



# Building a sustainable, global food supply chain

## Sustainability report

For the year ended 30 September 2022

**ED&F  
MAN**

EST. 1783

Commodities  
Limited

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# About this report

With a 239-year heritage, ED&F Man has long been a part of the global trade in food commodities products and remains a world leader in the supply of green coffee, sugar, molasses, animal feeds and fish oils.

In our third century, we are more focused than ever on delivering a sustainable future for our family of products and the people and places behind them. We specialise in sourcing, storing, processing, shipping and distributing soft commodities.

Our business depends on a healthy environment, on communities who know and understand the land and how to cultivate it sustainably, and on our customers who also prioritise high standards in the supply of food products.

Sustainability therefore lies at the heart of our values. Our culture is centred on the commitment that everyone at ED&F Man makes to behave ethically and conduct business responsibly. We will not compromise on our obligations to customers, employees, the environment and the communities in which we work.

This Sustainability Report covers the full year to 30 September 2022 which was a period of strategic change for ED&F Man Commodities.

In March 2022, ED&F Man Holdings Limited completed a restructuring. As part of this process ED&F Man Commodities Limited and its subsidiaries (the "Commodities Group") – the profitable core commodities trading business of Holdings – was successfully ring-fenced from Holdings' legacy businesses.

The legacy debt was restructured by extending its tenure up to 2028, separating it from the Commodities Group.

## Our business, the products we trade and the communities we operate in all depend on maintaining a healthy natural environment

This restructuring process strengthened the market position of ED&F Man Commodities, and has given us the opportunity to review our sustainability strategy and develop a new plan and goals which we launched in January 2023.

While this Sustainability Report covers the period prior to the launch of that new strategy, we have detailed in this report what that strategy aims to achieve and how we anticipate it will improve our performance into the future.

Despite the changes that have taken place within the business during this reporting period to 30 September 2022, we have achieved significant progress within our sustainability work, including a 15% reduction in our use of fossil fuels across the Commodities Group in the year ending 30 September 2022.

Scope of information: Unless otherwise specified, the disclosures in this 2021–2022 Sustainability Report covers ED&F Man Commodities Ltd operations from 1 October 2021 to 30 September 2022 in the following countries/territories:

- Argentina
- Australia
- Brazil
- Canada
- China
- Colombia
- Costa Rica
- Czech Republic
- Denmark
- Egypt
- Ethiopia
- Germany
- Guatemala
- Honduras
- Hungary
- India
- Indonesia
- Ireland
- Italy
- Japan
- Kenya
- Mexico
- Mozambique
- Netherlands
- Papua New Guinea
- Peru
- Philippines
- Poland
- Portugal
- Russia\*
- Singapore
- South Africa
- South Korea
- Spain
- Switzerland
- Tanzania
- Uganda
- Ukraine
- United Kingdom
- United States
- Vietnam

This report is with reference to GRI (Global Reporting Initiative) Standards.

The Financial Report aligns with our Consolidated Financial Statements which have been prepared using accounting policies consistent with International Financial Reporting Standards (IFRS) as adopted by the European Union and interpretations issued by the IFRS Interpretations Committee.

\*Exiting in 2023



All previous Sustainability Reports can be [accessed here](#)

The latest 2022 Annual Report, audited by Ernst & Young LLP, can be [accessed here](#)



**“Sustainability lies at the heart of the ED&F Man Commodities business. As a global leader in the sourcing, supply, storage and distribution of key soft commodities including coffee, sugar, molasses and liquid products, stewardship of the environment, care for the agricultural communities we work with and conducting our business to the highest ethical standards are core to our values.”**



**Chris Mahoney**  
Chair, ED&F Man Commodities





# Statement from our chair

I am proud to report that we have made strong progress in our ESG and sustainability efforts since our last report. As a business that relies on nature, agriculture and communities for the products that we source and sell, we take our responsibility to meeting high sustainability standards extremely seriously.



The work that we have all done through this sustainability programme creates a foundation for a strong culture, more environmentally aware and productive agricultural communities, and a respectful, supportive and diverse community within and around the ED&F Man Commodities business.

## Sustainability approach

In early 2023 (outside of this current reporting period), we refreshed our sustainability strategy to focus on delivering impact across three key areas:

- Environmental Stewardship
- Improving Lives
- Responsible Sourcing

This new global strategy will form the basis of our next sustainability report for the fiscal year of October 2022 – September 2023.

In the past fiscal year (to September 2022) ED&F Man Commodities continued to build on our sustainability performance which was founded on four pillars:

- Environment
- Our marketplace
- Our workplace
- Society

We made strong progress in our four priority focus areas of Environment, Marketplace, Workplace and Society, despite the challenges of the period which included the aftermath of the Covid pandemic and the war in Ukraine, both of which had a significant impact on our people.

## People

Our team has ensured that trade continued seamlessly, even in particularly challenging circumstances in some regions, delivering for the customers who rely on us as a vital part of the global food supply chain. We recognise that we cannot achieve our sustainability goals without the full engagement of our people - and we are grateful for their input over the past year.

They have delivered outstanding projects that have made a difference to people and the planet, in addition to playing a key role in the financial success of the business during a period of strategic change for ED&F Man Commodities.

The key achievements from this approach are detailed in this sustainability report and include an 8% reduction in water use and a 15% reduction in fossil fuel use in the past year. Since FY2019, the Commodities Group has increased its use of renewable energy by 58%.

the MAS Program ([see page 43](#)) and Volcafe Way ([see page 26](#)), to improve the quality of life and wellbeing of the people within our communities.

We will also continue our work to drive down fossil fuel use and emissions across our global business and continue our investment in more energy efficient infrastructure and operations.

We have achieved much over FY2022 and are in a good position to deliver even greater impact into the coming year. I would like to thank all our teams for their hard work, commitment and dedication to driving forward a more sustainable business at ED&F Man Commodities.

**Chris Mahoney, Chair, ED&F Man**  
20 December 2022

**“I want to thank all our employees around the globe for the resilience, hard work, adaptability, and skill they have shown.”**

Building a sustainable, responsible business that delivers positive impact for our people, our communities and the planet has been an important part of our long history and proud heritage and continues to underpin the way we do business around the world today. This is a core focus and is at the heart of everything we do.

## Future outlook

Going forward, sustainability will be an even greater priority for the Commodities Group.

Our new sustainability strategy is aligned to the UN's Sustainable Development Goals. We will continue to report the impact of this strategy through an annual sustainability report, with reference to Global Reporting Initiative (GRI) standards.

In addition, we will continue to work with responsible partner organisations and ethical industry initiatives to drive higher standards through our supply chain and we will continue to pursue our own sustainability initiatives, such as



## Key achievements

Detailed reports for each of the three ED&F Man Commodities businesses (Coffee, Sugar and MLP) are included later in the report but among the key achievements in FY2022 are the following:

### Coffee

- EcoVadis, the sustainability rating specialist, has given Volcafe a Gold rating for sustainability, placing Volcafe in the top 5% for our industry.
- Volcafe has expanded the partnership with CATIE, the Tropical Agricultural Research and Higher Education Center, to improve agroforestry in coffee areas across Central and South America (Brazil, Colombia, Costa Rica, Guatemala, Honduras and Peru).
- Volcafe launched a mentoring programme for female employees, designed to address barriers and support career development.
- Molinos de Honduras, Volcafe's company in Honduras, was a finalist for the Business Transformation Award in the 2022 Responsible Business Awards from Reuters.

### Molasses and Liquid Products (MLP)

- The MAS Program has delivered positive impact in MLP grower communities including: Climate adaptation plans created for six communities in El Salvador with reforestation activities in each community; a potable water project that has resulted in deep water wells and piped clean water to 553 people in Nicaragua; Education for Safe Communities programme which is delivering literacy and anti-domestic violence support in the Dominican Republic.
- MLP has won or been shortlisted for a number of sustainability awards including: 2022 Diageo North America Procurement Supplier Award; 2022 World Sustainability Award, Sustainable

Supply Chain category; MAS Program nominated for 2022 Bonsucro Inspire Award.

### Sugar

- The sugar division has continued to work closely with partner organisations including Bonsucro and Fairtrade to increase the volumes of sustainably certified sugars we trade. In FY2022 the sugar division sold over 13,887 metric tonnes (MT) of Bonsucro certified sugar, as well as a first offering of Bonsucro certified organic rum, whilst Fairtrade sugar sales exceeded 7,121.5 MT meaning a Premium of over \$450,000 was paid back to farmer cooperatives.
- In FY2022 the sugar division also developed an amended sustainability strategy based on Responsible Sourcing, Environmental Stewardship, Improving Livelihoods and Governance, aligned to the UN Sustainable Development Goals (SDGs), which we are continuing to implement and roll out globally.
- EcoVadis has given ED&F Man España a Gold rating for sustainability, placing ED&F Man España in the top 5% for our industry.

Building on these foundations, in FY2022 the ED&F Man Commodities Group has further integrated sustainability into the overall business strategy by appointing Meredith Smith as Head of Sustainability to develop and implement a new sustainability strategy for the Commodities Group in FY2023. This new strategy is supported with objectives from each division to deliver greater positive social and environmental impact following the UN SDGs.

## ED&F Man Commodities in numbers





# Our values

Our values define who we are. They are the fundamental beliefs that determine our actions and guide our behaviour. They influence the way we communicate and collaborate, and define the way we engage with our clients, partners and communities.

## Respect

We recognise each other's differences, valuing the rich diversity of our workforce and our customers.

We seek out alternative views and value all contributions, aiming to build positive and long-lasting partnerships based on trust and respect.

We seek to protect the environment and enhance the prosperity and wellbeing of the communities in which we work. We collaborate and communicate openly and honestly.

## Integrity

We create partnerships built on teamwork, trust, and reliability. We challenge what we believe to be wrong and champion fair, honest and ethical business practices.

We operate robust risk management processes, and we keep our social and environmental responsibilities at the core of what we do.

## Entrepreneurship

We act upon opportunities, creating and championing new business ideas and hold ourselves accountable for their success.

We constantly seek ways to be more efficient and competitive, challenging the status quo.



### Chalapathi Maralur

**General Manager Bangalore and Head Of Agronomy – India**

"ED&F Man values employees' work-life balance and promotes a holistic approach in motivating their best work. ED&F Man / Volcafe offered me the opportunity to work with extremely smart people and perform challenging work.

A unique aspect of ED&F Man is the level of talent combined with a willingness to share and learn from each other's expertise. ED&F Man is a company I am really proud of and great place to work.

Because of the company's culture and values, we as employees feel passionate about our careers and grow professionally."

## Principles

The principles that govern our actions are:

1. We will obey the law.
2. We will act in good faith.
3. We will consider the impact our decisions have on our stakeholders.
4. We will communicate openly with stakeholders.
5. We will act with integrity.

We create new ideas and build solutions that inspire others to do the same.

We take responsibility for turning our ideas into reality, we learn from our mistakes and are determined to improve and succeed.

## Meritocracy

We believe that we will be successful if we have motivated employees who receive fair rewards for their efforts.

Employees have an equal opportunity to build a long-term career at ED&F Man. An individual's progression and reward is based on achievements and ability, not position or status. Leadership is selected on the basis of track record and the capacity to develop others.

## Client focus

We strive to build lasting partnerships with our customers and aim to exceed their expectations by creating additional value.

We are a reliable, innovative and flexible counterparty wherever our customers choose to work with us.

We are 'as good as our word' and can be trusted to perform, something that our customers value in an increasingly uncertain world. Our capacity to construct comprehensive solutions based on deep commodities and financial expertise is valuable to our customers as they seek to maximise their own profitability and mitigate complex and global risk factors.



### Maria Morales

**General Manager – Guatemala – Coffee**

"I've worked for Volcafe for over a decade now, and what I value the most is the relationships you build, not only with teammates around the globe, but also within your community and how connecting the supply chain can make a positive impact on farmers' lives."



# Sustainability at ED&F Man Commodities

As an agricultural commodity trader with a long history and proud heritage, ED&F Man recognises that our collective future is dependent upon responsible business practices. Building a sustainable business that delivers positive impact for our people, our communities and the planet is the driver that underpins our global operations.

Our sustainability approach supports responsible growth, helps us to act decisively to limit the impact of our operations on the environment and enables us to provide customers with safe products and to embed ethical principles within all three divisions. These principles are documented in our Standards of Business Conduct and reflected in our Supplier Code of Conduct, and are the foundation of our behaviour and decision making.

Our corporate culture and values are centred on the commitment that everyone at ED&F Man Commodities makes to behave ethically and conduct business responsibly. We do not compromise on our commitments. Furthermore, each division supports local community projects addressing topics as diverse as community health and education, environmental protection and conservation, and the provision of emergency aid.

By focusing on four priority areas of Environment, Marketplace, Workplace and Society, we have a wide range of initiatives and practices that improve our products, differentiate our services and support the development of deep and lasting customer relationships.

Working together with our colleagues, industry groups, suppliers and customers, we have made progress over this past year in all four areas.

## The following have no place in our business

- ⊘ Wasting energy, water and raw materials
- ⊘ Poor labour standards
- ⊘ Deforestation
- ⊘ Human rights violations

### What does responsible business practice mean as a global commodity trader?

As well as working internally to reduce emissions and preserve natural resources, it means managing our supply chain to eliminate unsustainable, unfair and unethical business practices.

The Commodities Group has achieved significant reductions in the use of all types of fossil fuels over the past three years. Various initiatives taken by the three divisions of Coffee, Sugar and MLP and at individual site level to increase energy efficiency have resulted in significant reductions since we began measuring in 2015.

## Our sustainability strategy for FY2022 was focused on four priority areas

### Environment

Prioritising environmental stewardship and driving sustainable practices through all areas of our business to reduce our carbon footprint, cut waste and preserve the natural world around us.

### Our marketplace

Operating responsibly and ethically, delivering soft commodities products to meet the safety, quality and delivery needs of our clients. Practising responsible sourcing and continuously improving our sustainability performance within our business and with our suppliers, customers and across our value chain which stretches across 41 countries.

### Our workplace

Ensuring we have a safe workplace for our people free from discrimination and harassment to maintain our global culture of equity, diversity and inclusion and a shared responsibility to upholding high ethical standards.

### Society

Supporting the communities in which we operate, from where we source, or which we have an influence on through our commercial philanthropy, employee volunteering activities or our ChariCo fund. Our employees are actively encouraged to volunteer and make a difference in their communities.

As an employer of 2885 people worldwide, responsible business practice means working to improve the lives of our employees and people in our value chains through improved company policies and impact projects.

It also means incentivising sustainable farming practices and supporting social and environmental impact projects. Examples of these business practices include:

#### Sugar

Being a proactive member of Bonsucro and Fairtrade and creating the ED&F Man Forest, a global initiative in partnership with Tree-Nation to drive reforestation and support local communities in achieving that goal.

#### MLP

Continuing the MAS Program to improve the lives of sugarcane communities with three new impact projects.

#### Coffee

Investing in agroforestry projects across Central and South America through academic research partnerships and on-the-ground community impact initiatives.



Read about our responsibility to the [Environment](#)

Read about our [People](#)



# A year of progress



“We have invested in the growth of sustainable supply chains... and tightened up our Supplier Code of Conduct to bring it more in alignment with the principles of the UN Sustainable Development Goals.”

**Trishul Mandana, Managing Director of Coffee Division, Sustainability Committee Chair**



In Honduras we have set an objective to plant one million trees over the next five years

FY2022 was a period of intense productivity and growth for sustainability within our coffee, sugar and MLP divisions.

First and foremost, we welcomed Meredith Smith as Head of Sustainability for ED&F Man Commodities, a new role for the Group. Meredith led the development of the Commodities Group's new sustainability strategy working closely with Liesbeth Kamphuis, Global Sustainability Director for the coffee division Volcafe, and Daniel Polak, Sustainability lead for our Sugar division.

Meredith sets the vision for the Group's environmental, social and governance (ESG) reporting and delivers its sustainability strategy and reporting.

Since our last sustainability report in 2021, we have invested in the growth of sustainable supply chains for our products and made further efforts to reduce our environmental impact.

We've also improved the workplaces for our employees, and launched activities that prepare for and respond to the effects of climate change and ecological upheaval.

In 2021 we tightened up our Supplier Code of Conduct to bring it more in alignment with the principles of the UN Sustainable Development Goals (SDGs).

Requirements on deforestation, biodiversity, land tenure governance, land rights, migrant labour, and rights of local and indigenous people have been added. In addition, in January 2023, we launched our new group-wide sustainability strategy which will guide our future sustainability efforts and will provide a framework against which we report progress in FY2023.

I am proud of the progress we have made and believe we have a strong foundation to achieve even greater positive impact for the people, the environment and the customers which are so critical to the success of our business.

### Taking responsibility for the environment

As agricultural commodity traders, we are conscious of our responsibility as environmental stewards – this means mitigating the impact of our products and day-to-day business activities and those of our many suppliers around the world and providing supply chain assurance for our customers and stakeholders.

Taking responsibility for our entire supply chain is the key to reducing negative impact. In the Responsible Sourcing pillar, we are in the process of gathering additional data on all our 3,000+ main suppliers in order to better understand the opportunities and challenges/risks relating to ESG impact and compliance.

**“I am pleased with the progress we have made and believe we have a strong foundation to achieve even greater positive impact for the people, the environment and our customers, which are so critical to the success of our business.”**

Reducing sourcing risks, supporting agricultural growers to farm more sustainably and monitoring human rights is all part of our role as an ethical trader.

Our Supplier Code of Conduct is the primary instrument by which we hold our suppliers to account – it was recently updated to reflect our “highest priority material topics” in line with the latest GRI reporting standards.

### Recognition

In 2021–2022, our sustainability efforts were recognised in several ways:

- EcoVadis, the sustainability rating specialist, gave Gold ratings to both Volcafe (our coffee division) and ED&F Man España (our sugar operation in Spain), placing each in the top 5% of their respective industries.
- In the same period, MLP won or was shortlisted for several sustainability awards including: 2022 Diageo North America Procurement Supplier Award and the 2022 World Sustainability Award in the Sustainable Supply Chain category.
- Molinos de Honduras, Volcafe's company in Honduras, was a finalist for the Business Transformation Award in the 2022 Responsible Business Awards from Reuters.



Read about our [Supplier Code of Conduct](#)



# Our sustainability mission



“By focusing on Environmental Stewardship, Improving Lives, and Responsible Sourcing, we have streamlined our sustainability priorities to focus on the most material and relevant issues to our internal and external stakeholders.”

**Meredith Smith, Head of Sustainability, ED&F Man Commodities**

In 2022, we made significant changes in how we address sustainability and ESG topics as a company.

We completely revised our sustainability strategy which we launched in January 2023 (outside the scope of this reporting period), with a focus on three key areas that are vital to our businesses:

- Environmental Stewardship
- Improving Lives
- Responsible Sourcing.

As part of this we set group-level ESG targets and metrics with cross-commodity action plans to achieve meaningful, measurable results. We will report against these metrics in the FY2023 report.

The progress we made in FY2022 shows ED&F Man's commitment to sustainability both at the Board level and within each division. The sustainability teams within our Coffee, Sugar and MLP divisions set their own objectives, planning and delivering local projects designed to have the greatest impact in their respective sectors.

We have made progress on our new sustainability strategy in early 2023, with appointments to strengthen our Commodities Group sustainability team including a Climate Manager (Jordy Hof)

who is developing a comprehensive Climate Action Plan following TCFD guidelines. We now have cross-commodity teams working on all the commitments set out in our new sustainability strategy.

## Investing in people and communities

All three of our core divisions have numerous impact projects underway in the communities in which we operate to improve lives for the people in our value chains. We also have ongoing workstreams to improve the lives of our colleagues – through better governance and policies related to internal Health and Safety programmes and our Equity, Diversity and Inclusion plans.

In our coffee division, our Volcafe Way teams continued to build on their work in supporting smallholder coffee farmers throughout 2022. Initiatives focused on developing certified value chains, promoting regenerative agriculture practices, training farmers, reiterating the importance of education, and raising awareness for gender equity and women's rights.

Our sugar division deepened its relationship with Bonsucro, selling over 13,887MT of Bonsucro certified sugar in FY2022, whilst Fairtrade sugar

Key areas	Metrics	Rationale	UN SDGs
<b>Environmental Stewardship</b>	Develop climate action plan with decarbonisation goal Commit to Deforestation and Conversion Free (DCF) Supply Chains	Improve the environmental impact of our products and businesses	
<b>Improving Lives</b>	Implement community projects Improve Group Equity, Diversity & Inclusion Zero workplace accidents	Improve quality of life for our employees and people in our value chain through improved company policies and charity	
<b>Responsible Sourcing</b>	Increase % responsibly sourced products	Provide supply chain assurance and reduce sourcing risks	

sales exceeded 7,121.5 MT meaning a premium of over \$450,000 was paid back to farmer cooperatives.

During this period, our MLP division delivered positive impact through the MAS Program in nine grower communities. Highlights included the development of climate adaptation plans in 6 regions of El Salvador, the construction of deepwater wells that piped clean water to 553 people in Nicaragua, and a literacy and anti-domestic violence programme in the Dominican Republic.

## Looking ahead

We are working closely with our lenders to deliver a sustainable financing structure for the commodity trading businesses, and we will continue to expand this area of activity.

Looking ahead to FY2023 and beyond, we must engage more closely with our suppliers, stakeholders and customers to accelerate decarbonisation and reduce waste and water

consumption, working towards a scenario where our impact on the environment and the communities we work with is improved.

Our new sustainability strategy includes a heightened focus on improving equity, diversity and inclusion (ED&I) in the workplace and quality of life for our people.



Read about [Volcafe Way](#)

Read about our [Sugar partnerships](#)

Read about the [MAS Program](#)

**Materialities**

The following topics are the main environmental, social and governance priorities that we aim to address between now and 2030.

 **Environmental Stewardship**

**Climate Change Management**

Strategies and actions, such as advocacy, risk management, resiliency and scenario planning, intended to manage the risks and opportunities of climate change and transition to a low-carbon economy. Decarbonisation and development of a climate action plan are key metrics of the new sustainability strategy.

**Energy Reduction And Efficiency**

Conservation initiatives in ED&F Man facilities to reduce energy use and greenhouse gas (GHG) emissions as part of our decarbonisation strategies.

**Biodiversity / Natural Ecosystem Conversion**

Responsible supply chain management to incentivise sustainable farming and land management/freshwater practices that preserve biodiversity, protect against conversion of natural and critical habitats, and avoid deforestation. This was implemented through the Supplier Code of Conduct during this reporting period.

