing important UTZ certification for West Nile coffee would be out of the question while the problem persisted; certification depends on all children of school age going to school.

A group of NGOs came together, bringing their experience and knowledge to the problem. Kyagalanyi's role was helping farmers earn enough money to pay for school costs. In 2015 a project to promote child education through a Child-Labour-Free Zone in Erussi started, and Charity Ayinyorwoth was among the first children to return to school. Between 2015 and 2017, a total of 437 children returned. Kyagalanyi and the partner NGOs committed to a second project at the end of 2017 to cover the full operational area comprising over 100 parishes. By April 2019, another 201 children had gone back to school.

Child labour is a sensitive issue in the coffee industry and most clients have not yet shown an interest in using the success stories from West Nile to market their coffee. However, the project has encouraged a different client to partner with Kyagalanyi to set-up a child education project in another remote part of Uganda. In addition, lessons learned from the projects have helped shape the new 'continuous improvement' approach to child labour in UTZ/Rainforest Alliance's standards for coffee certification. And as Kyagalanyi refuses to hide child education problems, certification bodies in East Africa have started pushing other companies to take action. In May 2018, Rainforest Alliance recognised Kyagalanyi's commitment to sustainable development – and particularly its efforts to fight child labour – with a **Sustainable Standard-Setter award**. Kyagalanyi is the first coffee company in Africa, and the first Volcafe company, to receive this prestigious award.

Kyagalanyi trusts that buyers will increasingly appreciate the complexity of the many challenges for coffee producers in developing countries, including child labour, environmental degradation and deforestation, and join partnerships to change coffee farming communities for the better. Lasting changes can be made, but take time, commitment and resources. Kyagalanyi is deeply committed to supporting these changes: developing farming communities today will safeguard tomorrow's coffee production.

Anneke Fermont
Sustainability Manager
Kyagalanyi

Charity Ayinyorwoth at school



WHAT WE'VE DONE... SOCIETY

We're committed to increasing the health and prosperity of the local communities in which we operate, especially where our employees are directly involved in running projects to help good causes. We support activities that improve education, health, housing and the environment – especially projects that help the most vulnerable members of society.

Our charitable donations committee Charico aims to encourage employees' direct involvement in charitable work, awarding money through matched fundraising and supporting volunteering in community projects. We match employee fundraising up to a maximum of \$1,500/£1,000. Our Projects Scheme provides funds for local projects, concentrating efforts in those countries where we have operations, so our own employees can be involved. Where possible we link into our Corporate Social Responsibility objectives for looking after the environment for future generations.

HeartGift

- We've been supporting this programme since 2010.
- The HeartGift programme brings children with congenital heart defect to the US to undergo corrective heart surgery at New Orleans Children's Hospital
- The surgical team there donates their time and skills and the Children's Hospital discounts all the other associated hospital costs. Local volunteers open their homes and support the logistics.
- ED&F Man's New Orleans office has been involved with HeartGift since 2010, with employees fundraising towards the huge costs that still need to be covered – approximately \$25,000 per child.
- Their fundraising is matched by Charico.
- In 2017 14-year-old Laudner Dixon Ortiz from Nicaragua successfully underwent the surgery and is now able to enjoy a normal life thanks to the funds raised and surgery received.
- And in 2018 Javier from Honduras and Abigael from Uganda joined HeartGift and successfully received treatment, thanks to sponsorship from ED&F Man.
- We have supported 21 children through HeartGift to date.

HEARTGIFT

\$25.000

ED&F MAN HAS SUPPORTED HEARTGIFT SINCE 2010 THROUGH EMPLOYEE FUNDRAISING BY CHARICO.

21 CHILDREN

HELPED THROUGH HEARTGIFT, TO DATE

Colleagues give a warm welcome to HeartGift children



HIGHLIGHTS

OVER

£850,000

RAISED FOR CHILDREN WITH CANCER
BY OUR MARATHON TEAMS

£8,700

FOR SAILING EXPERIENCES FOR DISADVANTAGED
YOUNG PEOPLE IN LONDONSuccessful marathon runner
Sam Williams, from IT in our
London office, and family

Having a school to go to allows these children time to focus on a brighter future, gives them confidence and in the long run helps the whole community.

Runners for Children with Cancer

Charico has been a long-term supporter of the ED&F Man London Marathon runners competing to raise money in support of "Children with Cancer", the charity that provides research, improved treatments and support for children with cancer and their families.

Since 2006 they have raised almost \$900,000 for the Charity, including matched funding awarded by Charico.

Rebuilding in Nepal

The 7.8-magnitude earthquake in Nepal in 2015 flattened villages, claimed more than 8,000 lives and injured thousands with survivors left to rebuild their lives with limited external assistance. Ram Tripathi, an IT specialist working for ED&F Man Capital Markets in New York, planned a one-person relief mission to his home village. He fundraised among colleagues and secured match funding from Charico to rebuild his own family's village including two schools "Many children lost their parents and homes in the quake," says Ram. "Having a school to go to allows these children time to focus on a brighter future, gives them confidence and in the long run helps the whole community." Working with the remaining fundraising money, matched by ED&F Man's Charitable Committee, Ram has spent the last three years flying back to Nepal regularly to oversee the reconstruction.

Emergency Fund for the Americas

After our support for victims of Hurricane Matthew which brought devastation in Haiti in autumn of 2016, our Emergency Fund was kept open for donations to help victims of a number of other natural disasters including the floods in Houston in August 2017 as a result of Hurricane Harvey, floods in Miami, and the hurricanes that swept the Caribbean where our sugar and MLP businesses have significant interests and a notable client base.

