

Corporate
presentation

Socfin Group

2020 Edition



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The Socfin Group

Our ambition is to develop a responsible tropical agriculture

Our mission:

To develop or revive the socio-economic and long-term development of remote areas in Africa and Asia, while strengthening and protecting community rights, quality of life and the environment, in and around plantations

192 500 ha of oil palm and rubber	48 900 employees	10 countries
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History

Creation of the Socfin Group by securing rural living and health conditions on the ground

First acquisition phase in Africa, period of privatizations and economic revival in Africa

Second acquisition phase and strengthening of the sustainability program

Publication of the responsible management policy and start of intensive certification programs

1909 - 1989

1990 - 2000

2000 - 2014

2015 - 2020

A century of field expertise
Pioneer in long-term rural development thanks to responsible tropical agriculture



- 1909 Creation of the « Société Financière des Caoutchoucs », Socfin S.A.
- 1968 Indonesia
- 1973 The Socfin Group is born

- 1990 Nigeria
- 1994 Côte d'Ivoire (SOGB)
- 1998 Liberia
- 2000 Cameroon (Socapalm)

- 2007 DR Congo - Liberia - Cambodia
- 2008 Côte d'Ivoire (SCC)
- 2010 Sierra Leone
- 2011 1st RSPO certification in Indonesia
- 2012 Ghana
- 2013 Cambodia - Sao Tomé-and-Principe
Socfin Research - Socfin Green Energy
- 2014 Cameroon (Safacam and Camseeds)

- 2017 Transparency dashboard
GGAP certification and certification in accordance with the European standard for biological agriculture at Sao Tomé-and-Principe
- 2018 Founding member of GPSNR
- 2020 RSPO certifications in Nigeria and in Cameroon

Responsible palm oil production

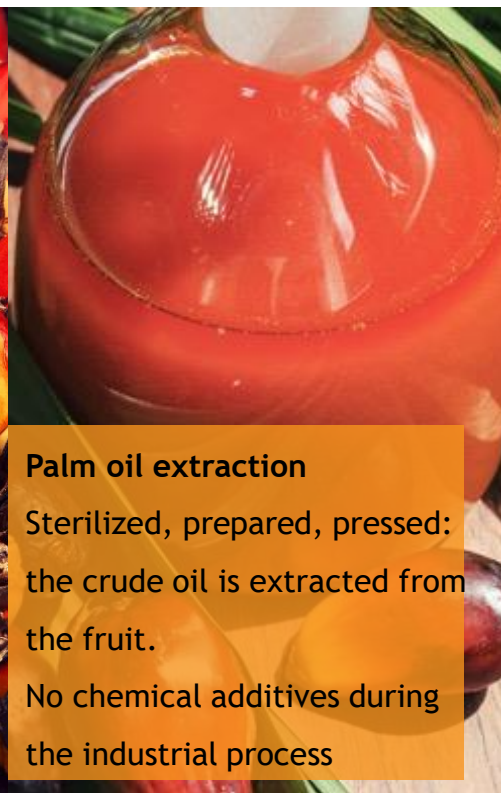


Palm oil comes from the fruit of the oil palm



Harvesting

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



Palm oil extraction

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

No chemical additives during the industrial process



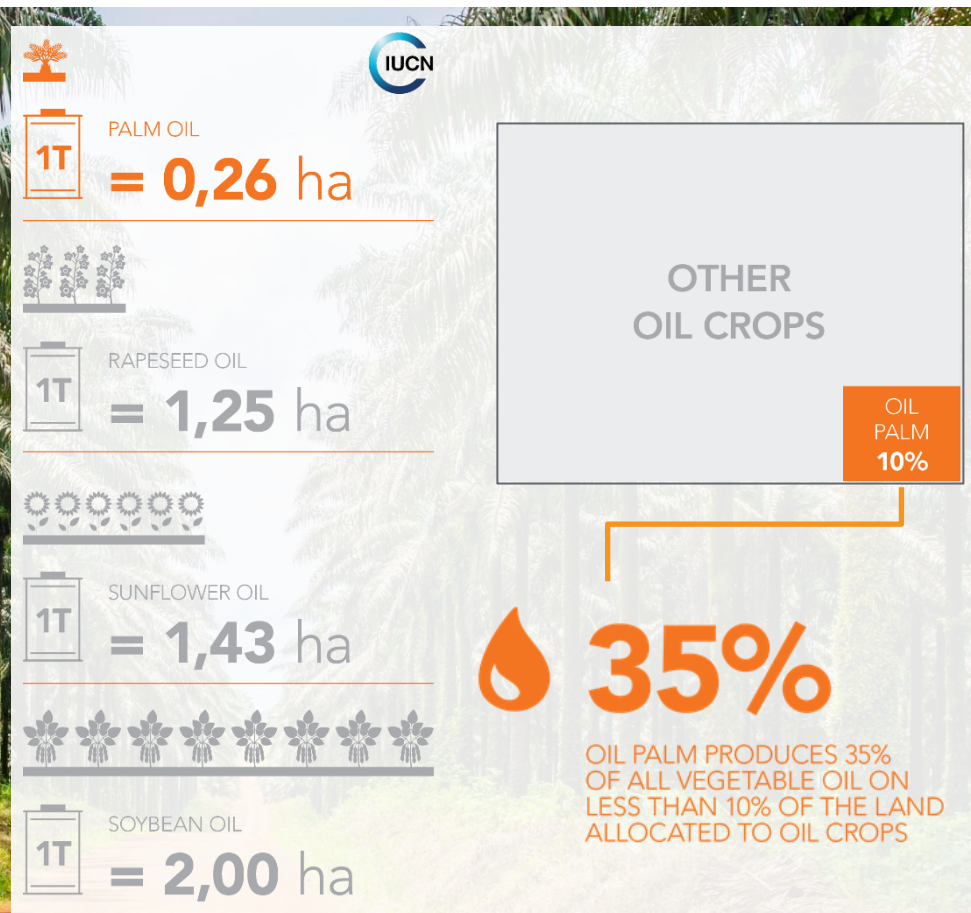
The palm oil mills are almost entirely energy self-sufficient thanks to renewable energy producing units

Presence of oil palm cultivation



Why we should not boycott palm oil?