Deforestation and conversion-free supply chains are a key focus for our FY2023 sustainability strategy and additional measures are being put in place to ensure compliance.

**Renewable Energy**

The use of clean and renewable energy sources to reduce the emissions of ED&F Man operations.



“Working in concert with Volcafe’s sustainability strategy, the Group Sustainability Strategy is the fruit of a joint effort from all three divisions. It emphasises the necessity for ED&F Man Commodities to further drive change as a group, while acknowledging each division’s uniqueness.”

**Liesbeth Kamphuis, Global Sustainability Director, Volcafe**

**Water Management**

Reducing the use of water in ED&F Man’s operations and disposing of it responsibly, with a focus on conservation and reuse, particularly in water-stressed regions.

**Waste Reduction And Management**

Eliminating waste in ED&F Man’s operations. Minimising the amount of waste sent to landfill through reuse and recycling initiatives. Responsibly managing the use and disposal of hazardous materials.

 **Improving lives**

**Corporate Culture, Values And Behaviour**

Fostering a work environment that embodies ED&F Man’s values and behaviours, fully supported by aligned leadership and incentives.



Our new strategy is supported with objectives from each division to deliver greater positive social and environmental impact and is aligned to the UN Sustainable Development Goals.

**Cybersecurity And Employee Privacy**

Providing the necessary expertise, architecture, protective features and policies to protect against unauthorised access to company systems, IT infrastructure and employee data.

**Ethics And Compliance**

Upholding ED&F Man’s Standards of Business Conduct through integrity and ethical corporate behaviour, and combatting such violations as fraudulent conduct, corruption, bribery and human rights infringements.

**Employee Engagement**

Programmes that inspire employees to do their best and make them feel valued for doing it.

**Employee Health And Wellbeing**

The engendering of positive physical and mental health through a supportive workplace, health benefits and programmes that promote work/life balance.

**Equity, Diversity And Inclusion**

Promoting an environment that welcomes, celebrates, and values individuals of all backgrounds, and providing fair and equitable

outcomes for everyone. Improving our ED&I plans and policies is a component of our new sustainability strategy.

**Human Capital Management**

Deployment of and investment in talent to maximise individual and business performance.

**Talent Recruitment And Retention**

Attracting and keeping the best talent to stay competitive and relevant as a company.

**Workplace Safety**

Programmes and practices that support the objective that every person at every site returns home safely every day. Initiatives to improve employee health and safety are tenets in the new sustainability strategy with plans in place to be a “zero lost time accident organisation” by 2030.

**Customer Trust And Loyalty**

The degree to which customers would choose ED&F Man products earned through criteria such as price, product quality, sustainability, and timely delivery. ‘Client-focused’ is one of our 5 core values.



## Responsible sourcing

### Responsible Sourcing And Supply Chain Management

The practice of procuring products in a way that respects human rights, supports local economies, preserves finite resources and protects human and environmental health. Ensuring that policies and procedures are in place that hold suppliers accountable to ED&F Man's Supplier Code of Conduct. Responsible sourcing is a key tenet of the new sustainability strategy.

### Supply Chain Human Rights

The upholding of ethical behaviour by direct and indirect suppliers, especially around issues such as child labour, forced or slave labour, abusive treatment or corrupt business practices.

Protecting the rights of indigenous peoples, especially their rights of land and water use. We put a strong emphasis on human rights throughout the supply chain in our Supplier Code of Conduct.

### Product Safety

The quality, purity and safety of our products traded to ensure these comply to feed and food safety regulations, client requirements and expectations, and that they can be used for their intended purpose.

Maximum Allowable Residue Limits (MRLs) of pesticides are analysed and accounted for in line with regulations for the EU, UK, US, Japan, China and Australia.

### Quality Management

Ensuring the quality and compliance of products and services.



“Responsible supply chain management is at the root of our sustainability strategy. Our well-developed relationships with Fairtrade and Bonsucro, and our promotion of organic sugars ensure a high level of traceability and underpin our support for community impact and reforestation projects.”

**Daniel Polak, Head of Distribution and sustainability lead, ED&F Man Sugar**

### Financial Performance And Resiliency

The company's ability to profitably manage operations throughout the business cycle and withstand adverse economic conditions.

### Product Resilience And Food Chain Security

Strategies, actions and advocacy to support global food supply chain security and agricultural resilience.

This might include food waste management and water management (implemented directly and through the Supplier Code of Conduct) and programmes to support farmers under pressure from climate change and other geopolitical events.





# Coffee

Placing sustainability at the heart of the global coffee supply chain

## A thriving sustainable coffee business for all

Volcafe is one of the largest traders of Arabica and Robusta coffees, providing the beans for 50 billion cups of coffee each year. Drawing on our long history in the coffee trade, we aim to be the world's best coffee partner.

In FY2022 we traded 8 million bags of coffee, supplying global roasters as well as specialty roasters and retailers.

### Our Sustainability Strategy

Volcafe's new Sustainability Strategy was launched in 2021. It works in three interrelated areas to achieve Sustainable Profitability for farmers, promote Regenerative Practices to combat climate change, and support thriving communities through Responsible Citizenship.

Our 'sustainability strategy framework' ([see page 26](#)) shows how the three key areas (or pillars) reflect both the drivers and enablers of our sustainability work at Volcafe. The framework also shows the material areas where we will make a difference and also how we will contribute to the achievement of the UN Sustainable Development Goals.

Our mission across each of these pillars is as follows:

#### 1. Sustainable Profitability

To realise a living income for farmers, Volcafe will focus on Sustainable Profitability as part of our sustainability strategy. With our range, presence and experience, we are well positioned to address the complex issues that prevent farmers from thriving. We will continue the long-established work we've been doing with

producers, providing business and agronomy advice through our Volcafe Way programme to improve farm practices, deliver consistent quality and make careful use of natural resources. Through our array of options for sourcing responsible coffee we are actively driving change in our industry.






















#### 2. Regenerative Practices

Volcafe promotes Regenerative Practices that address the impact of climate change on coffee cultivation. We are already working with partners to increase our understanding and to mitigate climate change risks in key coffee regions, including the effects of temperature fluctuations, flooding, droughts and frosts. We want to do more and go further to find root-cause solutions to environmental issues that we can deliver in coffee origins to protect livelihoods and markets. Volcafe understands that coffee's future is intrinsically linked to mitigating the effects of a changing climate. Coffee farmers are already seeing the impacts on their crops. At the same time, we know that coffee farms can be a model for regenerative agriculture, reducing the need for costly chemical inputs while safeguarding local ecology.

#### 3. Responsible Citizenship

Volcafe also works with producers to build thriving coffee communities, advancing the third



	 Secure living income for farmers <b>Sustainable profitability</b>	 Combat climate change <b>Regenerative practices</b>	 Support thriving communities <b>Responsible citizenship</b>
Drivers Proactive leadership	Tackle systemic issues through partnerships to achieve stable farm profitability	Find root-cause solutions on environmental issues	Encourage and support coffee farming communities to thrive whilst trading fairly, respectfully and responsibly, balancing gain with impact and achieving international standards for safety and inclusion
Enablers License to operate	Partner with customers to achieve common ambitions		
	Maximise responsibly sourced coffee	Make efficient use of natural resources in our own operations	Provide safe and healthy workspaces, invest in development and diversity, and create an exceptional work place
Material areas	 Stable/ Transparent income	 Climate change  Water  Forests/ Bio-diversity  Pesticide/ fertiliser/ soil	 Education/ Youth  Workplace Health & Safety  Equality (gender etc)  Working conditions
SDGs		   	   



Volcafe Way provides technical assistance to tens of thousands of coffee growers

Farm profitability is a core focus of Volcafe Way – when producers see their incomes improve, they’re encouraged to improve farm practices, increase productivity, deliver higher quality coffee and keep farming. We call this farming as a business.

Volcafe Way is one of the key routes we have developed that enables us to carry out the activities that put our Sustainability Strategy into practice.

Volcafe Way combines direct technical assistance to farmers with an array of training modules on sustainable production and good agronomy. Through a network of business model farms, Volcafe Way also demonstrates best practices that can help farmers to manage environmental and social challenges.

**Volcafe Way enables us to carry out the activities that put our Sustainability Strategy into practice.**

Volcafe Way technical teams support farmers to produce coffee crops to recognised standards (such as Fairtrade, Organic, and Rainforest Alliance), while gathering data used to monitor progress and pass certification inspections.

Our farmer support programme not only enables farmers to strengthen their businesses, but also facilitates a diverse supply of responsibly sourced coffees for Volcafe’s customers.

pillar of our sustainability strategy, Responsible Citizenship. With long-term presence at origin, we bring insight and experience to complex and sensitive areas of coffee farming such as education and gender equity.

This expertise helps us to create locally tailored projects and initiatives that contribute to improved social wellbeing while fostering a sustainable future in coffee farming.

One of the ways we take action on these pillars is through projects carried out with our partners – from customers to NGOs and specialised funders. In the following sections we have detailed some recent examples of our sustainability projects.

**Volcafe Way**

Volcafe Way is our farmer support programme, carefully developed since 2014 to provide a holistic response to the challenges faced by coffee farmers.



## Projects

### 1. Sustainable profitability

Our sustainable profitability pillar focuses on working with farmers to help them build thriving and sustainable businesses through projects that range from direct trade to training to increase productivity, or initiatives concentrated on improving living income.

Volcafe actively participates in living income working groups and research studies on living income from several universities. These studies aim to advance understanding of how coffee farmers can enhance yields and profitability while also being stewards of the environment around them and a valuable part of their local communities.

As an example, in **Honduras** we have built direct trading relationships with coffee farmers, offering

stable partnerships and technical support to help them boost yields and grow their income in a sustainable way.

Beginning with 2,000 coffee farmers in 2015, this partnering approach has expanded to involve over 8,000 smallholders as of 2021. In 2014 – the year before the change in purchasing strategy – middlemen supplied 88% of the coffee to Volcafe in Honduras. As of 2021, that figure has fallen to just 3% – smallholders and cooperatives now directly supply 97% of the coffee.

While farmers can still consider offers from middlemen, by selling directly to Volcafe they are earning about 32% more from their coffee than they did before. This strategy has continued to be implemented throughout Honduras during FY2022.

In **Tanzania**, Volcafe’s work with farming communities has seen us help fund energy-efficient coffee pulping units (CPUs) through an interest-free loan facility.



Coffee pulping units in Tanzania save time and boost coffee quality



Farmers from the Llano de los Angeles community in Costa Rica pick up compost in their Toyota Land Cruisers

These pulping units are enabling farming co-operatives (AMCOSs) to save time, boost coffee quality, and fetch higher prices for farmers. This project was started in 2020 and continued during this reporting period in FY2022.

### 2. Regenerative practices

Our Regenerative Practices initiative focuses on providing services that support farmers in reducing their carbon footprint while maintaining a healthy and profitable business. These services are designed to:

- Improve soil health and reduce GHG emissions in the coffee farming ecosystem, supporting the economic sustainability of the coffee business.
- Protect water in coffee farming ecosystems by its efficient use and adequate treatment.
- Support farmers in implementing good agricultural practices.

In **Costa Rica** we have developed a scheme to transform coffee cherry and pulp waste into compost which is then used to fertilise the plantations and create a circular approach to coffee production. This has reduced farmers’ reliance on fertilisers and chemicals and reduced waste from the pulping process which was previously dumped. Our Costa Rican operation aims to convert 100 percent of its coffee waste into compost by 2024 ([see page 80](#)).

In **Uganda** we have developed agronomy calendars to support farmers by helping them to learn and apply regenerative agriculture practices through a low-tech solution, enabling improved coffee yields and farmer incomes.

The calendars provide focused advice for each month of the local growing season, and touch on everything from planting seedlings or intercropping with shade trees, to stumping and



pruning, to thwarting plant diseases and pests. By end of FY2022 we had distributed 23,000 calendars to coffee farmers in the country.

In **Vietnam**, using a donation from IDH-JDE and co-sponsored by the local government, Volcafe worked with three Fairtrade cooperatives to develop a district-level sustainable landscape approach under the Cu Mgar compact project.

Volcafe trained producer/project members in advanced techniques for replanting and intercropping, as well as providing free new coffee variety seedlings and shade trees (pepper, macadamia, durian).

Producers replanted and intercropped their coffee farms to improve coffee quality and incorporate high-yield and/or rust-disease-resistant trees to adapt to climate change.

This also allowed producers to limit the use of pesticides, creating a sustainable landscape for the whole region while aiming to increase farmer income and reduce CO<sub>2</sub> emissions.

In **Guatemala**, we developed the Café Puma project that educates and helps preserve the puma habitat in coffee producing regions. Since 2020, we have partnered with Panthera ([panthera.org](http://panthera.org)) on this project to ensure that coffee production and pumas can coexist.

The project sees a premium paid by end clients which is then donated to Panthera, a wild cats preservation organisation. Panthera creates workshops with our coffee producers to educate them on antipoaching activities. They install cameras and sound traps to capture the activity of pumas and study their habitat. Equally as important, Volcafe Way helps to preserve the Bourbon and other traditional varieties in this region.



The mobile clinic in Guatemala also offers free medical consultations to children and adults

In Honduras we have set an objective to plant one million trees over the next five years



The aim is to fully preserve the traditional coffee varieties, as well as the puma.

Volcafe has also developed a number of reforestation and tree planting programmes across our global operations: In **Honduras** we have set an objective to plant one million trees over the next five years to help combat climate change. In the FY2022 we planted 60,000 new trees as a first step in this project and we plan to continue investing to create tree nurseries of coffee and native forest saplings, to deliver around 200,000 saplings per year in partnership with the Forest Conservation Institute (ICF, a governmental agency).

In **Colombia**, our team have worked on an agroforestry project to plant trees at a group of farms in priority municipalities in the department of Cundinamarca, aiming to ecologically restore degraded areas within coffee farms. In FY2022 we planted 51,000 native trees at 250 farms as part of this project.

## We aim to promote thriving and inclusive communities that balance the needs of people, the environment and the economy

In addition, the team in Colombia is working to install and deliver water treatment systems on coffee farms in the country. The team identified a need for water treatment systems that are less expensive but as efficient as those available on the market.

They worked with farmers to develop three systems which fulfil the requirements at three different price levels.

The farms within the programme undergo environmental auditing on a yearly basis. Once



the main harvest starts, we take water samples to the lab for analysis; these are sampled before and after passing through the system to verify the level of removal. In total, 335 farmers were carefully picked for the type of system to be installed at each farm, taking consideration of the volume of coffee produced, size of the farm and of the coffee plantation, adequate coffee processing systems at the farm, and lack of wastewater systems.

### 3. Responsible citizenship

Our Responsible Citizenship initiatives aim to promote thriving and inclusive communities that balance the need of people, the environment and the economy to create a fairer society. Programmes range from gender-equity initiatives, to safe drinking water projects to building schools and infrastructure in the coffee communities we work with.

In **Tanzania**, we have worked with the community to promote gender equity through the GALS training programme. GALS – short for Gender Action Learning System – is a gender equality training model that engages men and women in an exercise to define, then realise, a personal vision for their lives and farms. This has included supporting the establishment of locally funded savings associations that farmers contribute to and jointly govern, providing access to finances to enable the fulfilment of their personal visions. As part of the programme, 40 clusters – each comprised of 20 households – have organised into local savings associations, with 60 more clusters recently starting up. As things stand, 1,800 farming households are involved. GALS champions, both men and women, have emerged as leaders of change in their communities.

In **Guatemala**, Volcafe is supporting the provision of a free mobile medical clinic to coffee communities providing dental and medical support to farmers and coffee workers. At each stop, our staff work with the medical teams to promote and operate the clinic.

The free services provided include dental check-ups, cleanings and extractions, as well as paediatric and adult health consultations, medical checks and cost-free medicine. The mobile clinic typically stays at a location for up to a week and can attend to more than 500 patients.

Volcafe's **Honduras** team and COMUCAP, a women's cooperative in the country's southwest, are now in phase two of a partnership with leading roaster Strauss Coffee. The arrangement is producing sustainable, high-quality coffee while empowering women and promoting gender equity. Aiming to raise awareness of women's rights and create a support network for female coffee farmers, the partnership now involves about 500 women working in the coffee-growing regions of Marcala.

Our team in **Papua New Guinea** has supported a group of women farmers with coffee tools and incentives. A total of 120 women were part of this association, working for common goals to empower and support women in their community. A great amount of interest has been generated for the 2,000 bags of traceable coffee produced by the group yearly. They are certified under both Rainforest Alliance and 4C.

In **Vietnam**, we are building community schools and in FY2022 completed the 16th school project in partnership with the Costa Foundation. Together, Volcafe and the Costa Foundation have built 25+ schools in our continuing partnership. The schools serve almost 5,000 children in Colombia, Peru and Vietnam.

## Partnerships

A core element of how we work involves partnering with our customers and other recognised leaders in their fields, such as local and international NGOs, government bodies, specialised donors and impact funds, to deliver greater impact.



Volcafe's Grace Murungi (second from left) is promoting gender equality through a training model called GALS

In FY2022 we delivered a number of successful partnerships including the following examples:

We worked with **CATIE** (the Tropical Agricultural Research and Higher Education Center) to promote sustainable practices in coffee production. Volcafe has long emphasised sustainable profitability as a goal for the coffee farmers it works with, and CATIE brings experience with research and capacity building for sustainability.

As part of the expanded partnership, Volcafe and CATIE will collaborate to establish model farms in Latin America, Africa and Asia where new and locally appropriate agroforestry systems will be implemented. The collaboration will also train Volcafe Way field teams on agroforestry practices, enabling these approaches to be spread more widely. CATIE and Volcafe will also design an analytical tool that measures the impact of agroforestry systems and creates a framework for market valuation – a key step

toward eventually compensating farmers for their ecological stewardship and carbon removal through environmental service payments.

Volcafe joined the **Cool Farm Alliance** as part of the company's efforts to assess and reduce the environmental footprint of farms in its value chains across 15 origin countries. For farmers, the Cool Farm Tool simplifies the process by which they can conduct otherwise challenging calculations about water usage, carbon sequestration or biodiversity management. The tool also helps farmers choose practices that improve environmental performance, while allowing them to track and measure these improvements over time. For Volcafe, this service is an important addition to the toolkit offered by our Volcafe Way farmer support programme, which provides training and technical advice on sustainable agricultural and business practices to tens of thousands of coffee farmers.

During 2021, Volcafe finalised the cooperation with the **Zurich University of Applied Sciences**





“Participating as climate champion for Colombia has been an opportunity to actively work through the coffee supply chain, identifying, describing and measuring all processes, where carbon footprint impacts the most.

This will allow us to work as a group, learning from experiences of other countries, in finding ways to help reducing such impact, so the next coffee generations can build a future on it.”

**Juan Rada from Volcafe's Colombia team**

(ZHAW) on a Life Cycle Assessment (LCA) study and the development of a data analysis tool. This approach allows for a more holistic assessment of the environmental impacts associated with coffee production, going beyond the carbon footprint and greenhouse gas emissions. Volcafe seeks to apply the LCA tool to future climate and sustainability projects.

In addition, Volcafe has longstanding partnerships with international non-profit **TechnoServe** in countries including Guatemala and Honduras. In Guatemala, our partnership is part of the Maximizing Opportunities in Coffee and Cacao in the Americas (MOCCA) Project. It aims to deliver a comprehensive training programme to equip Guatemalan farmers with knowledge and skills to improve their productivity and incomes while gaining access to higher-value markets.

## Climate journey

Volcafe has also set ambitions of its own operations to reduce its carbon footprint through making efficient use of natural resources in our operations and preparing for a carbon-neutral future and beyond.

Volcafe understands the threat of climate change to the coffee sector and knows that carbon

reduction and removal will be critical to achieving its vision of a thriving, sustainable coffee business for all.

As part of our response to the climate crisis, Volcafe partnered with dss+ to assess and address our carbon footprint.

Drawing on its experience with integrating climate action into business operations, dss+ supported Volcafe with devising and implementing a global carbon accounting drive across Volcafe's 25+ origin and destination offices. The combined result yielded a baseline measurement of Volcafe's scope 1, 2 and 3 emissions – key toward achieving carbon neutrality.

The exercise ran through FY2022 and resulted in a carbon footprint of 1.9 million MT of CO<sub>2</sub> eq for FY2020–21 following the Greenhouse Gas Protocol Corporate Standard.

## Responsible sourcing

Volcafe can deliver a wide selection of coffees that are certified through independent schemes such as Rainforest Alliance, 4C, Fairtrade, Organic (including EU, JAS, and USDA) and C.A.F.E. Practices and meet the requirements of roaster standards like Nespresso AAA.

In many cases, our Volcafe Way field teams are on the ground advising and supporting farmers on how to understand and fulfil the requirements set forth by the different standards.

In 2022, the Volcafe Peru sustainability team succeeded in complying with the first transition audit of the new Rainforest Alliance standard. Producers certified under Rainforest Alliance are benefitting by producing better crops, adapting to climate change, increasing productivity, reducing costs, and generating business opportunities for Volcafe Peru.

As a complement to these approaches, Volcafe started to develop the Volcafe RS Standard in 2022. Creating a harmonised approach for sourcing coffee responsibly, the Volcafe RS Standard links our sustainability efforts to the commercial needs of our clients by offering them coffees that are responsibly sourced and providing them with key information on value chain risks, challenges, and opportunities.

The Volcafe RS Standard establishes two levels of practice, Volcafe Verified and Volcafe Excellence, allowing for continuous improvement within our value chains.

Development of the Volcafe RS Standard started in FY2022. Launched in March 2023, both Volcafe Verified and Volcafe Excellence have been recognised by the Global Coffee Platform (GCP) as Coffee SR Code equivalent, 2nd party assurance.

### Engaging to improve the industry

Volcafe's commitment to sustainability goes beyond its own value chains toward improving the coffee sector as a whole.

Volcafe Managing Director Trishul Mandana was actively involved in sustainable development in coffee via his role on the board of the Global Coffee Platform, while our Sustainability Manager, Anneke Fermont, is the industry representative on the Rainforest Alliance Standard Committee.