Our Emergency Fund was also used to support projects after the terrible devastation caused by the 2017 Puebla earthquake in Mexico, which indirectly affected a number of our colleagues.



Ram Tripathi helps
children in Nepal



Rebuilding Borough Market

The horrifying terrorist attacks at London Bridge in June 2017 happened immediately outside our office. In addition to the emotional impact, the incident threatened the livelihoods of traders in neighbouring Borough Market after the area was closed for some time. We contributed to the Traders Support Fund to help the worst affected, and worked with the Borough Market management team to run a vouchers scheme for staff, to bring business to the market and help to rebuild the local economy.

Employees doing good

Charico has a great record matching the funds that our employees have raised for causes close to their hearts.

For 2016-2018 we approved 40 applications per year, benefiting over 30 different causes, mostly in the UK and US, but also in Brazil, Bulgaria, Costa Rica and Kenya.

Employees completed sponsored runs and organised sporting events, bake sales and fundraising activities. Cancer charities benefited most, but other projects supported schools, the elderly, the homeless, overseas relief and a variety of health charities, cancer charities, community initiatives, children's charities, hospices, schools, charities for the elderly and a food bank.

Sailing on Tall Ships

Charico approved a £8,700 donation to the Tall Ships Youth Trust funding a proposal for sailing for disadvantaged young people from South London. The amount paid for 10 young people to take part in a Tall Ships Youth Trust voyage.

Blood Bikers

Charico approved a £8,755 donation to Merseyside and Cheshire Blood Bikers, to cover equipment and servicing costs in 2018. Blood Bikers are volunteer motorcyclists who deliver blood and emergency medical supplies, supporting local hospitals and freeing up ambulances to handle other essential demands. The request came via Stuart Ross from MLP Liverpool who is a blood biker himself.

APPLICATIONS

40 GOOD CAUSES

SUPPORTED BY CHARICO EVERY YEAR

TALL SHIPS YOUTH TRUST

£8,700 DONATION

TO THE TALL SHIPS YOUTH TRUST WHO FUND SAILING FOR DISADVANTAGED YOUNG PEOPLE FROM SOUTH LONDON.

Javier, from Honduras, who was a beneficiary of HeartGift

Supporting music in schools

Jeffrey Charles Sernatiner of MCM in Chicago is the principal horn at the Northwest Symphony Orchestra. He fundraised \$1,200 among colleagues and friends to support the orchestra to perform in schools in North West Chicago, which Charico matched in full.

...and football in Scotland

Fiona Collinson works at MLP Grangemouth and raised money for her son's football club, Syngenta Juveniles FC, which is the only charity football club in Scotland to have a full cerebral palsy team. They raised £850 towards the running of the team, which Charico agreed to match.

Charico supported Blood Bikers, volunteer motorcyclists who deliver medical supplies



DELIVERING A SUSTAINABLE GLOBAL BUSINESS



We achieved a great deal in 2016 to 2018, actively supporting the growth of sustainable supply chains of our products, supporting the communities in which we operate, reducing our environmental impact and making our workplaces better and safer places for our employees.

However, our industry, and the markets where we sell, are less homogeneous, more diverse, and more demanding than ever before. The challenges facing global businesses require us to address or embrace huge changes including shifts in economic power, resource scarcity, the rise of technology, and the increasing influence of public opinion on tastes, trends, brand loyalty and business reputation.

What is certain is that the word 'sustainability' no longer stands for simply doing good, caring, or showing good intent, it has become synonymous with 'the capability of an organisation to adapt to the potential impacts of global megatrends, and to endure over time'. Our long-term future is not secure without a commitment to be leading on corporate social responsibility, sustainability, and business ethics.

In the period 2016 to 2018 we continued to invest in our CSR activities and achieved many of our aims. We are now moving into our next phase, with a new long-term CSR strategy, approved by the CSR Steering Committee and the ED&F Man Board, which we are now in the process of finalising into our CSR and Sustainability Action Plan 2020-2030.

This repositioning of our CSR and sustainability strategy integrates activities even more with our business plans for continuing impact, maximising its contribution to the overall long-term success and value of our company. Our individual business units will then decide on strategy and actions, including targets for each as part of their business planning cycle, so that achievements contribute to their specific commodity and business priorities.

As part of this development, we will create more impact 'on the ground'. This will include, for example, expansion of our Volcane Way programme activities to more origins, partnering with more farmers and smallholder families and bringing in more acreage to increase impact, while also ensuring profitability for coffee farmers.

We will continue our lead role in Bonsucro and, increasingly, in the countries and communities from which we source our sustainable cane molasses and cane sugar, we will support and manage projects that improve livelihoods via our new MAS Programme.

With its focus on 2030, this action plan ensures we are fully aligned with the UN Sustainable Development goals and have set out our own blueprint to map out the way we too will contribute to those targets for peace and prosperity for people and planet.

With the continued support of our business leaders, and the commitment and passion of our employees, I am confident that our future CSR and sustainability will be even more successful. I look forward to helping deliver a sustainable global business achieving results and success for our partners and shareholders, as well as adding environmental and social value to the communities in which we operate.

I would like to thank all our dedicated colleagues, clients, suppliers and other stakeholders in our global enterprise for their many contributions to our achievements in 2016-2018, and look forward to your support in the future, as we continue to progress together.

Rene Kleinjan

Group HSEQ & CSR Manager
(October 2014 – present)





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