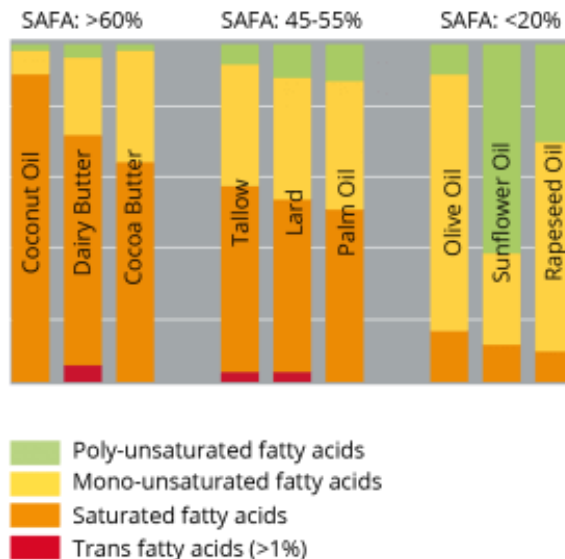
- ✓ The most environmentally friendly crop for producing oil and the answer to demographic explosion and growing global demand in oil
- ✓ Life cycle: 30 years
- ✓ Yield: **6 times higher** than other oleaginous fruits or seeds
- ✓ Few agricultural inputs (10 X less fertilizer than soy)
- ✓ Carbon sequestration
- ✓ Organic waste = **organic fertilizer**
- ✓ Mill: **energy self-sufficient**
- ✓ Local development: > 3 million smallholders worldwide live from palm oil



Palm oil has undeniable nutritional qualities

- ✓ Resists to high temperatures
- ✓ Oxidizes more slowly than most other vegetable oils
- ✓ No evidence to date of carcinogenic effect
- ✓ Product the richest in carotenes (vitamin A precursors)

Fatty acid content in different fats and oils



In the West, prized for its virtues:

Does not go rancid - Neutral taste - Smoothness - Resistant to cooking

Solid at room temperature (no trans-fatty acids)



In many tropical countries

= staple food in traditional cuisine.

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

Plays a role in a balanced diet for millions of people

Natural rubber production



Natural rubber comes from the rubber tree



Harvesting

- After 6 years, during 30 years
- A fine incision in the bark
- Tapping every 4-5 days



Latex processing

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



Rubber dryers

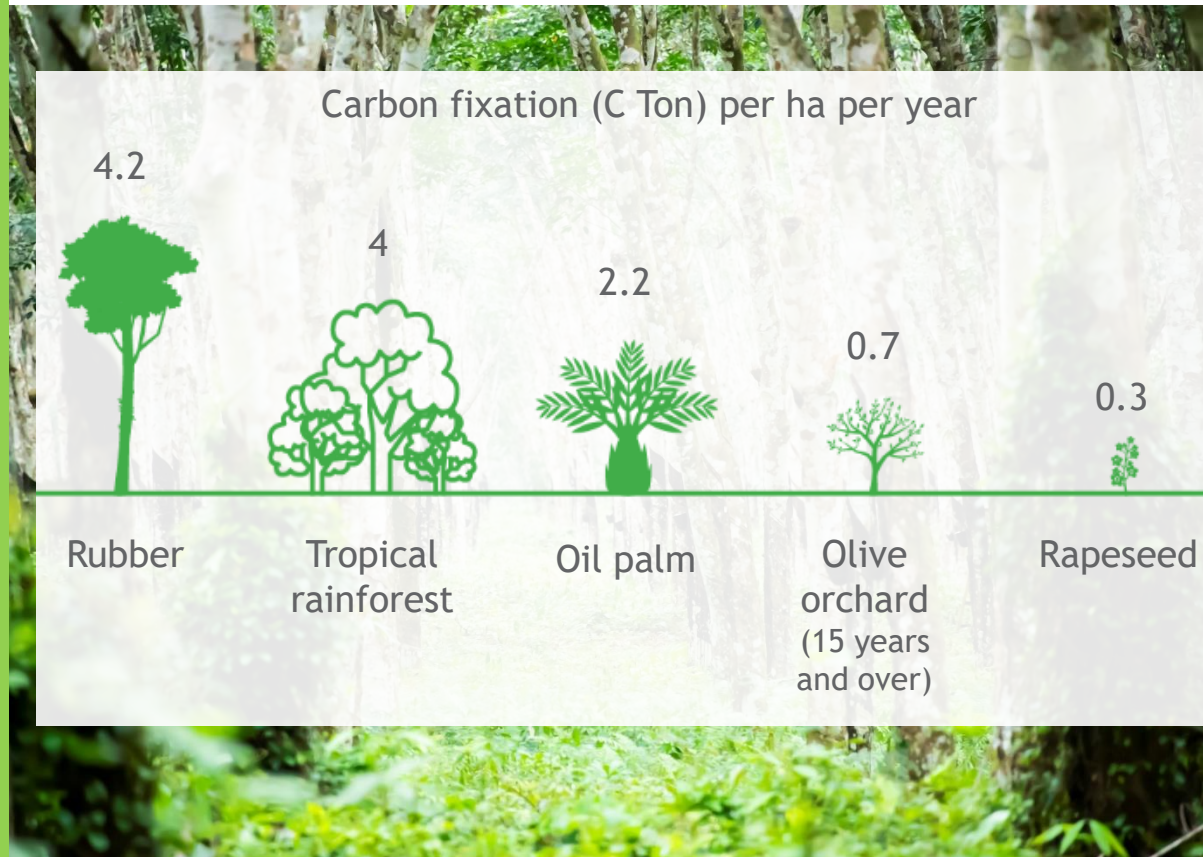
Can be fuelled with biomass
Electricity can be supplied by hydroelectric installations