# 10

origin countries where Volcafe Way operates: Brazil, Costa Rica, Colombia, Guatemala, Honduras, Kenya, Papua New Guinea, Peru, Tanzania, Uganda

# 250+

agronomists and field staff

# 700

business model farms and replicas in operation

# 45,000

farmers trained

# 150,000

hectares of coffee farm land involved in Volcafe Way

# 3M

bags of certified coffees (including Volcafe Way) in 2022



# Sugar

Moving sugar from origin to destination, responsibly



## Improving lives in sugar communities and driving higher standards in the global sugar trade

ED&F Man Sugar is a world-class supplier of sugar and value-add sugar products including raw and refined sugar, organic sugars, sweeteners and blends, liquified sugar and alcohol products, with a long and proud history.

It is a founding member of Bonsucro, the leading global sustainability platform and standard for sugarcane and a key trading partner of Fairtrade, the ethical trading association.

In FY2022 the sugar division sold 13,887MT of Bonsucro certified sugar, 7,121.5MT of Fairtrade certified sugars and over 30,000MT of organic sugar products, reaffirming our commitment as one of the leading global merchants in organic sugar.

The sugar division also partnered with **Tree-Nation**, an organisation whose aim is to stop deforestation, fight climate change and support local communities through education, employment and empowerment via tree planting activities.

Through Tree-Nation, we are supporting reforestation projects in key regions across the globe. The business has prioritised investment in tree planting in countries where supplier and customer stakeholders are located.

In addition, we renewed our sustainability strategy and redoubled our commitment to sustainable business practice. This included a detailed assessment of the business' role in the supply chain and the development of key performance indicators to optimise sustainable operations.

### The Sugar Division sustainability strategy is focused upon four key pillars:

#### 1. Responsible sourcing

a commitment to responsible sourcing and working to raise standards with all partners;

#### 2. Environmental stewardship

continuously reviewing our business to drive improvement and reduce our environmental impact;

#### 3. Community impacts

working with partners to ensure stakeholders are treated fairly and to develop focused projects to support and improve the lives of identified stakeholders;

#### 4. Corporate responsibility

to communicate and educate, both internally and externally, to ensure adherence above and beyond the required standards and legal compliance in the supply chain.



### Supply chain assurance

We responsibly manage and monitor our supply chain to ensure our partners meet our approved standards on environmental, social and governance (ESG) matters and relevant legislation so that we can confidently promote our products and services with integrity within the marketplace.

We are constantly improving our supplier approval processes through supplier interviews and questionnaires. We ask new and existing suppliers to agree to our Code of Conduct, which covers our four sustainability pillars and ESG standards – and are working towards the optimal scenario where all our suppliers are compliant.

We use our global network of offices to perform physical audits of new supply partners where necessary and provide periodical audits with existing suppliers to ensure continued compliance with our standards.

We perform supplier mapping to chart key responsible sourcing indicators and monitor them on a regular basis. We also partner with suppliers and market participants who value responsible sourcing as much as we do.

### Bonsucro partnership

ED&F Man was one of the first companies to be certified with Bonsucro's Chain of Custody Standard, which covers the supply of a product from cultivation to consumption. It provides assurance that the company is sourcing and trading responsibly – and that compliance can be tracked along the supply chain.

Bonsucro is supporting sustainability by accelerating change in sugarcane communities around the world. From April 2019–March 2022, ED&F Man chaired the Bonsucro Members Council and was a Director of the Bonsucro Board.

In March 2022, we were re-elected by Bonsucro's members to continue to represent the Intermediary class on the Bonsucro Member's Council for another term.

ED&F Man also played a significant role in creating Bonsucro's new 5-year strategy in 2021 as we were one of two Board members on their Strategy Steering Committee. The new strategy can be found on Bonsucro's website.

In FY2022, we delivered 13,887MT of Bonsucro certified sugars to our clients around the world.



We constantly seek to improve processes for partnering with suppliers

### Case Study

## Eswatini Fairtrade Sugar Co-op

Since the Eswatini sugar growing communities in southern Africa joined Fairtrade, life for the farmers and workers there has been transformed.

The Fairtrade Premium has enabled the Eswatini cooperative to increase the efficiency of sugar production, eliminate the use of harmful chemicals in sugarcane husbandry and become energy self-sufficient with a solar plant that also pumps water from the reservoirs to the households and sugar fields.

All these improvements have meant the local industry now has higher compliance with

international market requirements, boosting sales and promoting more sustainable farming methods.

Furthermore, in recent years the Premium has paid for clean water supplies, school and youth empowerment projects and the construction of better homes for the most disadvantaged in the growing community.

ED&F Man is proud of its close trading relationship with the co-op that secures a brighter future for the people of Eswatini.



## What is Fairtrade?

Fairtrade works with farming co-operatives, businesses and governments to make trade fair.

Not only does it ensure fair prices for grower communities and uphold decent production standards, but it improves living standards for farmers, workers and their families.

Over and above the price of sugar, the Fairtrade Premium is an additional sum which goes into a communal fund for workers and farmers to use – as they see fit – to improve their social, economic and environmental conditions.

“ED&F Man have been a long-term partner of Fairtrade, taking Fairtrade certified sugars to markets worldwide”, says Monika Berresheim,

Senior Advisor Sugar at Fairtrade International. “The difference the Fairtrade Premium makes for co-ops and communities is massive.

“It helps build sustainable livelihoods, protect the environment, creates decent working conditions and fosters a more sustainable sugar industry.”

**“The difference the Fairtrade Premium makes for co-ops and communities is massive.”**

— *Monika Berresheim, Senior Advisor Sugar at Fairtrade International.*



ED&F Man address a group of smallholder farmers at a Fairtrade meeting in India

### Fairtrade partnership

ED&F Man Sugar has a long history of moving Fairtrade certified sugars from origin to destination. Since 2018, the division has sold over 30,000MT of Fairtrade certified sugar and transferred over \$2.2 million of Fairtrade Premiums back to farmers’ cooperatives for the betterment of local communities.

The impact of the Fairtrade Premium on sugar growing communities is substantial and something ED&F Man Sugar has seen first-hand in the regions we buy from in India, Southern Africa and the Caribbean.

### Donations

We have also donated to a number of charitable causes over the past year. In March 2022, ED&F Man India donated \$9,200 to charitable organisation The Karmaveer Shankarrao Kale

Education Society to help improve a school building in a neighbourhood close to a partner sugar factory and provide books for the children to learn from.

We also gave \$14,000 to local communities affected by the conflict in Ukraine for medical supplies as well as essential living items including bedding, firewood and briquettes, and white goods. In addition we donated 20 metric tonnes of sugar to the Odesa State Administration to help provide meals.

ED&F Man Sugar has undertaken a number of additional environmental and social impact projects in the FY2022. This includes ongoing work on our ED&F Man Forest, a global initiative in partnership with Tree-Nation, to drive reforestation and support communities around the world.

This programme sees trees planted in key areas where reforestation actions are required. Tree-Nation connects to local NGOs engaged in tree planting, meaning real, local impact. The collaboration with Tree-Nation results in more trees being planted but also brings jobs and investment to local communities, produces fruit that can be used for food or animal feed, improves soil structure and helps to offset carbon emissions.

Reforestation investments are planned in countries and communities where ED&F Man Sugar sources and sells products. The first trees were planted in October 2022 (falling outside this reporting period) and the ambition is to plant over 3,000 trees across 3 hectares in the first half of FY2023, capturing around 1,200 tonnes of CO<sub>2</sub>.

Over  
**7,121MT**  
of Fairtrade certified sugars sold in FY2022

Over  
**30,000MT**  
of organic sugar sold in FY2022

Over  
**13,887MT**  
of Bonsucro sugar sold in FY2022

Over  
**\$2.2M**  
in premiums paid to Fairtrade co-ops since 2018



# MLP

Responsible and ethical sourcing, shipping, storage and distribution of molasses, molasses blends, liquid feeds, beet pulp pellets, pulses and fish oils

## Our Molasses & Liquid Products division trades a diverse range of products

We source, ship, store and distribute molasses, molasses blends, liquid feeds, beet pulp pellets, pulses and fish oils. In addition, we operate a network of plants and terminals at which molasses-based blends are produced to client specifications.

Our MLP division is the leading global supplier of molasses to the rum sector. We are Bonsucro and ISCC certified and supply the European biofuel market with RED-compliant molasses. We are also the largest global trader of beet pulp pellets and fish oil.

Our high standards for new supplier approval allows us to have better performance visibility, diminish supply chain risk, and improve the ESG performance of suppliers throughout our value chain.

Since a high proportion of the trade in MLP is based on repurposing and upcycling by-products and co-products from other industries, circularity is ingrained in business operations.



### MAS Program

For example, over 85% of the ingredients used by Westway Feed Products (WFP), our North American animal feed division, are by-products from other industries such as distilleries, cheese factories, and agricultural processors. The molasses that we trade is a by-product of sugar production, and is used to make animal feed, rum, yeast and biofuels.

The MLP division is focused on delivering a greater positive impact on people, animals and planet.

Our MAS (meaning 'more' in Spanish) Program ensures that responsible sourcing goes hand in hand with positive human and environmental impact.

The division is constantly looking at new uses for by-products and innovative ways to reduce waste.

We created the MAS Program in 2019 as a way to improve the lives of people in sugarcane communities in our value chain, and the underlying goal of the MAS Program is to support producer communities. Molasses that qualifies for the MAS Program must have been produced by a mill with a third-party sustainability certification (such as Bonsucro or Proterra).

The majority of our liquid products are responsibly sourced, which means that our suppliers have signed our Supplier Code of Conduct and have completed our detailed questionnaire to our satisfaction.



For every tonne of molasses MLP sells through the MAS Program, we invest a portion of our profits in impact projects in the sugarcane communities where we procure molasses.

To ensure that the funds available are spent as wisely as possible, MLP created an Advisory Committee made up of molasses suppliers who identify, evaluate and prioritise the most needed projects. The Advisory Committee evaluates the projects against the following criteria:

1. Improves a sugarcane community in a developing nation.
2. Aligns to at least one of the UN Sustainable Development Goals (SDGs).
3. Has measurable impact indicators.
4. Addresses a medium or high risk identified by our Human Rights Impact Assessment, among others.

### MAS Program recognition

The programme has been nominated for several awards since its inception. It was the runner-up in the 2020 Bonsucro Inspire Awards and was shortlisted for the 2020 SEDEX Responsible Business Award. In 2021 and 2022, it was a finalist in the World Sustainability Awards.

During the FY2022, MAS supported three projects within our sourcing communities. Projects aligned with the UN SDGs 2, 3, 4, 5, 6, 12, 13, 14 and 15. Key projects included:

### Biodiversity, reforestation and climate adaptation in El Salvador

In partnership with our supplier Grupo CASSA and the Private Research Institute on Climate Change (ICC), this project developed climate adaptation plans, trained community members and leaders on climate change, and executed reforestation activities in six communities in El Salvador.

Reforestation project in El Salvador, Donaldo Sosa pictured



Cows enjoying molasses-based liquid feed blends



Almost 200 volunteers planted 4,000 trees on seven hectares. Commenting on the programme, Donaldo Sosa, Community Affairs, CASSA stated: “The MAS Program has strengthened our activities and reaffirmed that we are on the right path to improve social and environmental sustainability in our sugarcane communities in El Salvador.

“The Community-Based Adaptation Strategies have allowed the communities to establish sound plans aimed at climate change mitigation and adaptation for the sectors that the community considers the most relevant to their needs.

“One example is the reforestation efforts that were completed as part of this project, bringing multiple benefits to the environment and to the people who live here.”

**“The Community-Based Adaptation Strategies have allowed the communities to establish sound plans aimed at climate change mitigation and adaptation for the sectors that the community considers the most relevant to their needs.”**

Donaldo Sosa, Corporate Affairs, CASSA Group



**Clean water in Nicaragua**

This project was sponsored by our supplier, Pantaleon, and was paid for jointly by ED&F Man and one of our rum-producing customers, Diageo. This project provided potable water directly to the homes of 128 families (553 people) in two neighbouring communities of KM9 and 10.

Previously these communities had relied on shallow, hand-dug wells which often became contaminated in the rainy season, leading to gastrointestinal illnesses. During the dry season, the old wells frequently ran dry leaving the communities without access to water.

This MAS project funded installation of a deep-water community well and piping to connect the water to each community-member's home in both communities.

**“The life in our community will now be so much better because we have potable water, healthier water.”**

**Juan José Castellón, President of Community Committee on Drinking Water and Sanitation (CAPS)**

To ensure proper administration of the water system, Pantaleon provided detailed training and set up a committee to oversee the water system maintenance called CAPS.

Clean water project for KM9 & 10 in Nicaragua



Literacy project, Dominican Republic

**Literacy and female safety project, Dominican Republic**

In partnership with our supplier Consorcio Azucarero de Empresas Industriales (CAEI) and Save the Children, our MAS Program funded a two-year project to help women and girls in the Hoyo del Toro *batey* (settlement) who have low levels of literacy and who are often the victims of discrimination and even violence.

The project established mini libraries, book clubs, and other literacy programmes which resulted in improved reading comprehension in both groups of children (aged 5-7 and 8-10).

In the second phase of this project, we ran reading modules for 107 children and taught reading skills to 83 parents to encourage them to build literacy at home.

The important work to address discrimination of and violence towards women and girls was communicated through sessions of training and awareness-raising for males and females on topics including gender equality and developing new masculinities without violence.





# People

Our company culture and supporting programmes and practices are focused on attracting, retaining and growing our team and creating an open, inclusive and equitable business.

As a global, fast-expanding and relationship-based business, people are our chief asset and greatest security – they are our future.

## Equity, diversity & inclusion

As a trading group with a long and proud history, active in over 40 countries and literally thousands of communities, diversity is in our DNA. We understand intrinsically that different people bring different perspectives and experiences for the benefit of all stakeholders.

**“We are committed to fostering and maintaining a workplace culture that values and celebrates difference.”**

Adrian Osbourn, Head of Learning and Development at ED&F Man

We recognise that historical and structural inequalities can exist, and we strive to address these through proactive measures such as pay parity, equitable access to training and development opportunities, and promoting diversity in leadership positions.

All of our people should feel included and valued for their contribution, regardless of race, gender, age, religion, disability or identity.

We are committed to fostering and maintaining a workplace culture that values and celebrates difference – from recruitment and training through to development and promotion.

The Commodities Group actively pursues initiatives to promote ED&I. Recent initiatives within the period include:

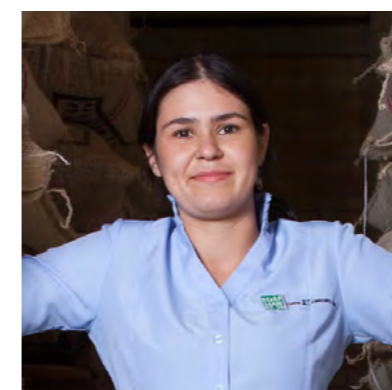
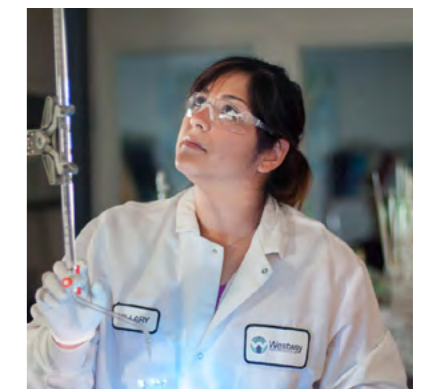
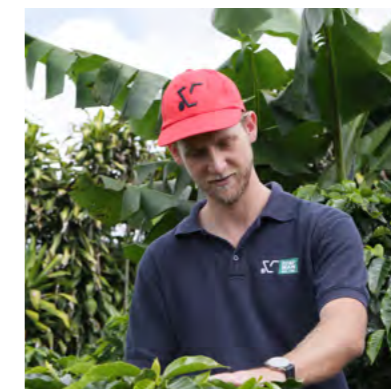
- Actively targeting a more diverse talent pool/ candidates through our recruitment efforts.
- Rolling out flexible working programmes across our global offices to make it easier for people to balance their work-life with their personal responsibilities.
- Raising awareness about equity, diversity and inclusion through employee development programmes and events including a celebration of International Women’s Day, PRIDE and international Mental Health Awareness days.

## Performance management

As a Group and through each individual division, our strategy is to help employees reach their fullest potential through work that is rewarding and satisfying, ensuring they are engaged and developed.

Our Performance Management programme is designed to improve individual and organisational performance.

Employees work with their managers to establish meaningful goals aligned to the strategic objectives of our business. We place an emphasis on not only measuring ‘what’ an employee does, but ‘how’ they do it.





Employee behaviours are reviewed against a set of performance essentials and, for managers, leadership essentials.

These are aligned to our organisational values. Our aim is that every employee has an annual performance review conversation as well as regular one-to-one check-ins.

**Developing talent**

We provide our people with a wide range of training and development opportunities which cover technical skills and personal development.

The Group’s talent management cycle is continuous and focuses on succession planning for critical roles. Alongside our drive to recruit high calibre external candidates, there is a significant effort to develop existing employees via our in-house management development programme, The Fundamentals of Management. To date, over 450 colleagues have accessed sessions since its launch in Latin America, North America, Europe, Africa, Asia and Australasia.

In 2022, Volcafe stepped up its leadership training with a coaching programme to support the development of General Managers at the local level. Furthermore, the Coffee and MLP divisions have launched a programme to support all staff with management responsibilities to

**The greatest number of employee relocations in 2022 were due to the war in Ukraine, as we helped our people in the troubled region to find new homes.**

develop interpersonal leadership skills and management capabilities via 360 feedback activities and personal development plans.

Volcafe has also been proactive in developing career opportunities for female employees, with a new Mentoring Programme that aims to provide women with the know-how and confidence to advance their careers within the company and break down any barriers that might be holding them back.

We want every employee to feel they are fulfilling their potential. We provide access to an extensive e-learning curriculum catalogue (over 600 courses), enabling our people to proactively self-manage their learning and career development.

Training topics include management and leadership, personal effectiveness, team

**Our ED&I Action Plan**

We have refreshed our ED&I Action Plan that will form the basis for our reporting for next year’s Sustainability Report.

With a strong vision for the future, it will put ED&I at the heart of company culture and set the vision and roadmap for people and culture up to 2030.

**The three pillars:**

- 1. Equity** – Providing all employees equal access to opportunities, resources, and support.
- 2. Diversity** – Attracting and retaining a diverse workforce. Creating a workplace culture that is welcoming and inclusive to ALL individuals.
- 3. Inclusion** – Making sure everyone feels valued, respected and empowered. Promoting open communication, mutual respect and a sense of belonging.

**Volcafe mentoring programme**

The programme, launched on International Women’s Day (8 March 2022), pairs a female employee with one of our more senior staff or board members. They meet regularly over the course of several months to discuss career ambitions, challenges and more. The aim is to foster a learning culture and an openness to confront obstacles to equity in our workplace.

Based on the experiences of our first cohort of participants, the approach is proving beneficial to the mentors as well as the mentees.

The second cohort of the programme launched in March 2023. Based on the success of the first cohort, the programme has seen significant growth: Volcafe has increased the number of mentees from 14 to 30 participants.



“I think the first step to equality is to listen and accept that we have not reached equity yet. Understanding that your experience is not everyone’s experience is key as well.”

**Jen, USA, Mentee**



“Working with my mentor gave me tools and confidence to find my balance between personal and professional life – to be an excellent mother and have an exceptional career.”

**Maíra, Brazil, Mentee**



“I now have a much better understanding of the challenges women face. Being a mentor certainly made me much more aware.”

**Danilo, Brazil, Mentor**



“The only thing you need is to believe you can”

**María, Guatemala, Mentor**



## Rewards programme

Our Rewards Philosophy is one that provides compensation, incentives, and benefits that are competitive and motivational.

Consistency, fairness and equity are foundational elements.

Our programme is based on five principles:

1. **Pay for Performance** – Paying for results, deliverables and progress, not tenure or position.
2. **Transparency** – Candid communications, reflecting both positive and developmental elements of performance and behaviour.
3. **Objectivity** – Allocating incentives through objective criteria with fairness and justification.
4. **Ownership** – Encouraging an ownership attitude for the alignment of employee and company interests.
5. **Total Reward** – Motivating by more than just monetary reward.

development, commercial knowledge, wellbeing, and technical business knowledge. Training reflects global business issues and risks as well as topics relevant to commodity trading.

During the reporting period, we increased training on cyber security providing up-to-date online security information through awareness-raising and sharing of good practices.

We encourage talent mobility to meet the needs of our international business and to support career growth and succession. However, the ongoing effects of the Covid pandemic during the period curtailed relocations, secondments, and repatriations. In fact, the greatest number of employee relocations were in the first half of 2022 and due to the war in Ukraine, as we helped our people in the troubled region to find new homes.

### Human resources policy

To guide employee decision-making and risk mitigation, ED&F Man has a global policy framework.

At its core are our Standards of Business Conduct which uphold our long-standing commitment to sustainable and ethical business practices.

Specifics include:

- Labour Practices
- Human Rights
- Fair Procurement Practices

Compliance training, including our Standards of Business Conduct, has been rolled out through a phased regional release. Most employees use our e-learning system, which ensures automatic tracking of progress and completion, including reporting of progress to management. All new joiners are automatically enrolled in compliance training.

### Supporting our workforce throughout Covid-19

To support employee mental health during the crisis and in the aftermath of the Covid-19 pandemic, the company deployed a global Employee Assistance Programme to all businesses and locations in autumn 2021. This provided access to counselling services in many of our remote work locations. In addition, HR rolled out a variety of online support services including homeworking health and safety, wellbeing training, financial health information and employee benefit information sessions.

In late 2021, we began to support our workforces to return to their offices and flexible working practices were adopted. In 2022, hybrid working was widely prevalent and supported by HR managers as well as Group-wide investment in flexible working applications.

### Employee engagement

We want our people to know that their voices are being heard and their opinions matter to senior management. We do this primarily through employee engagement surveys.

The MLP division ran a survey in 2021 and Coffee in 2022, providing a platform for colleagues to share their workplace experiences honestly and openly (with full confidentiality) and to tell us where the organisation is succeeding and where more support is needed.

For the first time, in the Coffee survey, respondents were asked optional extra questions of a more personal nature about ethnicity, gender identity, beliefs, sexual orientation and care-giving responsibilities.

We made sure the learnings and feedback from those surveys was looped back to management to inform company strategy moving forwards.

Our Group communications team ensures employees are kept up to date with salient information, including financial results and corporate news, through our intranet 'Insight' and via our quarterly newsletter to our 100 most senior managers.

The total number of employees at ED&F Man Commodities for the financial year ending 30 September 2022 was

**2,885**

**450+**

colleagues have accessed The Fundamentals of Management programme



# Philanthropy

In addition to the environmental and social impact programmes that are embedded in our Commodities business, we have also continued to focus on corporate philanthropy and giving as a combined group.

Through **ChariCo**, our charitable foundation, we run two schemes to support the involvement of our global team with their favourite charities and good causes:

## Project funding

This scheme provides funds for projects our employees are involved in that improve health, education, housing or the environment for local communities. We favour:

- Projects in a country where ED&F Man has a presence.
- Projects where our employees are actively involved.
- Local projects where we aim to maximise the amount spent on the project, not to partners or intermediaries.

## Matched funding

This is where ChariCo matches an employee's charitable fundraising efforts up to a maximum of \$2,000 (UK £1,500).

## Charitable Giving Highlights 2022

ChariCo funded six projects through the Project Funding scheme and 17 individuals' charities and causes through the Matched Funding scheme.

## Project fundraising

### Support for Ukraine

ED&F Man employees raised \$132,478 to support Ukraine. ChariCo then matched the employee fundraising, donating a total of

\$115,000 in additional support including through a charity partner, *Common Help UA*, which is a humanitarian project created by the Charitable Foundation *Believe in Yourself* and agro-industrial holding *Astarta-Kyiv*.

ED&F Man's aid specifically supported:

- A donation of over \$14,000 to purchase medical supplies for use by local communities affected by the conflict in the first week of the war.
- Funding help for internal refugees in Poltava, Vinnitsa and Khmelnytskyi regions. We donated furniture, home appliances, bed linen, and heaters which supported around 1,148 people.
- We worked with the civic territorial society organising the production and manufacturing of canned fruits and vegetables (producing around 10,000 units) which helped create seven jobs for displaced Ukrainian workers and supported around 2,185 people through food donations.
- 20 metric tonnes of sugar donated to the Odesa State Administration to help provide meals.

### HeartGift (MLP, New Orleans)

HeartGift provides lifesaving heart surgery to children from around the world where specialised medical treatment is either scarce or non-existent. A donation of \$50,000 was made to HeartGift of which \$25,000 came from MLP New Orleans and \$25,000 came from ChariCo. This enabled us to save the lives of two children: Joseph from Uganda and Noah from Honduras.



HeartGift patients from left: Noah from Honduras and Joseph from Uganda

**“Our support for philanthropic causes in the regions we work is another way ED&F Man is improving lives and engaging in good corporate citizenship.”**

David Shakespeare,  
Group Human Resources Director

As of the end of this reporting period, MLP had supported 26 children to receive lifesaving heart surgeries.

### Future Frontiers (London office)

In May 2022, we ran our fourth successful coaching programme with Future Frontiers: our London and Liverpool office colleagues (from MLP, Sugar, Finance and Corporate teams)

volunteered for a four-week face-to-face coaching programme with students from Mayfield Academy in East London.

Access to professional role models and mentoring has been proven to develop aspirations and transform young people's attitudes towards their learning. In addition, a donation of \$18,700 was made to support the programme.

### Robin Cancer Trust through MCM London

This Trust was set up by Toby Freeman and family when they lost his brother Robin to testicular cancer. The charity aims to raise awareness of testicular and ovarian cancers in young people, which are not life threatening if spotted early. A donation of \$10,185 was made in January 2022.

### Prostate Cancer UK through MCM London

The UK's leading charity fighting for men and their families affected by prostate cancer (which is one in eight men) and is soon to overtake breast cancer to become the most commonly diagnosed cancer.





Support for Ukraine

Due to Covid-19, the charity had seen a 23% (£8m) decline in income compared to the previous year. A donation of \$10,185 was made in January 2022.

**Peru School Project, Volcafe Peru**

Our coffee business in Peru, Volcafe Peru, engaged in several school improvement projects in the period, supported both by ED&F Man's

charitable fund and by the Costa Foundation. With their help, Volcafe Peru was able to support schools in San Ignacio, Nuevo Eden, Nuevo Sullana, and Mazaronquiari, as well as help to build a completely new school in Chuquibambilla. A donation of \$11,800 was made in August 2022.

**Matched funding**

In 2022, 17 individuals' charities and causes were supported through the Matched Funding scheme totalling \$33,268 to charities and worthy causes across the globe in support of local fundraising efforts of employees.

Beneficiary	Donation
Horatio's Garden	\$5,568
Children with Cancer	\$2,683
MacMillian Cancer Sup	\$570
Samaritans	\$1,475
Metropolitan Center for Community Advocacy	\$2,000
Hogs for the Cause	\$2,235
Children's Charity	\$3,893
Save the Children	\$189
Brentwood County High	\$1,813
Lincolnshire Emergency Blood	\$1,813
Nik Haidar	\$1,813
Riverview Football Club	\$1,208
Ordinary2Extraordinary	\$1,813
Prostrate Cancer UK	\$1,329
Shoe4Africa	\$1,500
The Northwest Symphony	\$1,367
Class of 1989 Endowment	\$2,000



# Compliance and quality assurance

Maintaining our role as a leader in the global soft commodities supply chain

In this section, we report on work achieved in the FY2022 period that improves these supply chains including:

1. Our Standards of Business Conduct
2. Ensuring safe products of agreed quality for our customers
3. Partnerships with our suppliers to adhere to our sustainability commitment

## Standards of Business Conduct

Compliance is paramount, and we adhere to all relevant laws, regulations, and industry standards. We operate a rigorous compliance programme that ensures our business practices align with applicable regulations and we conduct regular audits to monitor and identify any compliance issues.

We are committed to doing business ethically and we must never compromise on our obligations to our customers, employees and the environment and the communities in which we work. Our Standards of Business Conduct documents the ethical standards that set clear guidelines for our employees at all levels of the organisation, emphasizing ethical and responsible practices. It helps us to act decisively to embed ethical principles within our operations worldwide. Conflict of interest

ED&F Man Commodities maintains a robust conflict of interest disclosure process that applies to all salaried employees and directors. Board members who are not employees provide written disclosure of any actual or potential conflicts of interest at least once a year.

**We are committed to playing our part in our chosen markets to make global supply chains more transparent, resilient, responsible, and sustainable.**

## Ethics training

New employees undertake training in our Standards of Business Conduct. Most employees complete this via our e-learning system, which ensures tracking of progress and completion, including reporting of progress to management.

## Whistleblowing

The company believes in an open, dynamic and responsible culture within the business. It therefore welcomes the voicing of genuine and serious grievances on actual or perceived breaches of company policy. It expects its employees at all times to act within the law and applicable codes of practice, and to apply the highest possible business ethics in all areas of company activity.

'Whistleblowing' refers to cases where an individual exposes malpractice within an organisation.



Quality assurance is paramount to our businesses

'Malpractice' is defined as an action that is either:

- Illegal
- Contrary to policy, regulation, procedure or instructions
- Likely to endanger service users, members of the public and/or colleagues.

No employee or manager in any unit is to be criticised for loss of business resulting from complying with the company's policies.

Our whistleblowing policy provides additional guidance to our Standards of Business Conduct, the most recent update of which was released on 1 April 2022.

A channel of communication is always open for employees to inform head office of grievances and concerns. The Whistleblowing email address is regularly checked by the Compliance team.

More information about compliance can be [found here](#).

## Data protection

At ED&F Man Commodities, we are committed to ensuring the protection of the personal data of our employees, clients and service providers as well as ensuring compliance across the Group. We comply with all applicable personal data laws including, but not limited to, UK GDPR and EU GDPR.

Since 2018, we have reviewed the reasons for and methods by which the Group holds and processes personal data globally and implemented systems, policies and procedures to ensure continual adherence to UK and EU GDPR.

Moreover, ED&F Man is dedicated to continuing to raise and maintain the awareness within the Group which it has achieved by:

- Providing mandatory GDPR training to employees globally
- Continually promoting a staff culture that reflects our respect for privacy of colleagues and stakeholders whose personal data we hold and administer.



## About our Supplier Code of Conduct

In providing products and services to ED&F Man Commodities we expect that our suppliers comply with all applicable local laws, rules and regulations and have in place policies, procedures and management systems to ensure such legal compliance.

In addition, we hold suppliers accountable to our *Supplier Code of Conduct* and expect them to meet our high business standards, adhering to safe, fair and environmentally sustainable working practices and labour conditions.

We buy our products and services on the basis of merit and at all times treat our suppliers fairly and without discrimination.

We seek long-lasting business relationships based on mutual trust and respect and we provide help and support where needed.

All divisions are expected to ensure that each supplier conforms to our mandatory Supplier Code of Conduct.

We review our Supplier Code of Conduct on an annual basis and update it where necessary. In August 2021, for example, we added extra requirements around deforestation, protection of natural and critical habitats, biodiversity, legal and customary land rights, and rights of indigenous people.

In our new Sustainability Strategy, we commit to having signed codes of conduct in place for 100% of product suppliers across Coffee, Sugar and MLP by the end of 2025, but plans are underway to achieve this sooner.



Download our [Supplier Code of Conduct](#)

### By signing our Code of Conduct, the supplier confirms:

1. Compliance with all local laws and regulations.
2. Compliance with basic human rights and international labour conventions.
3. Compliance with working time directives, fair wages and benefits for all staff as per local laws.
4. Ensuring a healthy and safe work environment.
5. Operating in an ethical way, in compliance with antitrust laws and applicable sanction regimes.
6. A preventative approach to environmental management, in line with all applicable laws and permits including avoiding deforestation, protecting against conversion of natural habitats and preserving biodiversity.
7. Not to be engaged in bribery, corruption, money laundering or other fraudulent practices, in line with law and company policies.





# Safe high-quality products



“At the heart of our commitment to sustainability lies an unwavering dedication to quality and product safety. We believe that all products we deliver should not only delight our customers but also safeguard their well-being. Our global food safety policy, quality control processes, rigorous product testing and our quality certifications ensure that each delivery to a client is a testament to our values, reflecting the trust our customers place in us.”

**Rene Kleinjan, Head of Health, Safety, Environment and Quality**

## Product safety management

As a food and feed business, it is of critical importance – not only for our company, but also for our customers, the markets we serve, and eventually the consumer – that products we trade are safe for use as intended, and that they comply with a rigorous set of local and international feed and food laws and industry standards, both in origin countries as well as in destination markets.

Our mission to deliver safe products is underpinned by five basic principles:

1. Compliance and leadership
2. Supplier evaluation and acceptance
3. Preventive risk management
4. Harmonisation and simplification of quality and food safety management systems
5. Raising awareness

All ED&F Man Commodities employees working in commodities have a responsibility to comply with relevant and applicable feed and food regulations, and with our Quality & Food Safety policy.

## Harmonised quality and food safety policy

ED&F Man Commodities operates a single Quality & Food Safety Policy that is applicable globally, which ensures all our trading offices and operational sites that trade or process products adhere to a fixed set of minimum controls to ensure product safety. This policy applies to all commodity divisions across every geography, warranting that all products supplied to customers comply with the same high standards, irrespective of origin or destination.

## Critical control points

Every business and operation involved in the trading or processing of feed and food products operates a preventive product risk assessment that systematically identifies and assesses product safety risks within each step of their operational process. These risk assessments, known as HACCP (Hazard Analysis Critical Control Points) or HARPC (Hazard Analysis and Risk-based Preventive Controls) are based on industry standards and meet the stringent requirements of European, US and UK regulations, and the standards of the European Food Safety Authority (EFSA) and the Food & Drug Administration (FDA).



Ensuring high quality products

With these in place, as the backbone of our product safety management, we ensure the quality, safety and integrity of all raw materials, ingredients, additives and final products.

## Supplier management

The quality and safety of the commodities we sell is largely dependent on the performance of our suppliers. For MLP products, the quality and food safety systems in place at our suppliers are thoroughly evaluated prior to supplier acceptance and initial use, and then at regular intervals thereafter. In the Coffee division, all products are subject to a strict quality control programme with cupping, screening and defect sorting both at origin and destination. Similarly, all Sugar products are subject to rigorous quality control at source and point of delivery.

When we outsource production to third parties, our internal quality system is extended to those

operators to ensure they operate in accordance with our specifications on hygiene, traceability, security, quality, and safety.

## Auditing

Our quality and product safety auditing process is aligned across all commodity divisions, ensuring all product processing and handling sites are checked for compliance in the same way, against the same relevant standards and criteria. Each location is audited once per year independently from operations, by the HSEQ Team, and results are reported to site, regional, country and division management.

These audits are executed to verify if standards are upheld, but also to identify any areas for corrective action. If areas are in need of improvement, support will be provided by the HSEQ team to implement corrective action and to raise standards.



### World Class standards

ED&F Man launched its Group Quality & Food Safety (QFS) Policy in 2014, aiming to bring every processing site up to the following levels:

- Level 1 'Managed' standard by 2016 (>60% compliance)
- Level 2 'Proactive' standard by 2018 (>80% compliance)
- Level 3 'World Class' standard by 2020 (>90% compliance)

All our operational product processing locations (coffee mills, storage terminals, blend centres and sugar refineries) had achieved 'Managed' Level 1 by 2016, and also achieved 'Proactive' Level 2 by 2018, in line with our initial targets. In the midst of the Covid-19 pandemic, we brought 85% of all our locations to 'World Class' Level 3 (>90% compliance scores) by 2020. In 2021, we changed our audit protocol to apply stricter criteria as well as returning to doing on-site audits. In this reporting period, we maintained a 'World Class' Level 3 (>90% compliance) score against the stricter protocol.

#### Level 1

### Managed

We have basic systems and procedures in place to manage QFS. *All assets by end 2016*

#### Level 2

### Proactive

We continue to address the issues we still find. *All assets by end 2018*

#### Level 3

### World Class

Focus on QFS is core and is fully integrated in all that we do. *All assets by end 2020*

### Food safety regulations

We regularly track food safety regulations for all our divisions at the local level and through commodity associations. We have taken a proactive approach in some areas: In 2022, for example, we developed a crop protection products strategy in Volcafe to identify potential future risks that will come into effect next year (2023).

Tighter legislation around maximum allowable residue limits (MRLs) on pesticides, herbicides, and fungicides is expected in the EU and UK in the coming years. We regularly trace our MRLs via the Briant Christy platform and we continuously update our product analysis programme based on changes in regulations and MRLs. Where needed, we make food safety regulations part of our purchase contracts.

Meanwhile, compliance to the US Food Safety Modernization Act (FSMA) is ongoing and not only includes our businesses based in the US, but also those exporting products to the US. These businesses have to be fully compliant with all applicable sections of FSMA, including the Foreign Supplier Verification Program. Several of our employees are trained to be Preventive Controls Qualified Individuals to ensure that our food safety plans are sufficient and all food and feed we sell in the US meets FSMA standards.

### Food safety incidents

We experienced zero incidents of non-compliance with regulations resulting in a fine or penalty within the period.



#### Case study

### Maviga Palouse Pulse

MLP North America acquired Maviga Palouse Pulses in Farmington, Washington, in 2018 and took it from a standing start of having no quality programmes in place to achieving a 100% score in the Primus GFS food safety audit within this reporting period.

Agronomist Tanner Therrien (since promoted to Warehouse Manager) was responsible for putting a food safety team together and implementing ED&F Man's rigorous food safety and quality programmes.

While Therrien described this process as "daunting," he welcomed the challenge of learning more about quality and food safety.

Therrien's excellent work at the pulses plant has not only improved HSEQ at the plant but has also increased productivity due to a higher focus on training and employee engagement.



**"During the process of implementing the food safety programme, I learned a lot about all aspects of the quality and food safety requirements. Being a results-driven person, getting 100% on our most recent audit was really rewarding."**

**Tanner Therrien, Warehouse Manager, Maviga Palouse Pulse, MLP North America**



# Health and safety

As a responsible organisation committed to our employees' wellbeing and safety, we are dedicated to continuously improving our workplace safety performance.

During the reporting period, we saw a 36% reduction in the number of total safety incidents, but an increase of 29% in the number of incidents with lost time.

The general year-on-year health and safety trends are positive: since 2015, the number of safety incidents has decreased by 36% and the number of incidents with lost time has decreased by 33%. However, we need to work harder to reduce the LTISR (lost time incident severity rate), which overall has increased by 57% since 2015 (despite a decrease of 14% since 2021).

We have already taken several steps to identify the root causes of lost time incidents and are actively implementing new measures to address these issues, via a revised safety strategy that has now been accepted by the Commodities Board. We are also investing in employee training and education to ensure that everyone in our organisation is fully aware of the importance of workplace safety and how to maintain it.

We remain committed to providing a safe and healthy workplace for all our employees, and we are confident that our continued efforts will lead to improved safety performance in the future. We appreciate the ongoing support and collaboration of our employees, customers and stakeholders as we work together to achieve this important goal.

We believe that fatalities, injuries and occupational diseases are preventable through robust risk management, decisive corrective action and regular behavioural training. We also expect this from our suppliers, and have included these topics in our Supplier Code of Conduct.

“We are committed to providing a safe, healthy and pleasant workplace for all our people.

“In recent years we have worked hard to bring safety compliance to the ‘progressive level’ – over 90% compliance to the Group’s health and safety policies – but there is much room for improvement.

“In the past year we have invested further in employee safety awareness training. For example, by the end of 2023, we have committed to integrate health and safety into the strategy of each division which includes enhanced safety training, reporting on near misses and tracking trends.

“We have put a full plan in place to become a zero lost time accident organisation by the end of 2030.”

**Rene Kleinjan, Head of Health, Safety, Environment and Quality**

Our Health and Safety policy details our stringent requirements for safeguarding the health and safety of all our employees.

Its implementation is ensured by a team of Regional Health and Safety Managers via annual audits, support for continuous improvement, and interventions where required. We operate local safety committees that foster positive change in the countries where we operate.



## Case study

### A journey of transformation

Two years ago, Kyagalanyi Coffee Ltd (KCL), Volcafe in Uganda, began to review and upgrade its existing health and safety processes, supported by the central Volcafe HSEQ team. The local management team focused on three main areas:

- Implementing progressive changes to processes and process controls.
- Cultivating a culture of collaboration/teamwork and a sense of ownership.
- Improving infrastructure to secure business continuity.

Isaac Muchomba, Operational Risk Manager, Kyagalanyi Coffee, comments, “There has been an immense change to the team’s attitude towards progressive change and growth.

“Additionally, there is a sense of self drive – to do more or better – because good performers get a chance to develop.

“We’ve seen the teams pushing each other to meet KPIs, learning and supporting each other to reduce work related pressure.”

**“I have enjoyed working with the Uganda management team to create a culture that embraces change and fosters a strong sense of community.”**

**Isaac Muchomba, Operational Risk Manager, Kyagalanyi Coffee**





We are dedicated to continuous improvement of our workplace safety

The Health and Safety Policy applies to the ED&F Man Group, including all ED&F Man locations, whether offices or assets in any form, that fall within one of the below categories:

- Sites that we fully own and operate
- Sites in the form of joint ventures or other types of business arrangements where ED&F Man has:
  - A majority interest.
  - 50% interest but by contract has managing or operational control.
  - A minority interest, but where by contract it is agreed ED&F Man has managing control or where ED&F Man otherwise is responsible for operating the location.

In operations where ED&F Man is a minority shareholder and/or has no management or operational control, it consequently has limited authority to participate in management decisions. Still, ED&F Man will communicate its expectations

about fundamental business issues, including health and safety, in line with the contents of this policy.

The backbone of our health and safety system is a set of key risk management procedures, harmonised across the Group and including site-specific procedures.

Health and safety performance, progress and achievements are reported monthly to the location managers and division management teams. HSE audits are performed annually and the reports are circulated to senior leadership and ED&F Man Group Board.

### Health and safety training

Our professional safety training platform includes a library of safety training videos in a variety of languages, available to our global workforce. Safety training is also provided by our health and safety managers on site visits and during audits.



### Case study

## Safestart Safety Programme

In April 2021, Westway Feed Products (WFP) division in the US implemented a SafeStart programme to provide practical training for workers, preventing injuries and accidents caused by human factors.

Within the reporting period, approximately 70% of all personnel had completed or enrolled on the programme and WFP is on track to have 100% trained by late 2023.

The division's GOOD CATCH initiative is another example of their proactive approach to HSE.

This is a behavioural-based programme that fosters a culture of safety by encouraging employees to spot and report risk (including 'near miss', 'unsafe situation' and 'process/system vulnerabilities') before accidents take place.

All 21 plants are now participating, and the goal is to achieve one Good Catch per person (full-time) per location by September 2023.



### Progress and results

In this reporting period, we continued to raise safety compliance across our locations to the 'progressive level' – 89% are now compliant to the Group's health and safety policies. A small number of sites remain of concern and we have specific action plans in place to raise their compliance to the desired level. Interventions at these locations include employee training, improved safety protocols, and more regular performance meetings.

In terms of accidents and incidents in the workplace, we have had wins and setbacks in the reporting period. Overall, the total number of safety incidents declined by 36% in FY2022 to 46, as a result of efforts by the local teams supported by global HSEQ. The number of incidents with lost time however increased by 29% during this reporting period.

We did however make progress in reducing the severity of safety incidents in 2022. The lost time incident severity rate was down 14% on the previous year.

The long-term trends are encouraging: the number of lost time accidents per 100 workers has decreased by 26% over the last seven years, and the number of lost time incidents per 1,000,000 hours worked was down 15% since 2015, although there was a jump of 54% last year, mainly due to improved reporting.

It should be noted that because our numbers are relatively low, any accident has a direct impact on the numbers generating big highs and lows.

Our rate on 'number of lost time accident per 100 workers' of 1.12 remains well below the average of 2.18 for Manufacturing and 1.78 for All Industries combined.

### Looking ahead

Our new health and safety plan that will be rolled out across all locations next year will raise safety awareness of staff and improve our safety culture to have better workplace safety with a proactive, risk-based, and more locally owned programme that minimises hazards in the workplace and ensures effectiveness of controls.

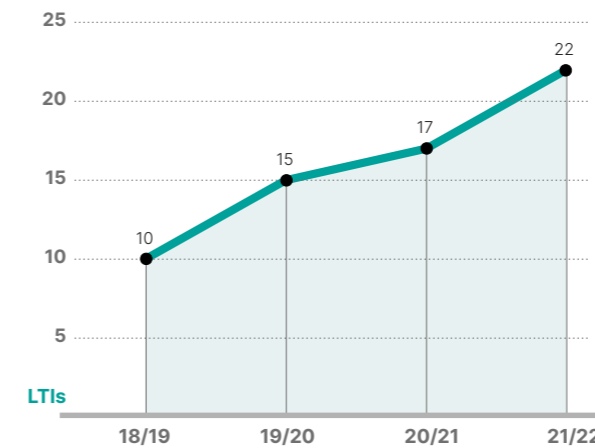
The plan will put us on track with our longer-term goal of becoming a 'zero-lost-time-accident organisation' by 2030.