Presence of rubber cultivation



The rubber tree, a carbon sink

- ✓ Perennial crop: life cycle > 30 years
- ✓ Biodiversity preservation
- ✓ Green energy producer
- ✓ Rational fertilizer use
- ✓ Carbon fixation = primary forest
- ✓ Substitute for synthetic rubber (derived from refined petroleum)
- ✓ Local development: support to smallholders
- ✓ 85% of natural rubber is produced by 6 million smallholders



Natural and responsible products

Palm oil

- ✓ Palm oil is traditionally consumed in tropical regions:
 - Improving food security in our operating areas

98%

OF OUR PRODUCTION IS
CONSUMED LOCALLY IN THE
HOST COUNTRIES

- ✓ An essential commodity:



- Food consumption (table oil, margarines, biscuits, etc.)



- Cosmetic production (soap, shampoo, etc.)



- Biodiesel production

Natural rubber

- ✓ Natural rubber is a renewable commodity with various benefits, wanted for its physical properties (elasticity, shock resistance, etc.)
- ✓ Found at the basis of numerous household, medical and industrial objects:
 - Medical utensils
 - Car accessories

Tyre manufacturing represents

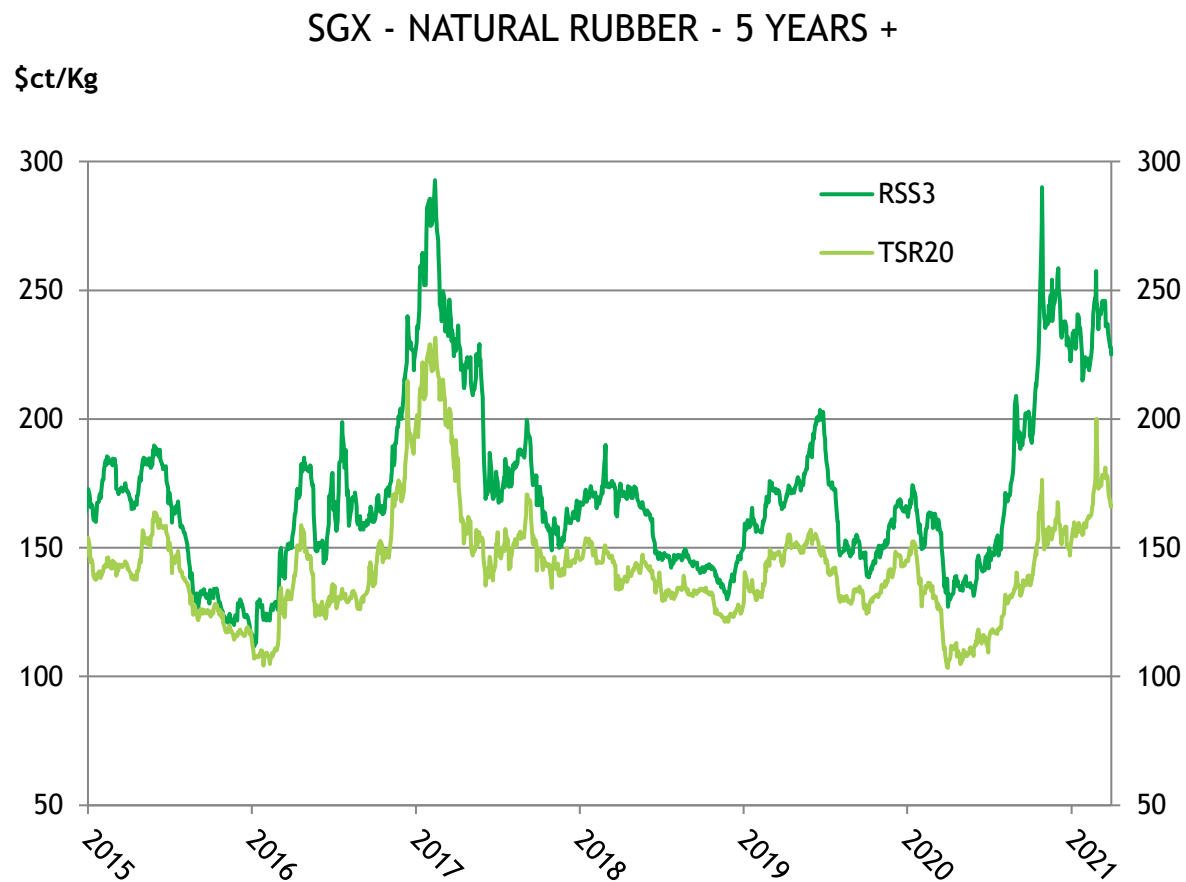
70% of the market



Commercialisation

Rubber prices

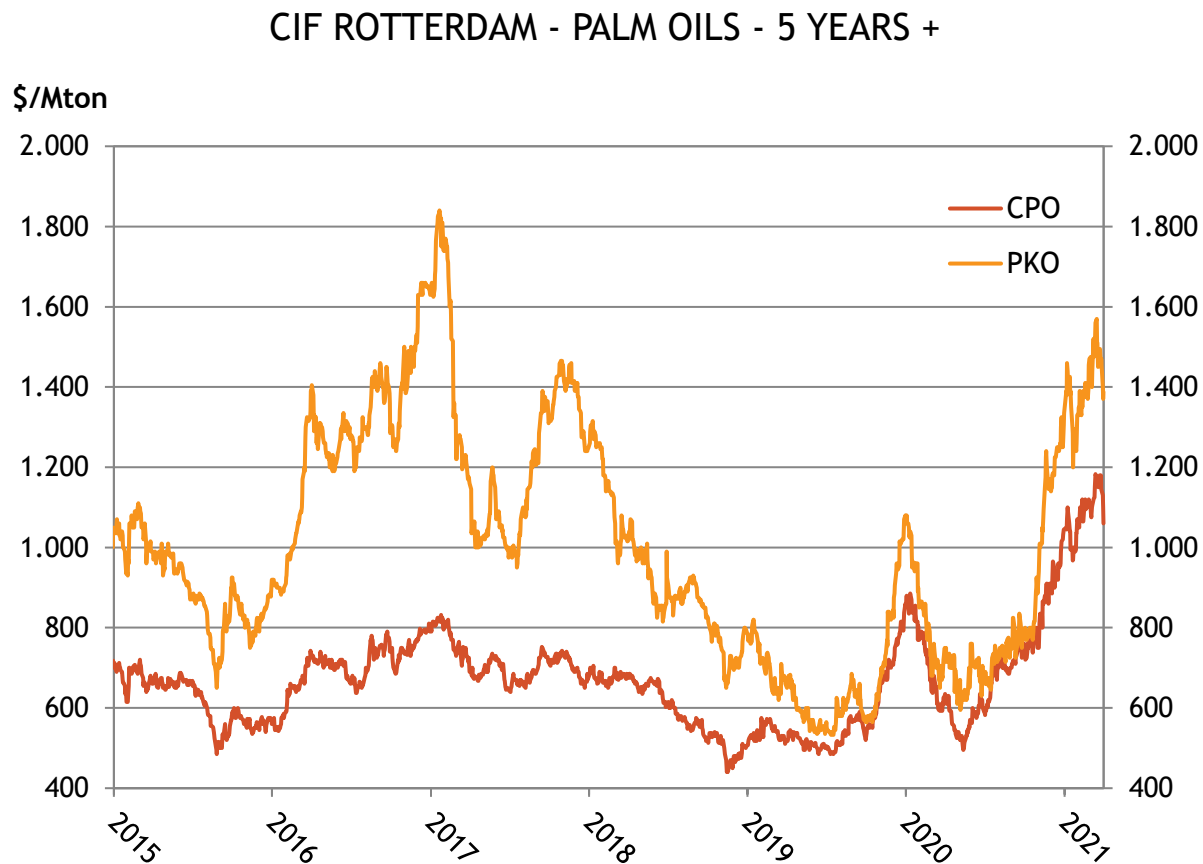
- ✓ The average price of natural rubber (TSR20 1st position on SGX) in 2020 was 1 317 USD/T FOB Singapore against 1 407 USD/T in 2019.