In addition, it will:

1. Bring health and safety into the Sustainability strategies of our three operational divisions, including setting commitments, objectives and targets
2. Conduct more safety training to staff to increase safety awareness and improve behaviour
3. Integrate the safety training video library with the Group's e-learning portal and the new joiner induction programme
4. Expanding the 'Good Catch' and 'SafeStart' programmes to cover all our operations to reduce the number of near misses and unsafe situations
5. Improve reporting of near misses and identification of trends

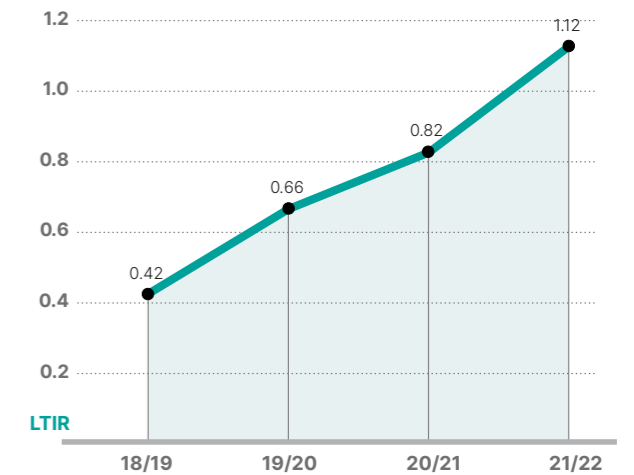
### Group lost time incidents

Total number of occupational incidents with lost time



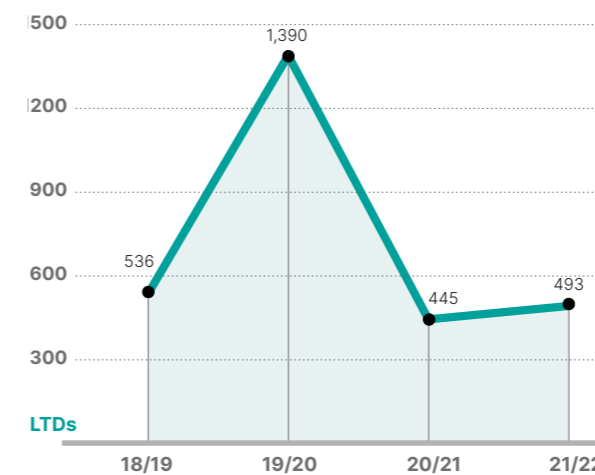
### Group lost time incident rate

Total number of occupational incidents with lost time per 100 employees



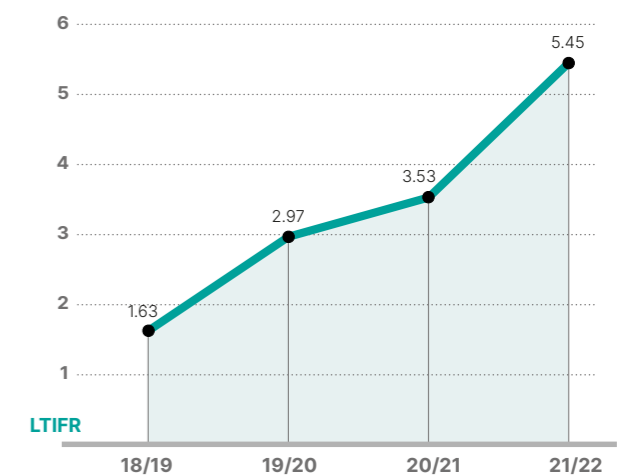
### Group lost time days

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



### Group lost time frequency rate

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





# Environment

Making sustainability a core business objective

## Energy use and carbon emissions

### Energy use

	FY2019	FY2020	FY2021	FY2022
Grey electricity (kWh)	20,529,298	19,619,635	17,769,411	15,641,614
Fossil fuels (kWh)	66,319,880	67,359,412	67,334,776	57,260,656
Total (kWh)	86,849,178	86,979,047	85,104,187	72,902,270

Total Conventional (Grey / Fossil) Energy Consumed

ED&F Man Commodities achieved significant reductions in the use of all types of fossil fuels and grey electricity in the reporting period. Various initiatives taken by the three divisions to increase energy efficiency have resulted in reductions almost every single year since FY2019.

In FY2022, the Group's annual conventional energy use was 72,902,270 kWh, a reduction of 14% compared to the previous year, the result of a 12% reduction in the use of grey electricity and a reduction of 15% in fossil fuel use. Since FY2019 this amounts to a reduction of 24% in grey electricity and a drop in fossil energy of 14%.

The biggest contributor to this four-year trend was the Coffee division where less energy was used as result of lower volumes being processed through the coffee mills and actions taken to decarbonise operations, for example, eliminating the use of coal.

The emission intensity ratio – the number of kilogrammes of CO<sub>2</sub> emitted for processing 1 metric tonne of product – also reduced by 10% from 6.20 in FY2021 to 5.6 kg CO<sub>2</sub> in FY2022.

Energy use and carbon emissions for the Commodities Group for FY2022 are below:

	Group	Coffee	Sugar	MLP
Fossil Energy use – includes purchased electricity, gas, fuels, oil, coal, etc. (kWh)	72,902,270	9,962,894	22,697,610	40,241,766
Associated Scope 1 emissions (MT CO <sub>2</sub> )	10,321	1,027	3,548	5,746
Associated Scope 2 emissions (MT CO <sub>2</sub> )	7,117	2,912	754	3,451
Total carbon emissions (kg CO <sub>2</sub> /MT)	5.6	11.7	142.7	3.4

Fig 1. Commodities group energy use and carbon emissions in FY2022



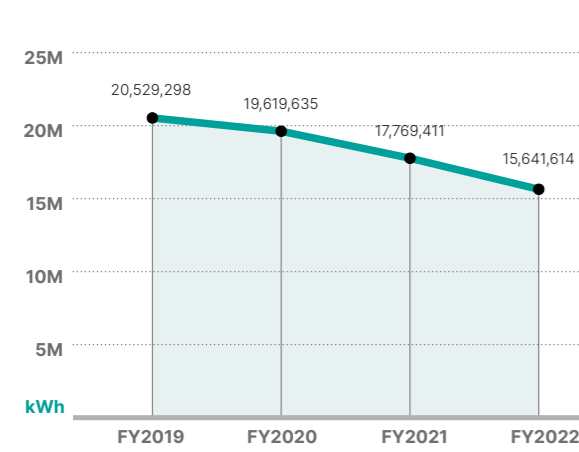


Fig 2. Energy from grey electricity

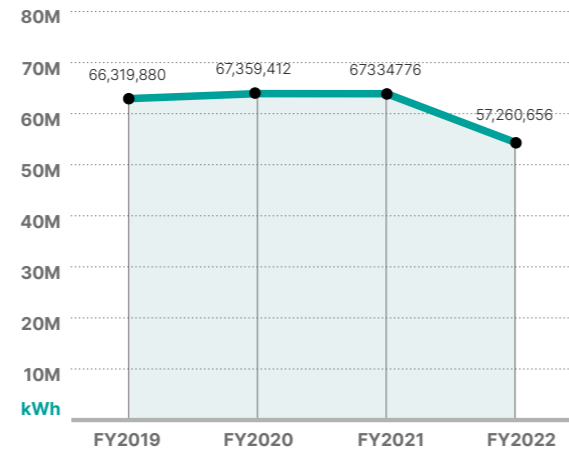


Fig 3. Energy from fossil fuels

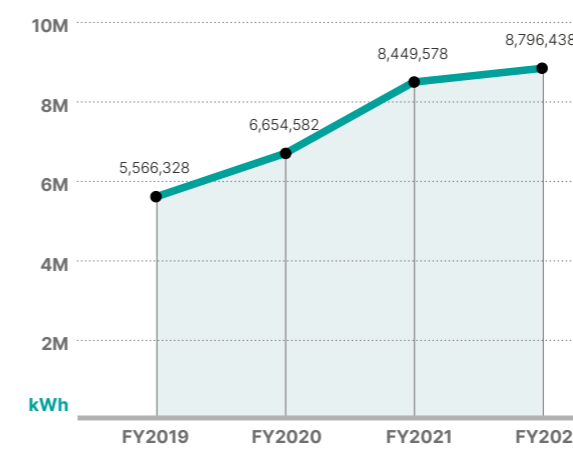


Fig 6. Renewable energy used

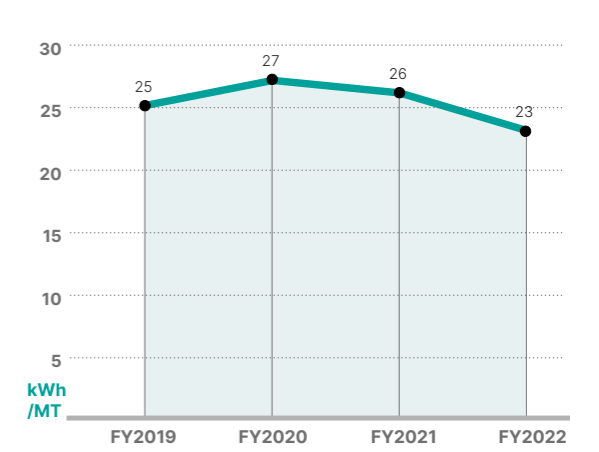


Fig 7. Conventional (fossil + grey) energy used per MT

	FY2019	FY2020	FY2021	FY2022	Since FY19	Last year
Grey electricity (kWh)	20,529,298	19,619,635	17,769,411	15,641,614	-24%	-12%
Natural gas (m³)	5,154,970	5,207,339	5,357,170	4,530,809	-12%	-15%
LPG (m³)	27,526	23,058	24,278	18,498	-33%	-24%
Oil/diesel (litr)	401,782	452,204	370,948	343,154	-15%	-7%
Coal (MT)	22	30	45	27	.23%	-40%
Gasoline (litr)	141,346	122,747	115,225	112,919	-20%	-2%
Heavy fuel oil (litr)	236,846	250,031	183,036	150,351	-37%	-18%
City heating (GJ)	2.427	2.527	1.790	1.707	-30%	-5%

Fig 4. Use of natural resources

	FY2019	FY2020	FY2021	FY2022	Since FY19	Last year
Coffee	14.5	12.3	9.6	11.7	-19%	+22%
Sugar	116.7	119.5	159.2	142.7	+22%	-10%
Liquid products	3.77	4.28	4.00	3.35	-11%	-16%
Group	6.16	6.54	6.20	5.60	-9%	-10%
Year-on-year:	YOY:	+6%	-5%	-10%		

Fig 5. Total Carbon emissions in kg CO2/MT, trend per division and for Group

The emission intensity ratio – the number of kilogrammes of CO<sub>2</sub> emitted for processing 1 metric tonne of product – also reduced by 10% in the reporting period from 6.20 to 5.60 kg CO<sub>2</sub>.

The use of renewable energy by the Group grew by 4%, from 8,449,578 kWh in the year ended 30 September 2021 to 8,796,438 kWh in FY2022 (Fig 5). Since FY2019, that's a 58% increase in renewables. 11% of all our energy used is now renewable.

The use of biomass as a fuel source decreased 23% from 10,124 metric tonnes to 7,833 metric tonnes in same period, the result of less coffee husks available from the lower volumes processed at the mills.

Regardless of the lower volumes processed, the conventional energy intensity ratio – the number of kWh to process 1 metric tonne of product – reduced by 10% to 23 kWh/MT (Fig 7).





Case study

## A new warehouse fit for tomorrow's standards

In an effort to improve sustainability and HSEQ, a new warehouse was built in Acatlan, near Guadalajara, Mexico, for storage of dry feed ingredients (such as poultry meal, pork meal, feather meal). With state-of-the-art energy-efficient lighting systems and optimised ventilation, the new facility reduced energy consumption and minimised environmental impact. Advanced waste management strategies were also integrated into the design of the new building.

As well as creating a model for more environmentally friendly storage, the new warehouse also provided an opportunity to upgrade safety measures. Better layout design for minimising workplace hazards and the risk of injury, coupled with advanced safety controls and systems all contributed to a higher level of regulatory compliance with HSEQ standards.

The new layout and design also improved overall efficiency and productivity while reducing operational costs.



**“The new warehouse is great. I am happy to be part of a company committed to continuous improvement, that values food safety, quality control and environmental responsibility.”**

**Ana Alatorre, Quality Lead for Acatlan warehouse, MLP Mexico**

## Carbon emissions

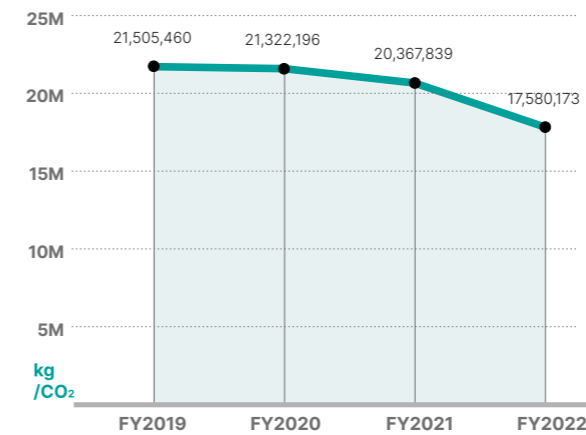


Fig 8. Total carbon emissions

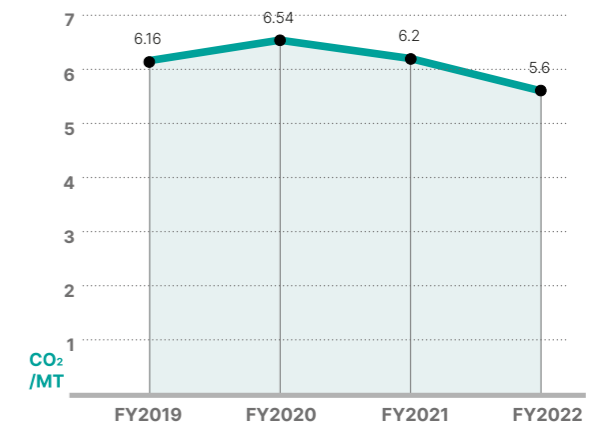


Fig 9. Total carbon emissions per MT

The world carries an obligation to keep global warming to no more than 2°C above pre-industrial levels. ED&F Man Commodities accepts its role and responsibility in achieving this critical shared goal.

As a Group, compared to the previous reporting year, we managed to reduce both our total carbon emissions in kg CO<sub>2</sub> and our carbon intensity (kg CO<sub>2</sub>/MT of product processed) by 4% and 10% respectively.

We have achieved a reduction in carbon emissions of 18% from 21,505,460kg/CO<sub>2</sub> in FY2019 to 17,580,173kg/CO<sub>2</sub> in FY2022 (Fig 8). We've also made our processing technologies more efficient, resulting a significant drop in CO<sub>2</sub> emissions per metric tonne (Fig 9).

This is the combined result of a significant reduction in coal use and energy efficiency technologies, the reduction in the use of nearly all other fossil fuels and a transition towards the use of electricity from renewable sources.

As part of our climate action plan, we will be developing energy and carbon emission reduction plans for Scope 1 and 2 emissions and will set up

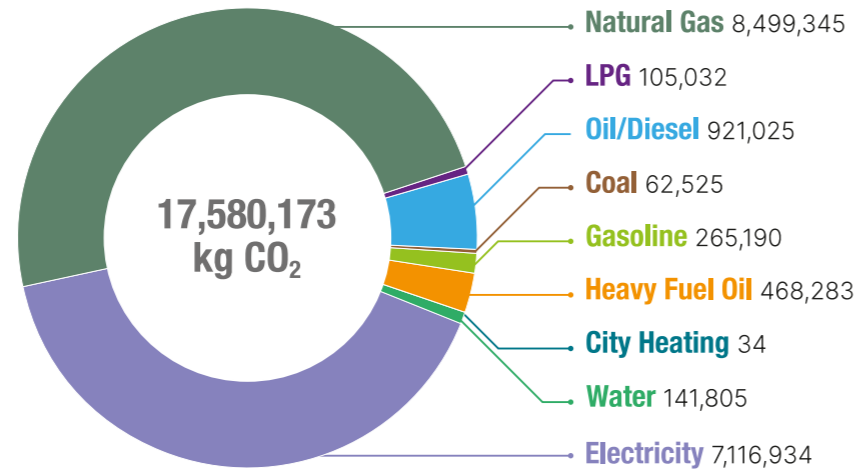
**“Our planet is not a commodity. By modernising our equipment, improving working methods, and implementing improvements, we will continue to contribute to a better, more sustainable world.”**

Jordy Hof, Climate Manager at ED&F Man

better systems for tracking and reducing certain scope 3 emissions. Our coffee division assessed important Scope 3 emissions during its carbon accounting drive and continues to refine its approach, including through the use of the Cool Farm Tool ([see page 33](#)).



Fig 10. Carbon emissions by energy source



ED&F Man voluntarily reports its carbon emissions data externally on the CDP carbon disclosure system platform, the most comprehensive collection of self-reported environmental data in the world.

Our efforts to reduce our carbon footprint will continue as an integrated part of the sustainability strategies now operational within each division.

In addition, we are working with selected suppliers, clients and universities to accurately determine Life Cycle Assessments for our main commodities in all three divisions, from farm to end buyer.

A good example of this is the productive partnership we have with ZHAW (see page 33). This deepens our insights into our environmental impact and reveals where the work needs to be done.

For instance, in the Coffee division, we found our own impact (Scope 1 and 2 emissions) is often less than a tenth of the total environmental impact of the commodity itself – the highest emissions are generated at the farming (Scope 3) stage.

**Water**

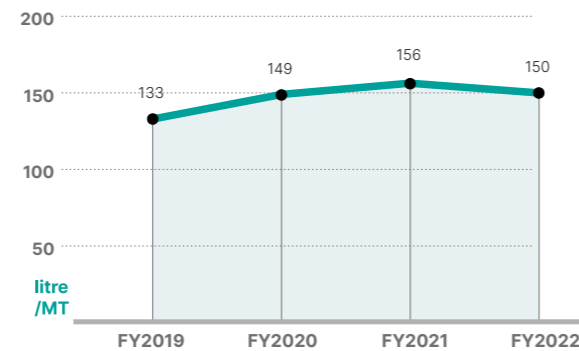


Fig 11. Total water use in litres per MT

In early 2023 (outside of this reporting period), Volcafe discovered an error in the reporting of water use from Africa. Therefore, water usage for the Commodities Group as a whole has since been recalculated and been found to have decreased by 8%. The total water use in the reporting period FY2022 was 472,681 cubic metres.

Notwithstanding, the Group's water use remains a point of attention.

Our water usage has not improved as much as we would have like due to improved water metering in our sugar and coffee divisions and the addition of water directly to many of our saleable products in our MLP division.



Water measurement systems as part of biodiversity and climate adaptation project, El Salvador

The water intensity ratio – total quantity of water used to process 1 metric tonne of product – reduced by 4% in the period from 156 litres/tonne in FY2021 to 150 in FY2022.

In FY2023, the Group will closely monitor and analyse water use across all divisions and put suitable measures in place to save water.

**Waste and product life cycle**

In FY2023, we will be reviewing our methodology for reporting waste and recycling in each division as we standardise across the group.

We have started working with key suppliers, clients and academics to accurately determine life cycle assessments for our main commodities, from farm to end buyer.

This deepens our insights into our total environmental impact and shows where reductions can be made, or by-products can be repurposed.

For example, in Westway Feed Products, MLP's North American animal feed division, over 85% of the ingredients used are by-products from other industries such as distilleries, cheese factories, and agricultural processors.

**We are also working with selected clients and universities to accurately determine life cycle assessments for our main commodities, from farm to end buyer.**





Case study

## A circular approach to coffee production

In Costa Rica, Volcafe has been part of a project in partnership with Nespresso to explore new applications for coffee waste.

Coffee pulp, the waste left during cherry processing, is usually thrown away or dumped into rivers.

The pulp and husks are now turned into organic compost for coffee farmers to use for the improvement of their crops, thereby reducing fertiliser and chemical use.

“We’re providing compost made from coffee pulp to our farmers. The compost directly improves soil health within our clusters, aligning

with our commitment to promote regenerative agriculture,” says Riley Thomson, Farmer Support Organisation Manager.

The compost benefits Volcafe–Nespresso AAA coffee farmers.

**“Our mid-term goal is to return 100% of the compost made from our pulp to the farming areas.”**

**Riley Thomson,**  
Farmer Support Organisation Manager

## Methodology



Our terminal at Esbjerg, Denmark has made the switch to 100% renewable electricity

Grey electricity and fossil fuels are now reported and tracked separately from renewables. Since 2014 we have harmonised our energy use, water use, and carbon emission data reporting and analysis system which covers all of our product processing locations.

All of our locations that process products report on the use of electricity, fuels and water on a monthly basis.

This is then converted into CO<sub>2</sub> emissions using standard international conversion factors (EU level, International Energy Agency, Defra Voluntary 2017 Reporting Guidelines) delivering the Commodities Group’s Scope 1 and Scope 2 emissions for all of the global Coffee mills, MLP terminals, liquid feed plants, pulses and dry commodities processing, and the Sugar refinery in Czech Republic.

**“Measuring and understanding our footprint is the first step towards long-term sustainability. I am very confident we will take ownership and responsibility in reducing our impact.”**

Svea Behnke, Climate Champion for Germany, Volcafe



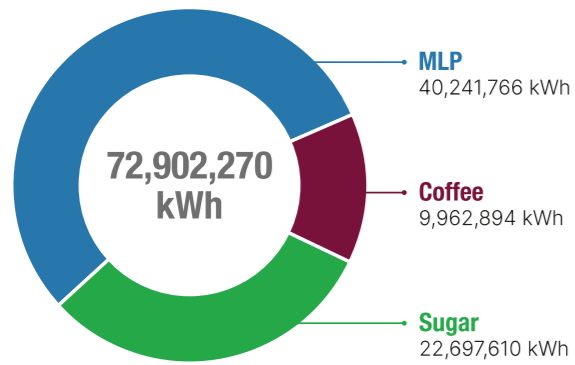


Fig 12. Total conventional (fossil+grey) energy consumption by division in kWh in FY2022

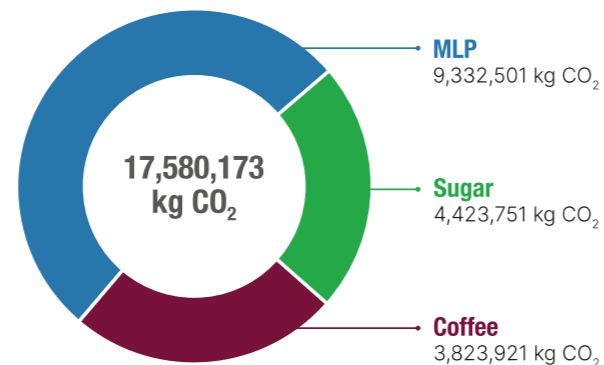


Fig 13. Total CO<sub>2</sub> Emissions by Division FY2022

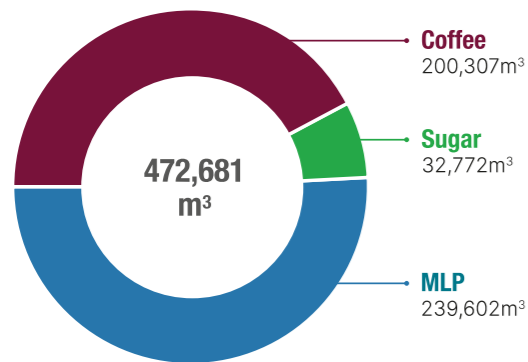


Fig 14. Total Water Use in m<sup>3</sup> by division in FY2022

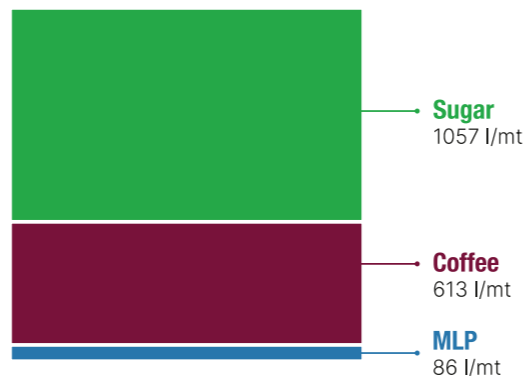


Fig 15. Water intensity (in litres per metric tonne processed) by division in FY2022

There may be small differences in the results reported here to the FY2022 Annual Report due to individual sites making minor adjustments to their numbers after the formal year-end reporting closure date. These changes have been included in this report for completeness and transparency but do not impact overall Group performance.

**Looking ahead**

For FY2023, we will accelerate our efforts as we develop our Climate Action plan at the Group level with a focus on Environmental Stewardship and tighter supply chain management.

In addition, we will:

- Perform a double materiality assessment focused on climate change.
- Develop carbon emission tracking for Scope 3 emissions in the supply chain from FY2023, with a focus on product transport.
- Develop more robust carbon emission tracking in line with the GHG Protocol with the goal for continued decarbonisation.
- Begin reporting in CO<sub>2</sub> equivalent including the other main greenhouse gases – nitrous oxide (N<sub>2</sub>O) and methane (CH<sub>4</sub>) – in our emissions accounting.
- Amend our water tracking and reporting to allow us to track grey, green and blue water use and make a global effort to conserve water use.

**ED&F Man Commodities Group Progress**

**4%**

reduction in water intensity ratio between FY2021 and FY2022

**8%**

reduction in water use between FY2021 and FY2022

**11%**

of all our energy is now from renewables

**10%**

reduction in energy intensity (kWh/MT) between FY2021 and FY2022

**14%**

reduction in conventional (grey / fossil) energy between FY2021 and FY2022

**18%**

reduction in carbon emissions since FY2019

**24%**

reduction in grey electricity since FY2019

**58%**

increase in renewable energy since FY2019



# Coffee

## Energy use

In this reporting period, the Coffee division continued to work on improving energy efficiency, and implemented a variety of on-site projects, aiming to make our processes more efficient.

FY2022 saw a general reduction of 22% in the amount of fossil/grey energy consumed per kWh. The general energy saving trend over the last four years is positive: the division has achieved a 33% reduction in fossil / grey energy usage (in kWh/MT), representing significant savings.

The increase in energy intensity (in kWh/MT) compared to last year is due to the lower volumes of product processed.

## Renewable energy

Volcafe's sustainability team is exploring options for introducing power from renewables into each location by country. More sites will be switching to solar and buying renewable energy from the grid in FY2023.

## Emissions

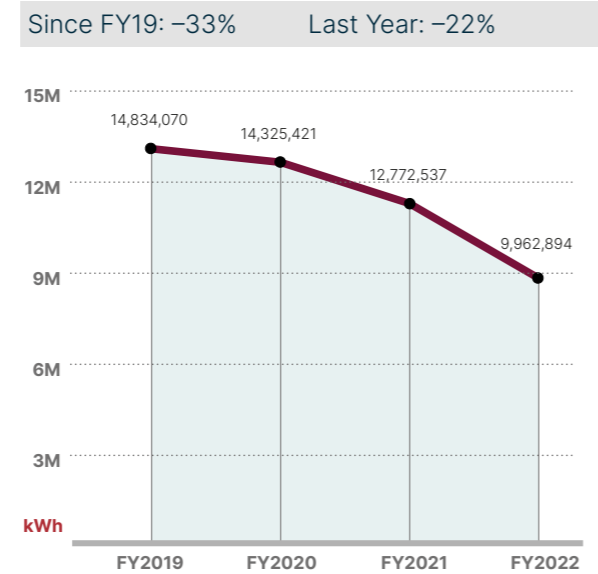
Thanks to concerted efforts across Coffee operations to reduce carbon emissions and improvements to carbon accounting, this division saw a 23% reduction in CO<sub>2</sub> within the period FY2022 vs the previous year FY 2021. The coffee division has managed to cut its CO<sub>2</sub> emissions by 35% since FY2019.

## Water

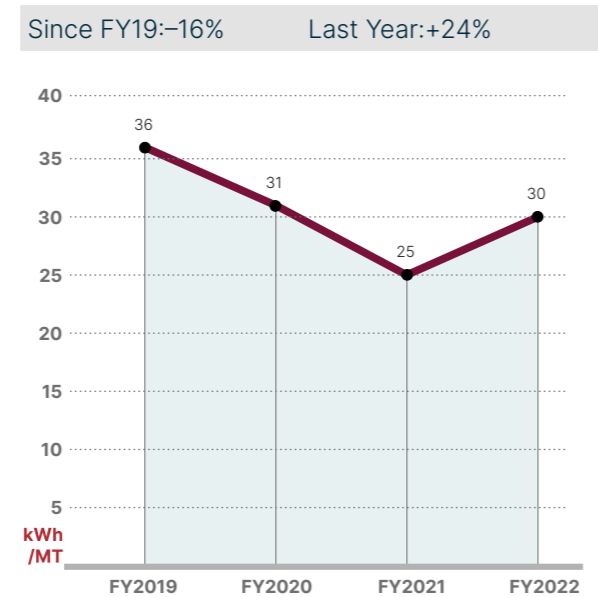
The Coffee division achieved an overall reduction of 21% in water use within the reporting period, however, this was partly due to a reduced volume of coffee processed. Over the past 4 years, Coffee has succeeded in reducing the total quantity of water used for processing (in m<sup>3</sup> per metric tonne) by 7%, following the installation of eco-pulpers, mechanical washers and water

re-use and treatment systems, and increasing the efficiency of existing ones. The increase in water intensity of 26% is the result of lower volumes of coffee cherries processed, as well as improvements in water reporting.

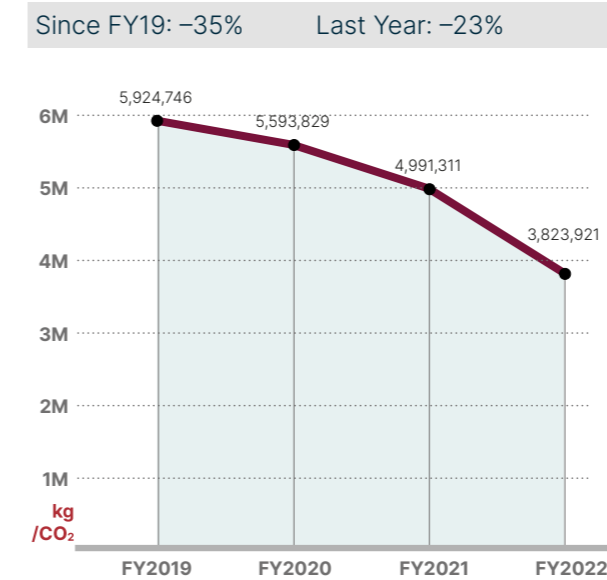
### Total conventional (grey/fossil) energy consumption in kWh



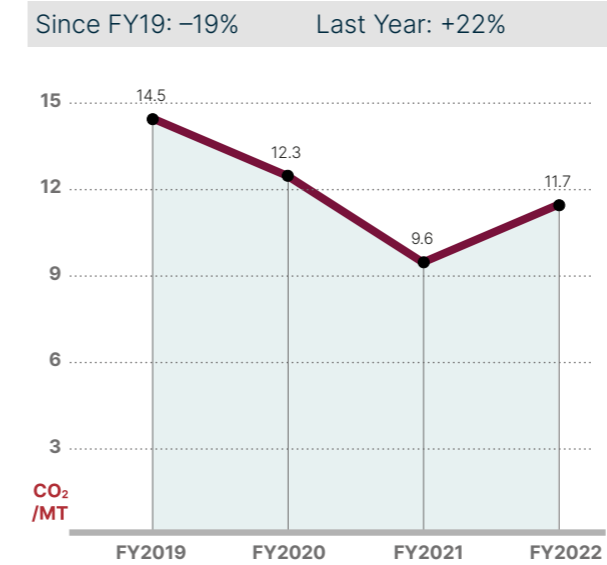
### Total conventional (grey/fossil) energy consumption in kWh/MT



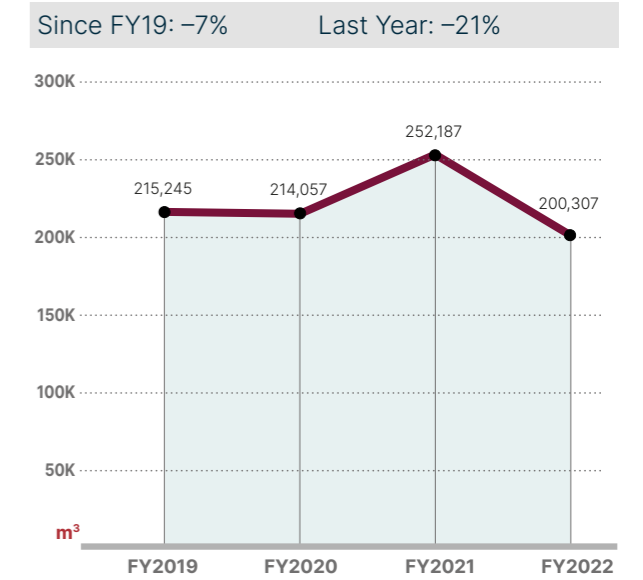
### Total carbon emissions in kg CO<sub>2</sub>



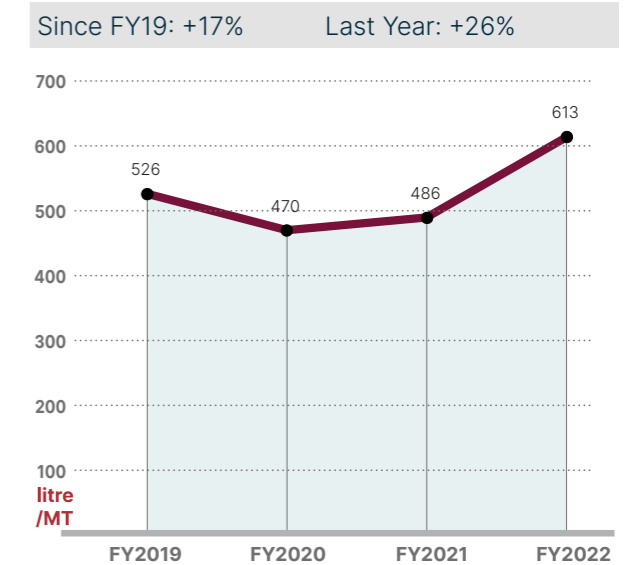
### Total carbon emissions in kg CO<sub>2</sub>/MT



### Total water use in m<sup>3</sup>



### Water intensity: water use in litres per metric tonne processed





# Sugar

## Energy use

Within the reporting period, ED&F Man Sugar's fossil fuel/grey energy consumption remained steady (+0%). The division continues to make progress in making production processes more energy efficient, however, with a reduction in energy consumption per metric tonne (kWh/MT) of 10% on the previous year.

The division has achieved this by continuing to invest in efficiency technology and next year will be looking to implement solar power on its processing site\*.

## Emissions

ED&F Man Sugar's carbon emissions remained more or less stable at 4,423,751 kg CO<sub>2</sub> within the reporting period (i.e. there was no reduction), in line with its fossil fuel use figures. The metric of CO<sub>2</sub> emissions by metric tonne (CO<sub>2</sub>/MT) however, saw a fall of 10% since FY2021, reflecting a positive trend towards more energy-efficient production techniques.

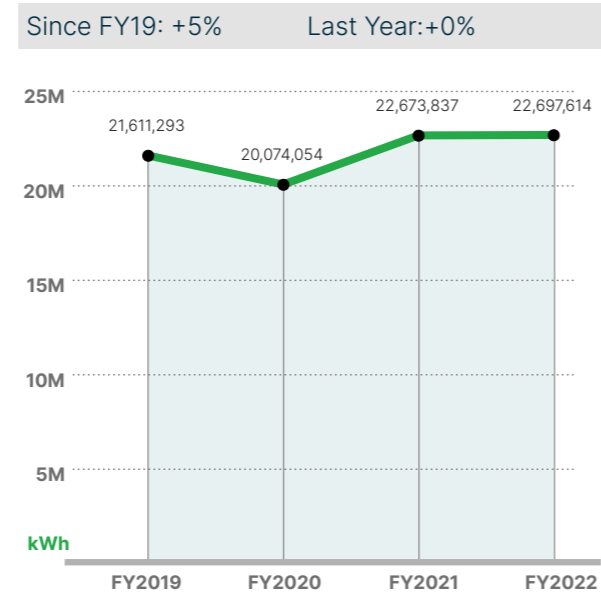
## Water

Total water use for the period saw an overall increase of 35% on the previous, as did water intensity (litres per metric tonne processed) at +20% on FY2022. This was partly due to the introduction of reporting for a particular water source in the period that had not been monitored before. The accumulative increase in water use and intensity over the past four years is the result of processing more liquid sugars in the refinery.

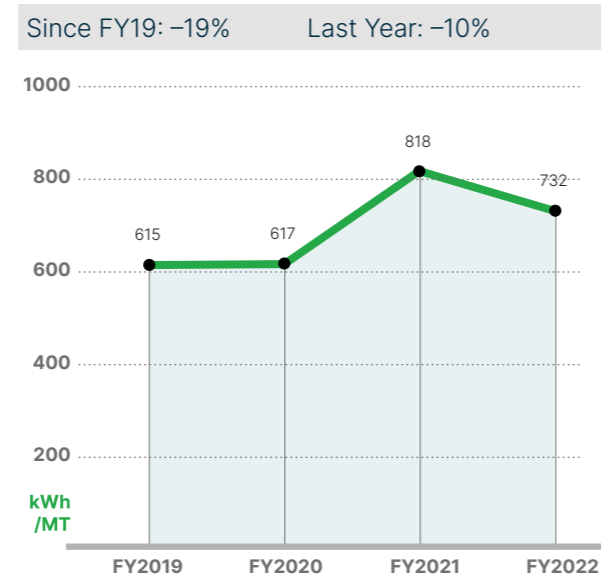
The sugar division is aware that it must redouble efforts to conserve water and improve water intensity in processing moving forwards. A strategy has been put in place for FY2023 to reduce water use.

\*The energy use in the Sugar refinery in Czech Republic is our only remaining physical asset in this division.

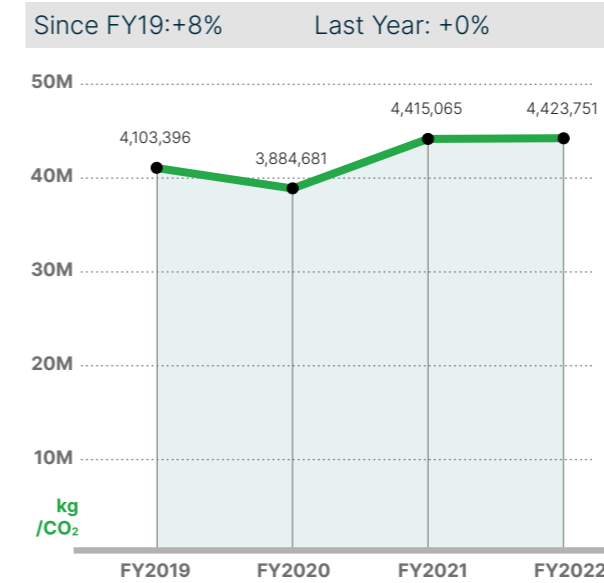
Total conventional (grey/fossil) energy consumption in kWh



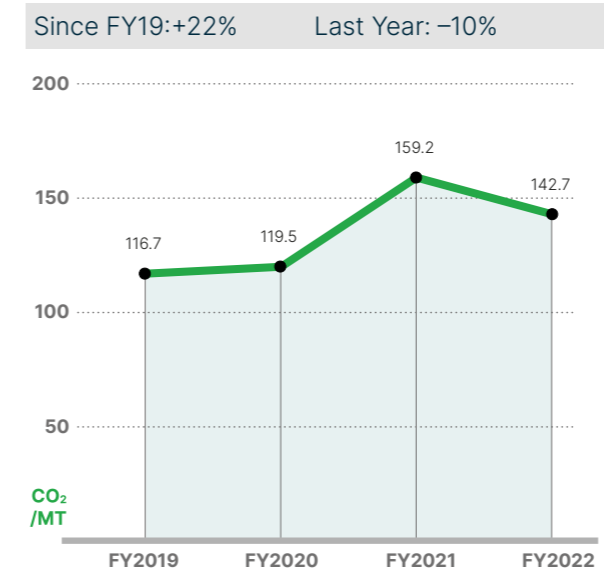
Total conventional (grey/fossil) energy consumption in kWh/MT



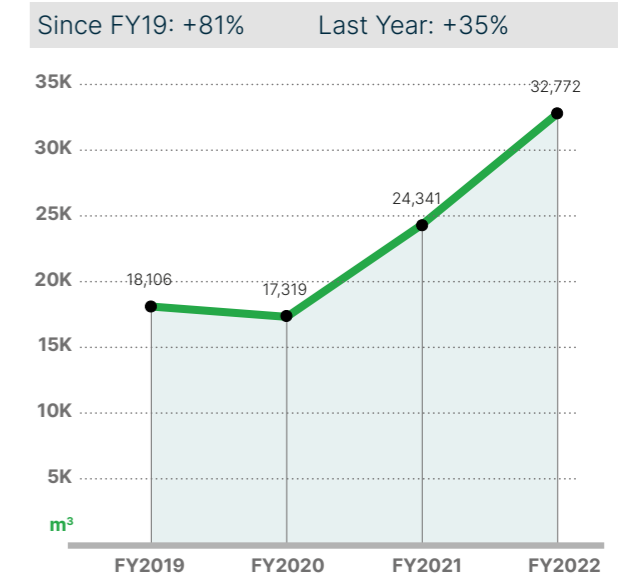
Total carbon emissions in kg CO<sub>2</sub>



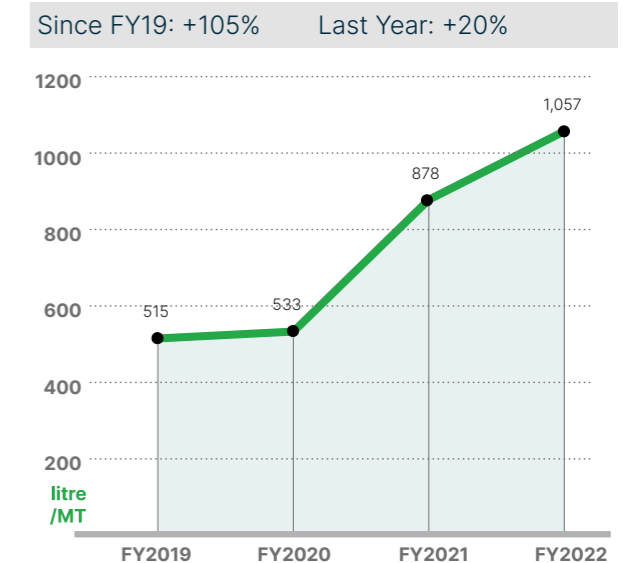
Total carbon emissions in kg CO<sub>2</sub>/MT



Total water use in m<sup>3</sup>



Water Intensity: water use in litres per metric tonne processed





# MLP

## Energy use

ED&F Man Liquid Products achieved a 19% reduction in fossil fuel /grey energy consumption within this reporting period and increased the energy efficiency of its processing plants with a 20% drop in fossil fuel use (kWh/MT).

This was the result of a global effort to halve the use of boiler fuels (natural gas, gas, oil and heavy fuel oil), and to implement boiler efficiency projects and tank insulation activities.

Furthermore, MLP's UK and Irish terminals all ran fully on green electricity for FY2022 and the terminal at Esbjerg (Denmark) made the switch to 100% renewable electricity within the reporting period.

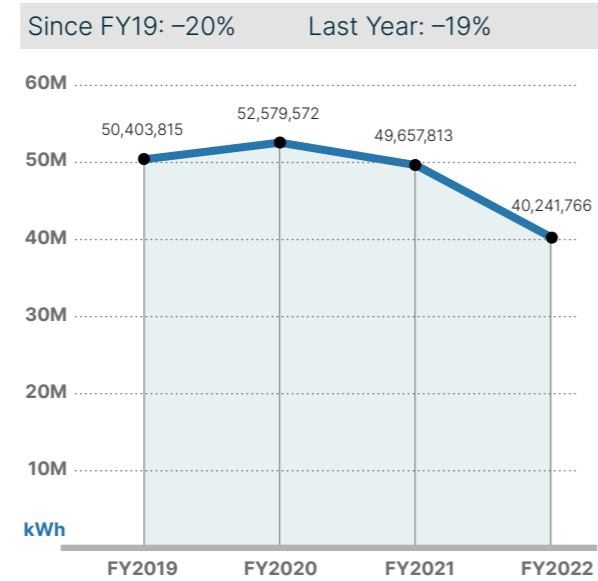
## Emissions

Correspondingly, the MLP division reduced its carbon emissions by 15% on the previous reporting year and reduced its CO<sub>2</sub> per metric tonne by 16%.