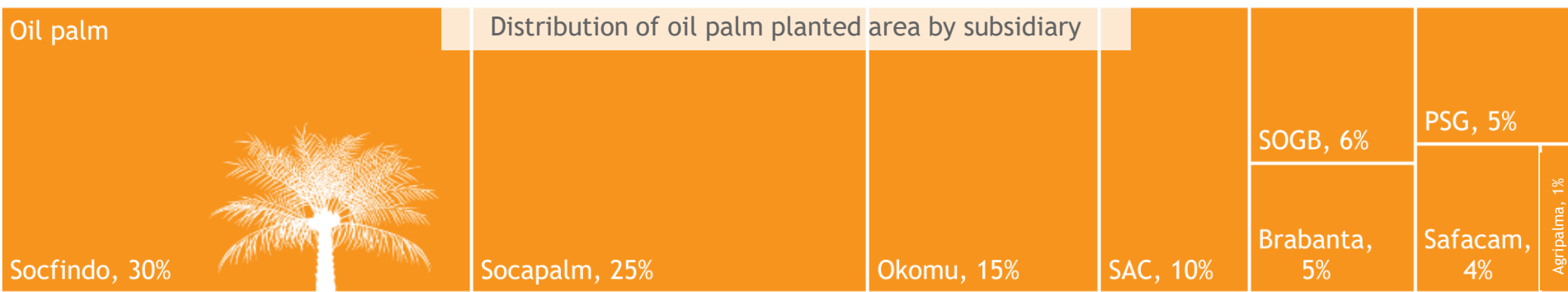
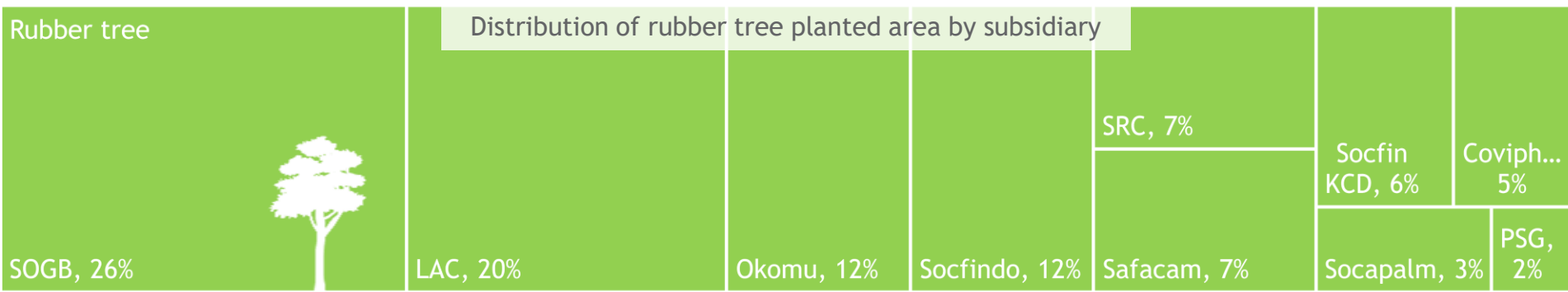
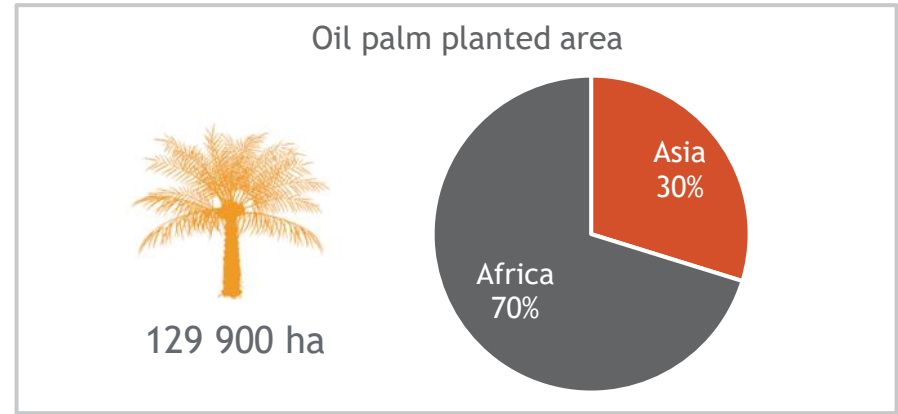
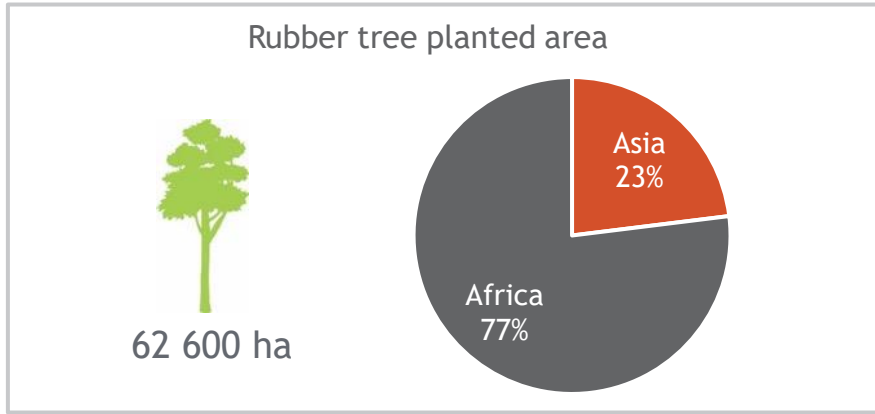
Commercialisation