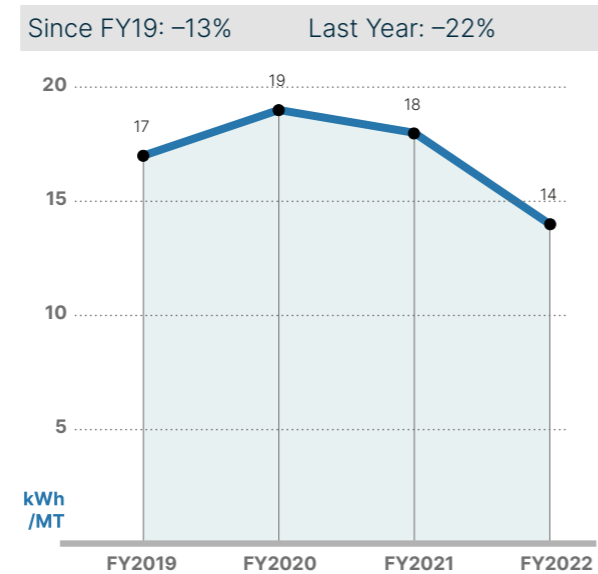
## Water

Water use at the MLP division remained more or less stable (an overall increase of 1% balanced by a decrease in water intensity of 1%). The division acknowledges there is work to be done to further reduce consumption.

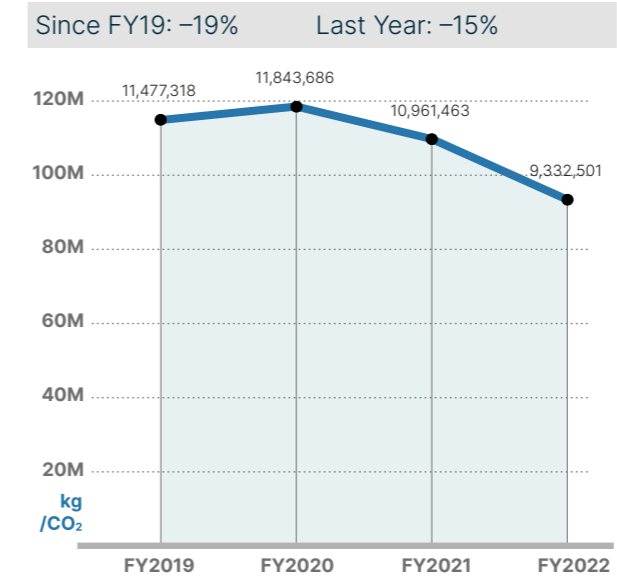
Total conventional (grey/fossil) energy consumption in kWh



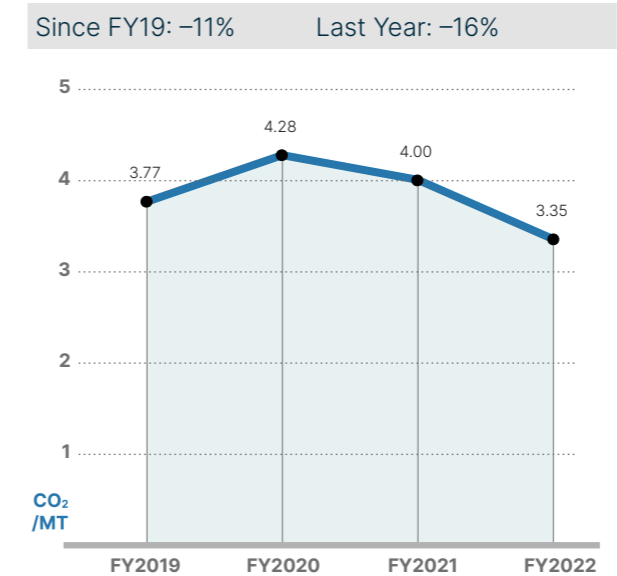
Total conventional (grey/fossil) energy consumption in kWh/MT



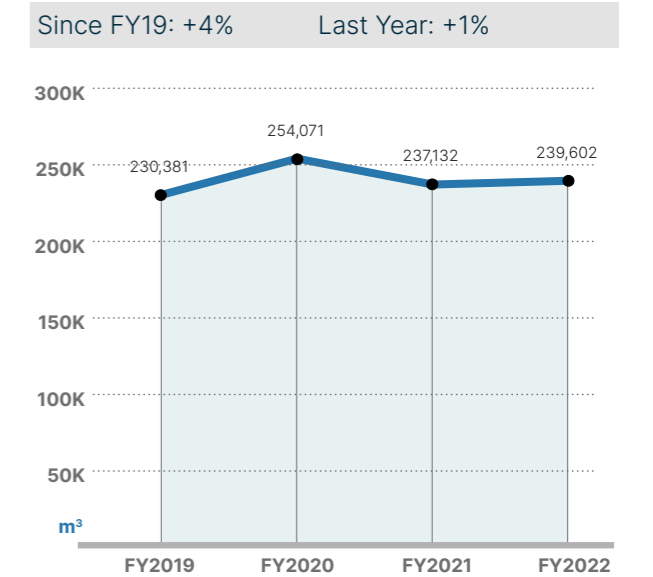
Total carbon emissions in kg CO<sub>2</sub>



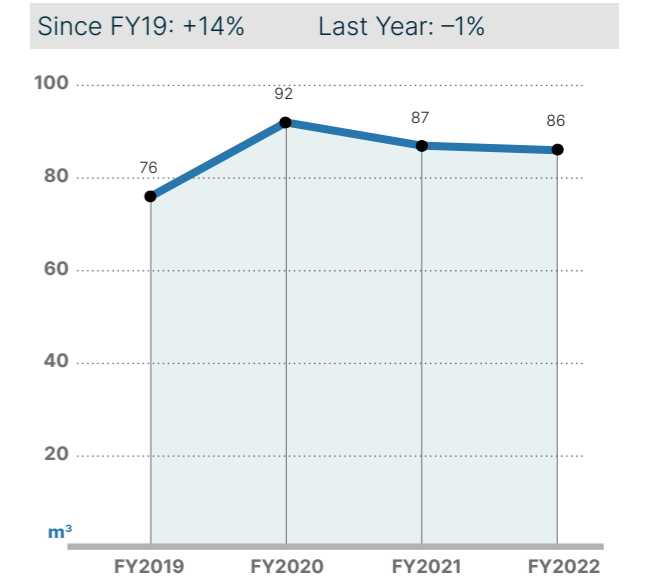
Total carbon emissions in kg CO<sub>2</sub>/MT



Total water use in m<sup>3</sup>



Water Intensity: water use in litres per metric tonne processed





# Appendix

## Financial highlights

During FY2022, the ED&F Man Commodities business delivered strong profitability, despite continued challenges of the covid pandemic and liquidity constraints due to historically high prices.

Our commodity businesses navigated their way through price volatility to deliver a strong operating profit of \$180.2 Million, with Volcafe, our coffee division delivering \$39.1 Million in operating profit, \$59.4 Million coming from our molasses and liquid products business (MLP), and \$84.2 Million from sugar.

Key financial highlights for FY2022 include:



Our FY2022 financial highlights are published in the ED&F Man Commodities annual report [available here](#)

### All figures in USD millions

#### Revenue

**\$6,909.6**  
+\$1,406.5

2022	\$6,909.6
2021	\$5,503.1

#### Gross profit

**\$407.8**  
+\$81.7

2022	\$407.8
2021	\$326.1

#### Gross profit (trading) margin

**5.9%**  
0%

2022	5.9%
2021	5.9%

#### Operating profit

**\$180.2**  
+\$33.9

2022	\$180.2
2021	\$146.3

#### Profit before tax

**\$115.6**  
+\$20.8

2022	\$115.6
2021	\$94.8

#### EBITDA

**\$231.4**  
+\$53.6

2022	\$231.4
2021	\$177.8

#### Profit after tax

**\$89.7**  
+\$54.3

2022	\$89.7
2021	\$35.4

#### Employees (number)

**2,885**  
-356

2022	2,885
2021	3,241

#### Net assets

**\$446.0**  
+\$16.5

2022	\$446.0
2021	\$429.5



# Stakeholders

ED&F Man Commodities has identified the following groups as key stakeholders within the business

Who	Why it matters	How we engage
<b>Customers</b>	We aim to retain customers for life, which ensures the long-term sustainability of our business in a competitive and changing marketplace.	Having regular dialogue to understand what product attributes customers value. Partnering to make supply chains more sustainable, and execute impact projects in communities, educating customers on the benefits of our products.
<b>Investors</b>	Investors are increasingly interested in greater disclosure and transparency, particularly related to ESG topics and performance, which they link to long-term value.	Publishing an Annual Report. Having continuous dialogue and focused conversations/briefings to put data in context. Reporting on ESG to frameworks including GRI.
<b>Employees</b>	We must attract, develop and retain top talent to remain innovative and build a competitive advantage.	Training our staff in our culture and values, and our Standards of Business Conduct. Recruiting talent at colleges and universities, and with professionals already in the workplace. Adhering to a responsible employer philosophy, which includes paying a living wage and offering competitive benefits. Holding regular conversations with, and conducting surveys amongst, employees.
<b>Suppliers</b>	As we seek to make our products and supply chains more sustainable, we need strong and collaborative relationships with suppliers around the world.	Working together with key suppliers on a variety of projects that help foster responsible supply chains.

Who	Why it matters	How we engage
<b>Communities</b>	Improving lives in the communities where our employees live and work is directly linked to the health of our business. We also have a strategic interest in developing a pipeline of talent.	Employee volunteering in local community projects and initiatives worldwide. Sponsoring employee fundraising initiatives via matched-funding through our Charico committee. Executing projects together with suppliers, clients, banks, and/or local NGOs on the ground in communities where we operate on the areas of health, education, women or human rights. Providing relief aid to countries where we operate following natural disasters through volunteerism, providing necessities and/or donations.
<b>Industry associations</b>	By participating in these schemes, platforms and initiatives, together with peers, suppliers and clients, the sustainability of our supply chains is collectively improved.	Participating in industry standards and platforms that help foster responsible supply chains, such as: <ul style="list-style-type: none"> <li>■ International Sugar Organisation</li> <li>■ Chairing the Members Council of the Bonsucro sugarcane platform</li> <li>■ Having a seat on the Board of the Global Coffee Platform and participating in the International Coffee Organization, and the European Coffee Federation</li> <li>■ ISCC sustainability scheme</li> <li>■ MarinTrust scheme for advancing sustainable fish oil</li> <li>■ GOED initiative representing the worldwide EPA and DHA omega-3 industry</li> </ul>
<b>Governments</b>	We work with government representatives at all levels to provide information about our business to advance policies that help us realise our vision and to discuss how our business contributes to local economies.	Providing feedback on proposed new legislation on supply chain and human rights, such as the EU Green Deal, Germany's Supply Chain Act, UK's Modern Slavery Act. Participating in the G7 initiative on sustainable supply chains, and the World Benchmark Alliance.
<b>NGOs</b>	NGOs have the ability to influence public opinion, as well as to provide us with insight, grants and guidance on emerging sustainability issues.	Partnering on issues such as climate change, human rights, resource conservation, child education, gender equality and many more topics. Sharing best practices with other companies that have made robust sustainability commitments.



### Stakeholder management

ED&F Man engages regularly with stakeholders at the Commodities Group and/or division level, depending on the issue. During FY2022, our most significant stakeholder engagement was with our lenders who have worked with us to deliver on an appropriate financing structure for the commodity trading businesses.

In FY2023, we will be actively engaging in a double materiality assessment with key internal and external stakeholders (employees, suppliers, customers, banks, NGOs, industry associations etc) to better refine our sustainability priorities and as our first step in developing our climate action plan.

The role of the Commodities Group Board is to provide an effective governance framework; including oversight, control and reporting and an effective risk framework including establishing and monitoring risk appetite through trading mandates, delegations of authority, and various limits (position, value at risk, and credit limits), under which the Commodities Group's component businesses have the freedom and decision-making authority to pursue opportunities with entrepreneurial spirit while remaining subject to constructive challenge and review.

Authority for the operational management of the Commodities Group's businesses is effectively delegated to the Managing Director of each business for execution or for further delegation to the senior management teams of the businesses. This is to ensure the effective day-to-day running and management of the Commodities Group. The leader of each business within the Commodities Group has authority for that business and reports directly to the Chair.

This approach necessarily involves a high degree of delegation of stakeholder communication to Management. Senior management is requested, when presenting to the Board on strategy and principal decisions, to ensure that the presentation covers what impact

the strategy/principal decision has on the relevant stakeholders and how the views of those stakeholders have been considered. While day-to-day operational decisions are generally made locally, in addition to providing input on the principal decisions and strategy, the Commodities Board supports individual businesses by facilitating the sharing of best practice and know-how between the businesses.

The Commodities Board has identified the stakeholder groups in the following table with whom engagement is fundamental to the Commodities Group's ongoing success.

Key issues	How the businesses engage	How the Board engages and/or is kept informed and takes matters into account
<b>Employees</b>		
<ul style="list-style-type: none"> <li>• Health and safety</li> <li>• Equity, diversity and inclusion</li> <li>• Engagement and development</li> <li>• Pay and reward</li> <li>• Sustainability</li> </ul>	<ul style="list-style-type: none"> <li>• Email and Intranet</li> <li>• Quarterly results updates</li> <li>• Town halls</li> <li>• Monthly leadership updates</li> <li>• Training</li> </ul>	<ul style="list-style-type: none"> <li>• Members of the leadership team provide regular updates</li> <li>• The Chair and Group CFO share annual financial results at a Senior Management Meeting (one of the quarterly meetings) to be disseminated to all employees</li> <li>• In addition, other Commodities Group Board members meet with senior employees at conferences, business reviews and visits to overseas offices</li> </ul>
<b>Suppliers and customers</b>		
<ul style="list-style-type: none"> <li>• Business execution capability</li> <li>• Responsible sourcing, product safety and traceability</li> <li>• Supply chain sustainability</li> <li>• Impact on environment</li> </ul>	<ul style="list-style-type: none"> <li>• Meetings</li> <li>• Video, emails, letters or phone calls</li> <li>• Site visits</li> </ul>	<ul style="list-style-type: none"> <li>• Senior management of each division (often with the assistance of specialists within that division) regularly report to the Commodities Board on key relationships with customers and suppliers either as part of their business updates or through reports to the Chair</li> </ul>
<b>Society, communities and the environment</b>		
<ul style="list-style-type: none"> <li>• Climate change mitigation and adaptation</li> <li>• Natural resources and circular economy</li> </ul>	<ul style="list-style-type: none"> <li>• Coaching and training programmes</li> <li>• Community programmes and schemes</li> <li>• Greater detail is contained in the Sustainability Report</li> </ul>	<ul style="list-style-type: none"> <li>• The Sustainability Committee supports the Commodities Group's CSR programme and policy</li> <li>• The Committee is chaired by a Division-Executive member and has representatives from across several functions and businesses</li> </ul>



Key issues	How the businesses engage	How the Board engages and/or is kept informed and takes matters into account
<b>Banks and Insurers</b>		
<ul style="list-style-type: none"> <li>• Business performance</li> <li>• Sustainability</li> <li>• Corporate governance</li> </ul>	<ul style="list-style-type: none"> <li>• Meetings</li> <li>• Monthly performance reports</li> <li>• Annual Report</li> <li>• Sustainability Report</li> </ul>	<ul style="list-style-type: none"> <li>• The Group Executive Director, Group CFO and other Senior Management meet Lenders through the year</li> <li>• Additionally, the Chair and the two non-executive Directors of Holdings meet with core lenders (both virtually and in-person without management) throughout the year</li> <li>• At each Holdings Board meeting, the Directors receive a banking update, including any significant concerns raised. These are considered at the Board meeting</li> <li>• The Head of Sustainability meets with banks regularly to keep them abreast of sustainability KPI progress</li> </ul>
<b>Shareholders</b>		
<ul style="list-style-type: none"> <li>• Business performance</li> <li>• Sustainability</li> </ul>	<ul style="list-style-type: none"> <li>• Website</li> <li>• Annual General Meeting</li> <li>• Quarterly results updates</li> </ul>	<ul style="list-style-type: none"> <li>• To maintain oversight of the Commodities Group, its Board has a majority of Directors who are also Directors of the Holdings Board</li> <li>• The Holdings Annual General Meeting provides an opportunity for shareholders to submit questions to the Holdings Board, including those relating to the Commodities Group</li> <li>• The Holdings Board also responds either directly or via its company secretarial team to queries raised throughout the year</li> </ul>
<b>Governments and authorities</b>		
<ul style="list-style-type: none"> <li>• Regulatory changes including COVID-19, Brexit and Tax</li> <li>• Climate and environmental related matters</li> <li>• Product safety</li> <li>• Support of businesses and workers</li> </ul>	<ul style="list-style-type: none"> <li>• Meetings</li> <li>• Correspondence</li> </ul>	<ul style="list-style-type: none"> <li>• The Commodities Group Board is regularly updated on key issues across the many countries in which it operates relating to material changes in government legislation and regulation</li> </ul>

# Governance

Committed to transparent reporting and the highest standards in corporate governance

## Corporate governance

The Boards of Directors of ED&F Man Holdings and ED&F Man Commodities are committed to high standards of corporate governance and accountable to stakeholders for the Commodities Group's performance in this area.

The Commodities Group applies the principles of corporate governance which are driven by its constitution as an employee-owned company. These principles are applied proportionately to the Commodities Group's scale, size and complexity.

One of the main purposes of the Commodities Board is to support the Executive Team and provide them with constructive challenge, advice and the benefit of the experience and specialist knowledge of its members. It is responsible for ensuring that risk management operates effectively and has oversight for this critical process as set out in the section on financial risk management.

Strategic risks, which include risks that could disrupt and materially impact the Commodities Group's strategy, are monitored and overseen both by the Holdings Board and the Commodities Board. All other risks are monitored by a dedicated function and overseen by specific committees.

The Group Audit and Risk functions independently collate enterprise-wide risk inputs quarterly from both the divisions and the relevant control functions for presentation to and discussion by the Board and Audit and Risk Committee.

**“As a global leader that operates in a dynamic market, setting and upholding high governance standards is critical to our values as a business and to our role as a vital part in the global food supply chain.”**

Phillip Murnane, Chief Financial Officer

These risk management assessments assist the Board in identifying the key risks, associated control processes and effectiveness of mitigation plans.

The composition and remit of the Commodities Group Board and its Committees are at the end of this section.

## Financial risk management

The Commodities Group's businesses carry a number of risks and uncertainties including fluctuations in commodity prices, counterparty risks, country risks and operational risks that include freight, insurance and legal risks in different jurisdictions in around 41 countries.



The Commodities Group mitigates these risks through hedging on futures markets where appropriate, by employing dedicated in-house legal compliance and insurance professionals and through the operation of the Group Audit and Risk Committee (“GARC”) at Holdings.

The GARC operates under delegated authority to oversee the management of all risks and is responsible for approving risk limits and for overseeing adherence to those limits throughout the Commodities Group. The responsibilities of the GARC include establishing policies and procedures, setting limits, managing risks and reviewing actual and potential exposures arising from the Commodities Group’s operations and ensuring compliance with the risk control framework of Holdings. The GARC provides assurance to the Commodities Board that the Commodities Group’s credit and market risk exposures are governed by appropriate policies and procedures and that risks are identified, measured and managed in accordance with Holdings’ established policies.

The Group CFO is responsible for the management of liquidity risk, including funding, settlements and related policies and processes. The policies for managing each of these risks are summarised in Note 21 to the Consolidated Financial Statements.

Although no system of risk management and internal control can provide absolute assurance against material misstatement or loss, the Commodities Group risk management framework (derived from the Holdings risk management framework) and associated governance arrangements are designed to ensure that there is a clear organisational structure with well-defined, transparent and consistent lines of responsibility and effective processes to identify, report, monitor and manage risks to which the Commodities Group is, or might become, exposed. A key priority of the risk and control framework is to allow business opportunities to be exploited, while maintaining an appropriate balance of risk and reward.

### The risk and control framework is based on the ‘three lines of defence’ model:

#### 1. First line of defence

The operational management in the Commodities Group has ownership, responsibility and accountability for assessing, controlling and mitigating risks.

#### 2. Second line of defence

The Risk function, together with Finance (including Treasury) and Legal, facilitates and monitors the implementation of effective risk management practices by operational management, oversees risk and assists the risk owners in reporting adequate risk related information up and down the organisation.

#### 3. Third line of defence

The Internal Audit function, reporting through the GARC, provides assurance to the Commodities Board and the Holdings Board on the effectiveness of the minimum control standards for reporting, risk management and control.

# Board and Committees

Following the restructuring, new Board and Committee structures have been implemented to ensure a governance framework that is appropriate and tailored to the commercial and control requirements of the Commodities Group.

## Commodities Group Board

The Commodities Group Board is responsible for the governance and oversight of the Commodities Group. This is the forum for senior management to jointly assess key market opportunities, risks and threats. The Commodities Group Board also monitors financial and commercial performance against the strategic objectives. The Commodities Group Board meets monthly.

### Membership

Chris Mahoney – Chair

Alexandre Bauche – Managing Director, Sugar Division

Trishul Mandana – Managing Director, Coffee Division

Arie van der Spek – Managing Director, MLP Division

Jade Moore – Group Executive Director

Phillip Murnane – Group Chief Financial Officer

Mark Nelson-Smith – Non-Executive Director

Richard Milnes-James – Non-Executive Director (As of 31 March 2023)\*

### Observers

Emma Griffin – Holdings Non-Executive Director as an Observer

## Remuneration and Nomination Committee

The Remuneration and Nomination Committee of the Holdings Board assists the Commodities Group Board with setting remuneration policy for the Commodities Group, including bonus pool schemes and remuneration for Directors and Division leads. It also ensures the Commodities Group has a formal, rigorous and transparent procedure for the appointment of new directors (both executive and non-executive) and the succession planning for senior executives.

The Remuneration and Nomination Committee is chaired by Emma Griffin, a Non-Executive Director and Board member of ED&F Man Holdings Ltd. The Remuneration and Nomination Committee meets quarterly.

### Membership

Emma Griffin – Holdings Non-Executive Director (Chair as of 31 March 2022)

Chris Mahoney – Chair

Mark Nelson-Smith – Non-Executive Director

Richard Milnes-James – Non-Executive Director (As of 31 March 2023)\*

\* Richard Milnes-James replaced Mark Nelson-Smith as a member of the board and the committee as of 31 March 2023.



### Group Audit & Risk Committee (“GARC”)

The GARC of the Holdings Board primarily assists the Board in its oversight of business risk, with particular focus on the Group’s risk appetite, risk profile and the effectiveness of the Group’s risk management and compliance frameworks.

The GARC is also responsible for oversight of the financial reporting process, selection of the independent auditor, monitoring for financial crime, internal and external audit results and all aspects of the Group’s market, credit and liquidity risks. The committee’s remit also oversees matters in relation to cyber security and technology. The GARC meets quarterly.

#### Membership

Mark Nelson-Smith – Non-Executive Director (Chair as of 31 March 2022)

Emma Griffin – Holdings Non-Executive Director (As of 31 March 2022)

Richard Milnes-James – Non-Executive Director (Chair as of 31 March 2023)\*

### Executive structures within Commodities Group Senior Leadership Teams (“SLT”)

The individual commodity divisions have their own executive management structures, comprising the Senior Leadership Teams of the business.

The MLP, Sugar and Coffee divisions have designated SLT members representing commercial and functional support areas of the business. This senior leadership is typically the most senior commercial or functional lead of their respective area or geographic region, depending on the Commodities Group’s Division structure. The Commodities Group’s Divisions’ SLTs meet weekly.

\* Richard Milnes-James replaced Mark Nelson-Smith as a member of the committee as of 31 March 2023.

Additionally, each business has their own Leadership Team which meets regularly to discuss strategy, operations and issues within the individual businesses.

### Technology And Cyber Committee

The committee is responsible for the oversight of all technology investment decisions and subsequent programme deliveries across Commodities Group. This includes the overall strategic technology direction and alignment to that of Holdings. The Committee also ensures the effective and efficient use of technology to enable Commodities Group to achieve its strategy and goals within acceptable levels of risk.

The Committee meets quarterly.

#### Membership

Ian Falshaw – Finance Director, MLP Division

Jade Moore – Group Executive Director

Phillip Murnane – Group Chief Financial Officer

Simon Niven – Global Chief Information Officer

Johanna Sutcliff – Finance Director, Sugar Division

Melvin Wenger Weber – Finance Director, Coffee Division

Division Technology Managers

### Sustainability Committee

The Sustainability Committee supports the Holdings and Commodities Board by determining the Group’s sustainability policies and overseeing the effective implementation of the Sustainability Programme.

It formulates our sustainability principles, identifies, assesses and manages ESG-related risks (including climate change risks), monitors sustainability trends and issues, reviews our priorities and ensures we meet our goals and commitments.

The Sustainability Committee meets at least twice yearly.

#### Membership

Trishul Mandana – Managing Director, Coffee Division (Chair)

Kona Haque – Research

Liesbeth Kamphuis – Coffee

Rene Kleinjan – HSEQ

Adrian Osbourn – Human Resources

David Parker – Compliance, Legal and Risk

Daniel Polak – Sugar

Jeremy Smith – Trade Finance Director

Meredith Smith – MLP, Group Sustainability

Arie van der Spek – Managing Director, MLP Division (as of June 2023)

Alex Bauche – Managing Director, Sugar Division (as of June 2023)

Jordy Hof – Climate Manager (as of June 2023)

Eric Fichtl – Marketing and Communications (as of June 2023)



# Memberships and associations



## Bonsucro

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

Bonsucro supports a community of over 270 members in more than 50 countries, from all elements of the sugarcane supply chain, including, farmers, millers, traders, buyers, and support organisations. Its vision is a sugarcane sector with thriving, sustainable producer communities and resilient, assured supply chains, and its mission is to ensure that responsible sugarcane production creates lasting value for the people, communities, businesses, economies, and eco-systems in all cane-growing origins.

Bonsucro's strategy builds a platform to accelerate change for the largest agricultural commodity in the world – sugarcane.

## ISO

International Sugar Organisation is the unique intergovernmental body devoted to improving conditions on the world's sugar market through debate, analysis, special studies, transparent statistics, seminars, conferences and workshops.

Their proactive efforts to include ethanol from sugar crops in our activities already in the mid-90s helped to promote the increasing role of biofuels in the future energy-mix worldwide.

## Marin Trust

The leading standard for the certification of sustainable marine ingredients. GOED Represents the worldwide EPA and DHA omega-3 industry.

## AFIA

The American Feed Industry Association (AFIA) is the world's largest organisation devoted exclusively to representing the business, legislative and regulatory interests of the US animal food industry and its suppliers.

Founded in 1909 as the American Feed Manufacturers Association, the name changed to the American Feed Industry Association in 1985 to recognise the importance of all types of companies involved in the feed manufacturing industry, from manufacturers of commercial and integrated feed and pet food to ingredient suppliers to equipment manufacturers. AFIA is also recognised as the leader on international industry developments, representing the industry at global forums, including within the International Feed Industry Federation.

## GCP

Global Coffee Platform brings coffee producers, roasters, retailers, traders, governments, donors, and NGOs together to multiply efforts, collectively act on local issues, and scale successful sustainability initiatives across the sector.

## ICO

International Coffee Organization is the main intergovernmental organisation for coffee, bringing together exporting and importing Governments to tackle the challenges facing the world coffee sector through international cooperation. Its Member Governments represent 98% of world coffee production and 67% of world consumption.

## ECF

European Coffee Federation is the representative organisation for the European coffee trade and industry, speaking for over 700 companies ranging from SMEs to internationally operating companies, representing approximately 35% of the world coffee trade volume. ECF offers its members a forum for exchange, identifying industry-wide issues of common interest in the areas of food safety, sustainability, and international trade.

## SEDEX

SEDEX is one of the world's leading ethical trade membership organisations, working with businesses to improve working conditions in global supply chains, and providing an online platform, tools, and services to help businesses operate responsibly and sustainably, protect workers and source ethically. It supports the future of coffee by contributing pennies per pound on every green coffee purchase.

## EMIDAS

European Molasses Importers and Distributors Association SECR disclosures.

## CDP

Carbon Disclosure Project is a not-for-profit charity that runs the global disclosure system for investors, companies, cities, states and regions to manage their environmental impacts. Over the past 20 years it has created a system that has resulted in unparalleled engagement on environmental issues worldwide.

## WCR

To enhance farmer livelihoods and ensure coffee's future, World Coffee Research conducts essential research on the plant and the conditions that help it thrive.



# Certifications

Our products are sourced, processed, and sold under a number of quality, feed safety, food safety, and sustainability certifications. Below is an overview of the main certifications in place during the reporting period.



## Quality and Feed/Food Safety

### Gmp+ Feed Safety Assurance

The GMP+ Feed Certification scheme contributes to the global assurance of feed safety, where GMP stands for “Good Manufacturing Practices” and the + for the integration of HACCP (“Hazard Analysis and Critical Control Points”).

The scheme is the result of cooperation between GMP+ International and companies in the sector.

### FEMAS

The FEMAS Scheme is a voluntary AIC (Agricultural Industries Confederation) scheme developed to certify animal feed ingredients.

FEMAS aims to protect human and animal health by ensuring safe practices throughout the feed chain for food producing animals based on HACCP principles.

It ensures that the industry is meeting its obligations under the appropriate feed safety related legislation and codes of practice, in maintaining safety in the feed and food chain.

### Safe Feed/Safe Food

The Safe Feed/Safe Food Certification Program is a voluntary, independently certified programme designed for the total feed industry. It establishes comprehensive standards of excellence that go beyond existing regulations, to maximise feed and food safety.

### ISO9001–2015

ISO 9001 is the international standard for a quality management system (“QMS”).

The standard is used by organisations to demonstrate their ability to provide products and services that consistently meet customer and regulatory requirements and to demonstrate continuous improvement.

### VLOG Non–GMO

VLOG non–GMO certification ensures that products traded were not genetically engineered using modern biotechnology.

### FSSC/ISO22000

ISO 22000 sets out the requirements for a food safety management system. It maps out what an organisation needs to do to demonstrate its ability to control food safety hazards to ensure that food is safe.

### Halal/Kosher

Halal and Kosher food products comply with the specific requirements for the respective traditional Muslim and Jewish laws and requirements on how food must be produced, processed, and prepared prior to consumption, both meaning ‘allowed’ or ‘suitable for’ consumption.

### PrimusGFS

PrimusGFS is a Global Food Safety Initiative (GFSI) recognised audit Certification Program providing total produce supply chain coverage.

## Organic

Organic certification ensures products comply with legal organic regulations and requirements, which may vary from country to country, but generally involve a set of standards for growing, storage, processing, packaging, and shipping that include avoidance of synthetic chemical inputs, irradiation, the avoidance of genetically modified seed and that use of farmland that has been free from prohibited chemical inputs.

## Environment

### ISO14001

ISO 14001 sets out the criteria for an environmental management system. It maps out a framework that a company or organisation can follow to set up an effective environmental management system which provides assurance to company management and employees as well as external stakeholders that environmental impact is being measured and improved.

## Sustainability

### Bonsucro

Bonsucro is an international not for–profit, multi–stakeholder governance group established in 2008 to promote sustainable sugarcane.

Its aim is to reduce “the environmental and social impacts of sugarcane production while recognising the need for economic viability” and achieves this through setting sustainability standards and certifying sugar cane products including ethanol, sugar, and molasses.

ED&F Man is a founding member.

### MarinTrust

MarinTrust is a unique international certification programme for marine ingredient certification, ensuring responsible sourcing, responsible production, and compliance with international standards.

### ISCC

The ISCC certification system ensures the sustainability of raw materials and products for various markets, including bioenergy (liquid and gaseous biofuels and bioliquids), food, feed, and chemical/technical markets. ED&F Man is a founding member.

### 4C

4C (The Common Code for the Coffee Community) is an independent, stakeholder–driven, internationally recognised sustainability standard for the entire coffee sector, aiming



at anchoring sustainability in coffee supply chains. Independent third-party audits ensure compliance with sustainability criteria for coffee production and processing from the economic, social, and environmental dimensions to establish credible and traceable sustainable coffee supply chains.

#### Rainforest Alliance

The Rainforest Alliance (merged with UTZ in 2018) is an international non-governmental organisation (NGO) with staff in more than 20 countries and operations in more than 70 countries. Its mission is “to create a more sustainable world by using social and market forces to protect nature and improve the lives of farmers and forest communities.” Its work includes the provision of an environmental certification for sustainability in agriculture. In parallel to its certification programme, the Rainforest Alliance develops and implements long-term conservation and community development programmes in several critically important tropical landscapes where commodity production threatens ecosystem health and the wellbeing of rural communities. The Rainforest Alliance is a product-oriented, multi-stakeholder governance group combining the interests of companies, farmers, foresters, communities, and consumers to produce sustainable and harmonious goods.

#### C.A.F.E. Practices

Developed in collaboration with Conservation International, C.A.F.E. Practices is a verification programme that measures farms against economic, social, and environmental criteria, all designed to promote transparent, profitable, and sustainable coffee growing practices while also protecting the wellbeing of coffee farmers and workers, their families, and their communities.

#### Nespresso AAA

The AAA Programme is a coffee-sourcing programme designed to ensure the continued

supply of high-quality coffee while improving the livelihoods of farmers and their communities, and protecting the environment.

#### Fairtrade

Fairtrade is an arrangement designed to help producers in growing countries achieve sustainable and equitable trade relationships. Members of the Fairtrade movement add the payment of higher prices to exporters, as well as improved social and environmental standards. The movement focuses on commodities, or products that are typically exported from developing countries to developed countries, but is also used in several developing markets.

# Supplier Code of Conduct

ED&F Man Commodities has developed the following Supplier Code of Conduct against which all supplier performance is judged. Suppliers are required to sign up to the Code of Conduct and adhere to it on an ongoing basis if they are to continue to be part of the ED&F Man value chain.

## Environment

Supplier shall comply with all applicable environmental regulations and hold all required permits and licenses. Supplier shall operate in a responsible manner and be committed to the efficient use of raw materials, energy, water, and other natural resources while minimising waste, emissions, and noise. Supplier shall operate practices that avoids deforestation, protects against conversion of natural and critical habitats, and preserves unique terrestrial and/or freshwater biodiversity.

## Social

Supplier shall comply with the UN Universal Declaration of Human Rights and ILO core labour standards and conventions. Supplier shall support and respect the protection of internationally proclaimed human rights. Employees shall not be required to surrender passports (or other legal documents) or pay a fee before commencing work.

Supplier shall not be causing, contributing, or associated with human rights abuses, modern slavery, or human trafficking. Employment shall be freely chosen (not forced, bonded, indentured, or other involuntary (prison) labour).

Supplier shall not use child labour, shall not employ workers below the age of 15, and

## Driving high standards through our supply chain.

employment below 18 shall occur only in non-hazardous work not interfering with compulsory education.

Supplier shall comply with working time regulations and wage laws, including mandated benefits, and shall pay its staff at least minimum wages, including overtime.

Supplier shall allow freedom of association and the right to collective bargaining and shall operate a mechanism to report grievances. The workplace shall be free from harsh and inhumane treatment, or the threat thereof, including (sexual) harassment, abuse, punishment, coercion, and discrimination, regardless of age, nationality, race, social or ethnic origin, colour, gender, gender identity or expression, marital status, sexual orientation, disability, medical history, pregnancy status, religion, political opinion, union affiliation or veteran status.

Supplier shall adhere to local health and safety laws, shall provide a safe and healthy workplace with access to potable water and sanitary facilities and, if applicable, safe and hygienic company-provided living quarters.



Operations, processes, and equipment shall be safe, and the risks of accidents or injury shall be actively minimised.

The above social paragraphs shall apply to all labour, whether under contract, seasonal or migrant. Where applicable, supplier shall operate responsible land tenure governance, respect the legal and customary land rights of local and indigenous populations, and obtain Free, Prior and Informed Consent (FPIC) from such groups for the use of their land.

### Governance

In providing products and/or services to ED&F Man, supplier shall comply with all applicable laws and regulations to ensure a legal operation. All its employees are expected to adhere to these, and management is responsible for ensuring compliance.

Supplier shall operate ethically, in compliance with antitrust laws and applicable sanction regimes, and shall not be engaged in bribery, corruption, money laundering or other fraudulent practices.



Download our

[Standards of Business Conduct](#)

[Supplier Code of Conduct](#)

## ED&I Policy

### Commitment and policy

- We will create a culture where we will hold each other and leadership accountable for improving ED&I so it is not merely a box-checking exercise
- We will have strong policies, which we will enforce when needed
- We will be open about inequalities that may exist
- We will acknowledge and raise awareness through education
- We will encourage and listen to colleague feedback and opinion
- We will uphold respect as a core value to which inclusion aligns
- Our policy will apply to ALL colleagues globally

### Education and awareness

- We will provide regular educational events for all colleagues to raise awareness of ED&I
- We will provide opportunities for all colleagues to understand the importance of valuing and embracing differences in the workplace and understanding unconscious bias
- We support employee resource groups that promote ED&I in the workplace and provide colleagues with opportunities to network and connect with others who share their interests and experiences. We will run a number of events throughout the year to communicate, educate and raise awareness across Commodities celebrating diversity at ED&F Man
- We will invite speakers to share their experiences with our colleagues

- Colleagues will be encouraged to share their stories, spreading historical and cultural knowledge among co-workers. Colleagues will be encouraged to attend informal meetings and training to build their internal network

### Reporting and monitoring

- We will provide colleagues with the ability to safely report issues (whistleblowing) in all regions
- Colleagues will be advised of how to report issues
- All issues will be dealt with confidentially and sensitively
- We will monitor the experiences of our colleagues



# GRI index

ED&F Man Commodities has reported the information cited in this GRI content index for the period 1 October 2021 to 30 September 2022 with reference to the GRI standards.

ED&F Man have elected to focus on sector standard, GRI 13: Agriculture, Aquaculture and

Fishing Sectors 2022 as it was deemed most relevant to its core business.

Additional topic standards are subsequently referenced in the index below when relevant to the various business divisions.

## GRI 1: Foundation

Metric	Pages
2 Report the disclosures in GRI 2: General Disclosures	1 – 107
3 Determine Material Topics	18 – 22
4 Report the disclosures in GRI 3: Material Topics	18 – 22
5 Report disclosures from the GRI Topic Standards for each material topic	18 – 22
6 Provide reasons for omission for disclosures and requirements that the organisation cannot comply with	111
7 Publish a GRI content index	110 – 115
8 Provide statement of use	5, 9, 17, 92

## GRI 2: General Disclosures 2021

Metric	Pages
2-1 Name of organization	1, 4 – 5
2-2 Entities included in the organization's sustainability reporting	4 – 5
2-3 Reporting period, frequency and contact point	4 – 5
2-4 Restatements of information	4 – 5
2-5-a External assurance	4 – 5
2-6 Activities, value chain and other business relationships	4 – 5
2-7 Employees	53
2-9 Governance structure and composition	99 – 101
2-10 Nomination and selection of the highest governance body	99 – 101
2-11 Chair of the highest governance body	8 – 9



2-12	Role of the highest governance body in overseeing the management of impacts	8 – 9, 18, 94, 97 – 101
2-13	Delegation of responsibility for managing impacts	92 – 101
2-14	Role of the highest governance body in sustainability reporting	100 – 101
2-15	Conflicts of interest	58 – 59
2-16	Communication of critical concerns	20 – 22, 58 – 59
2-17	Collective knowledge of the highest governance body	8 – 9
2-18	Evaluation of the performance of the highest governance body	97 – 101
2-19	Remuneration policies	52, 99
2-20	Process to determine remuneration	52, 99
2-22	Statement on sustainable development strategy	8 – 9, 14 – 22
2-23	Policy commitments	107 – 109
2-25	Processes to remediate negative impacts	58 – 61
2-26	Mechanisms for seeking advice and raising concerns	58 – 61
2-27	Compliance with laws and regulations	58 – 65
2-28	Membership associations	102 – 103
2-29	Approach to stakeholder engagement	92 – 96
2-30	Collective bargaining agreements	107

## GRI 3: Material Topics 2021

Metric	Pages	
3-1	Process to determine material topics	18 – 19
3-2	List of material topics	20 – 22
3-3	Management of material topics	18 – 22

## GRI 201: Economic Performance 2016

### Sector: 13.2 Climate adaption and resilience

Metric	Pages	
201-2	Financial implications and other risks and opportunities due to climate change	20, 24 – 26, 30 – 35, 37 – 45, 82, 100

## GRI 204: Procurement Practices 2016

### Sector 13.23 Supply chain traceability

Metric	Pages	
204	General standards referenced	22, 60, 108

## GRI 205: Anti-corruption 2016

### Sector 13.26 Anti-corruption

Metric	Pages	
205-2	Communication and training about anti-corruption policies and procedures	21, 60, 108

## GRI 302: Energy 2016

Metric	Pages	
302-1	Energy consumption within the organization	73 - 89
302-3	Energy intensity	75, 83 – 84
302-4	Reduction of energy consumption	73, 84, 86, 88

## GRI 303: Water and Effluents 2018

### Sector 13.7 Water and effluents

Metric	Pages	
303-1	Interactions with water as a shared resource	78 – 89

## GRI 304: Biodiversity 2016

### Sector 13.3 Biodiversity

Metric	Pages	
304	General standards referenced	20



## GRI 305: Emissions 2016

### Sector: 13.1 Emissions

Metric	Pages
305-1 Direct (Scope 1) GHG emissions	73 – 89
305-2 Energy indirect (Scope 2) GHG emissions	73 – 89
305-4 GHG emissions intensity	73 – 89
305-5 Reduction of GHG emissions	77 – 89

## GRI 306: Waste 2020

### Sector 13.8 Waste

Metric	Pages
306-1 Waste generation and significant waste-related impacts	19 – 20, 79, 107
306-2 Management of significant waste-related impacts	29, 76, 80
306-4 Waste diverted from disposal	22, 80

## GRI 308: Supplier Environmental Assessment 2016

### Sector 13.23 Supply chain traceability

Metric	Pages
308 General standards referenced	38, 58, 82, 92-93, 104-106

## GRI 403: Occupational Health and Safety 2018

### Sector 13.19 Occupational health and safety

Metric	Pages
403-1 Occupational health and safety management system	66, 71
403-2 Hazard identification, risk assessment, and incident investigation	58 – 59, 66 – 71
403-3 Occupational health services	66 – 71
403-4 Worker participation, consultation, and communication on occupational health and safety	66 – 71, 107
403-5 Worker training on occupational health and safety	66 – 71
403-6 Promotion of worker health	31 – 32, 69
403-9 Work-related injuries	66 – 71

## GRI 404: Training and Education 2016

Metric	Pages
404 General standards referenced	26 – 29, 32 – 34, 46 – 53, 66 – 71

## GRI 406: Non-discrimination 2016

### Sector 13.15 Non-discrimination and equal opportunity

Metric	Pages
406 General standards referenced	21, 47, 48 – 53, 58 – 61, 107 – 109

## GRI 411: Rights of Indigenous Peoples 2016

### Sector 13.14 Rights of Indigenous peoples

Metric	Pages
411 General standards referenced	16, 22, 60, 107 – 108

## GRI 413: Local Communities 2016

### Sector 13.12 Local Communities

Metric	Pages
413-1 Operations with local community engagement, impact assessments, and development programs	15, 28 – 32, 37, 40 – 41, 43 – 44, 54 – 57, 60 – 61

## GRI 416: Customer Health and Safety 2016

### Sector 13.10 Food Safety

Metric	Pages
416 General standards referenced	14 – 17, 19, 21 – 22, 27, 62, 65, 92





This FY2022 Sustainability Report summarises the key achievements and initiatives we have implemented during that fiscal year to drive standards in responsible, ethical and sustainable business across our global operations.

ED&F Man Commodities is committed to building on these foundations through our new sustainability strategy with progress reported back through the year and in our FY2023 Sustainability Report.

**Meredith Smith, Head of Sustainability,  
ED&F Man Commodities**





# Commodities Limited

ED&F Man sustainability report for the year ended  
30 September 2022

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