Oil palm prices

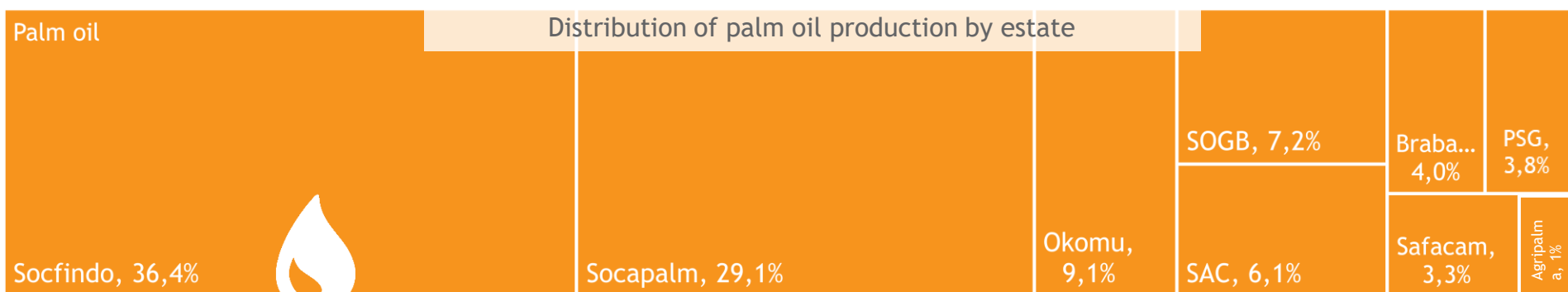
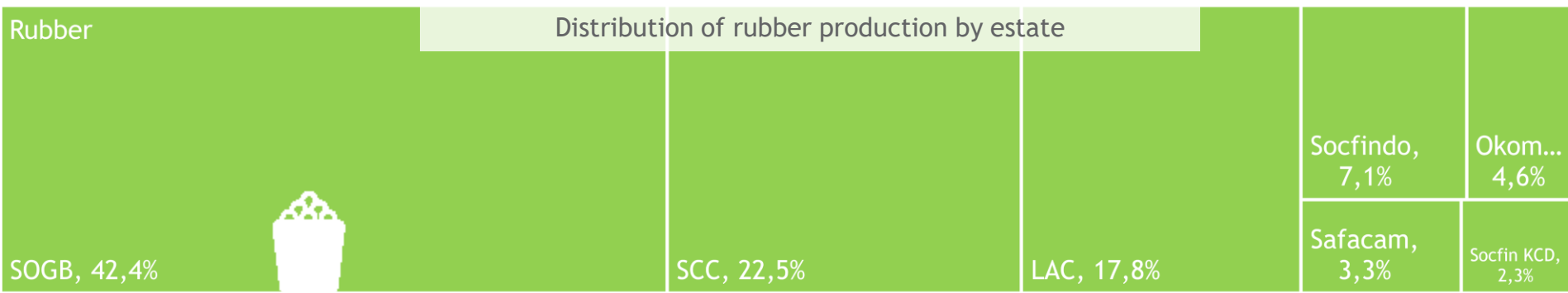
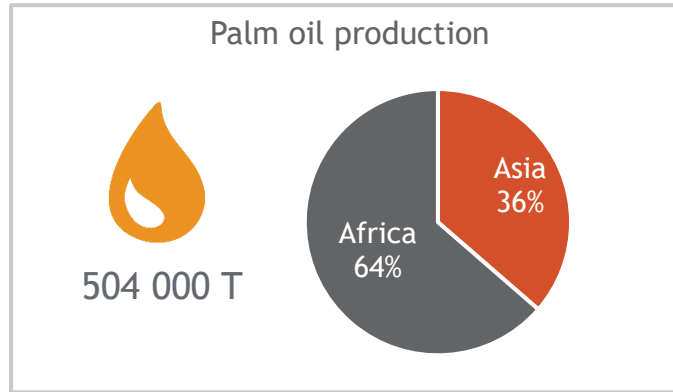
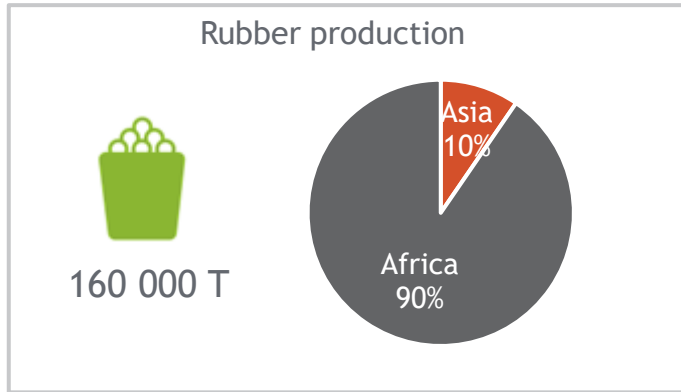
- ✓ The average price of CIF Rotterdam crude palm oil in 2020 was 715 USD/ton against 566 USD/ton in 2019.



Economic performance: area



Economic performance: production and sales



Economic performance: Comparison and evolution

Price evolution over the last

5 years

✓ Palm oil:

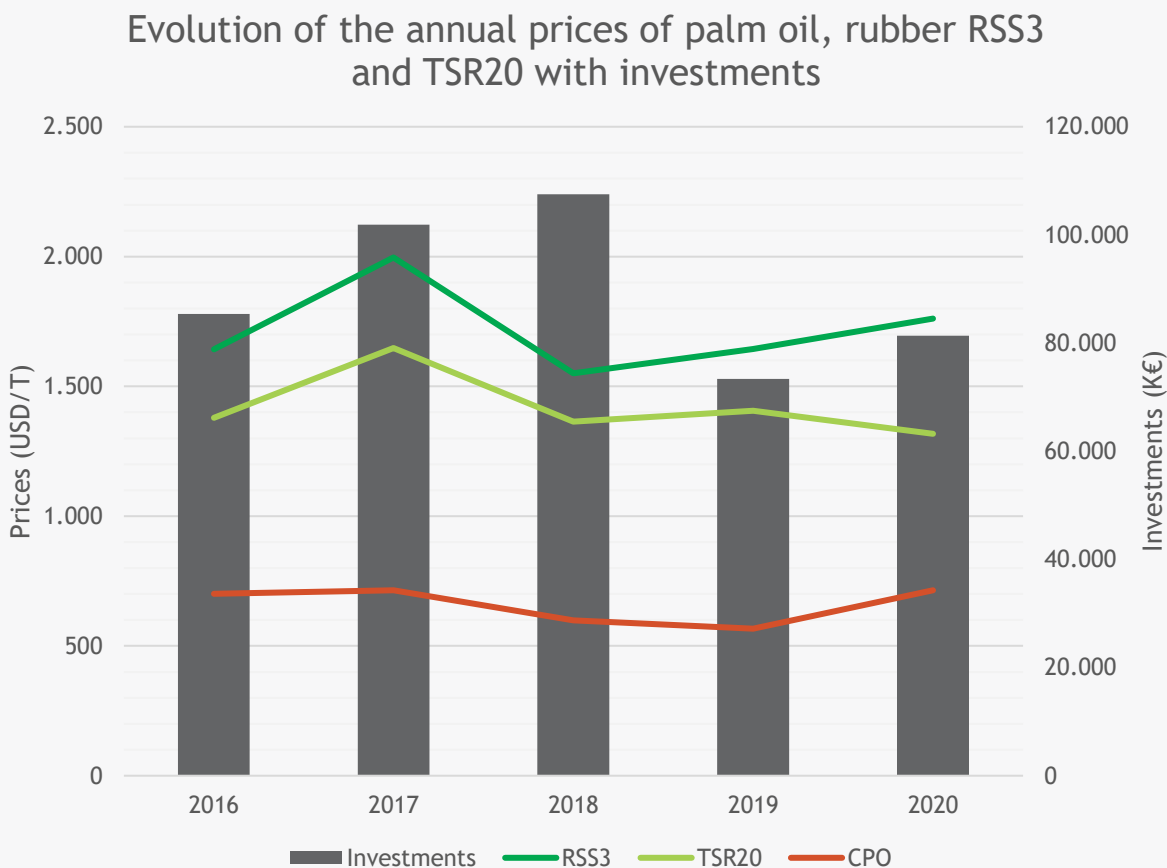
➤ CPO: crude palm oil

✓ Rubber: 2 grades

➤ TSR20: ex coagulum

➤ RSS3: latex

✓ Actual investments



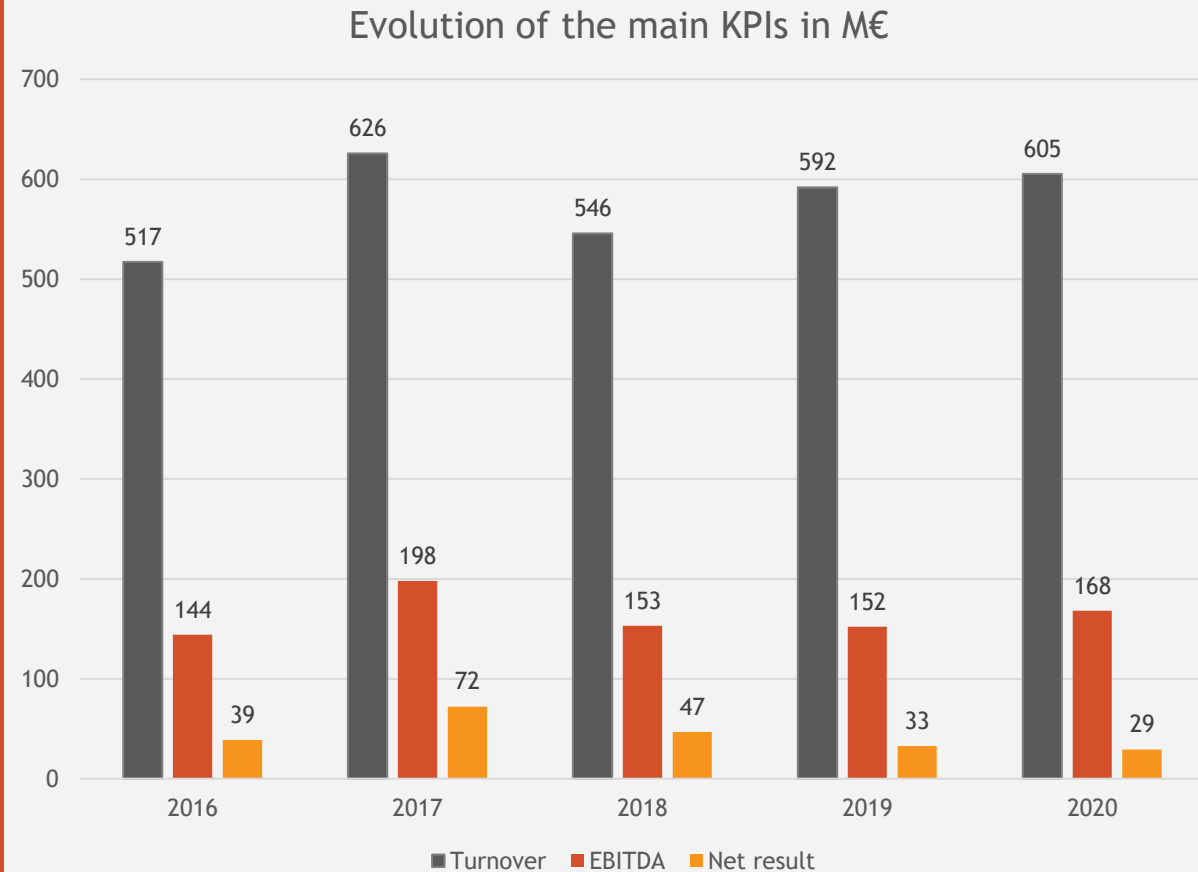
Economic performance: Evolution of the main KPI (M€)

Evolution of:

- ✓ Turnover
- ✓ EBITDA
- ✓ Net result

Over the last 5 years

- ✓ 2020: € 47.8 million sustainable development budget



Breakdown of turnover

Oil palm, 57%

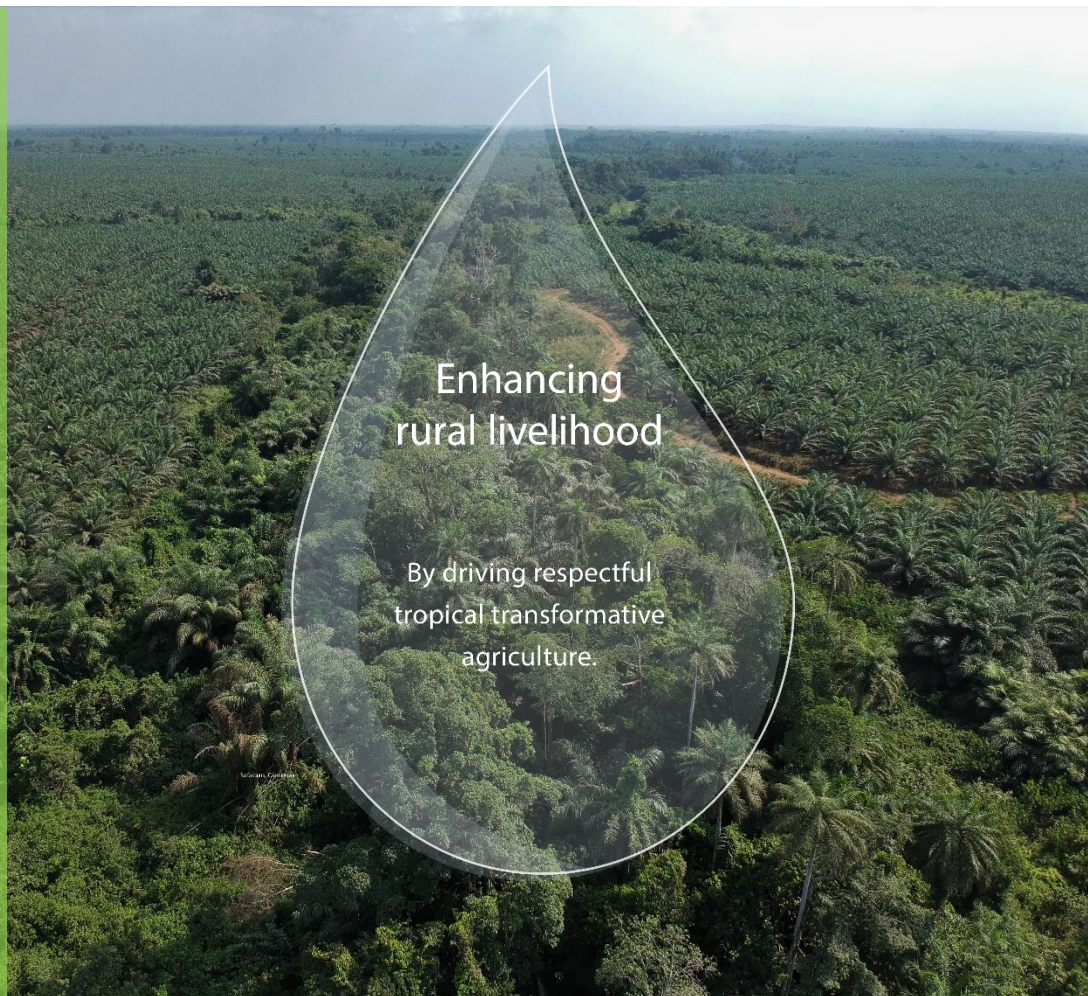
Rubber tree, 30%

Other, 13%

Responsible management

Policy for responsible management

- ✓ For a local and rural development in Africa and Asia
- ✓ For our local employees and communities
- ✓ For our environment



Our commitments

- ✓ A Group policy applied to all its sites
 - Implemented on plantations with Earthworm Foundation
- ✓ Commitments in our 3 impact areas
- ✓ Concrete projects carried out



For a local and rural development in Africa and Asia

Economic performance



100% transfer of technical, responsible and adequate agricultural skills

For our local employees and communities

Social & Human rights



Respect and improve social well-being of employees, their families and communities

For our environment

Natural resource management

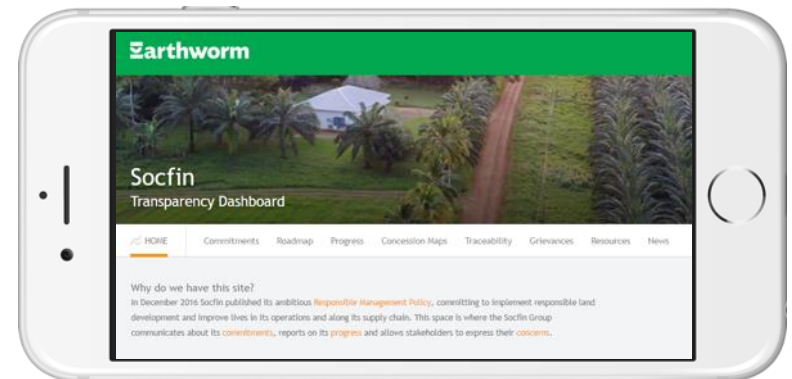


Implement integrated action to fight deforestation and protect ecosystems

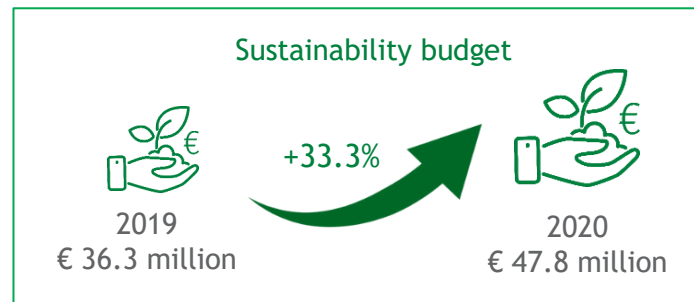


Member of Earthworm Foundation - EF

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



Our 2020 achievements



Key figures (2020)			
Health	91 hospitals and medical centers	385 000 annual consultations	462 doctors and nurses
Education	330 schools	3 100 teachers	61 300 students
Local development	6 tapping schools & 1 vocational school	2 Ecoles Familiales Agricoles (EFA): 65 students	€ 47.8 million spent on responsible management
Certification	9 RSPO certified mills	7 ISO 14001 certified sites	7 ISO 9001 certified sites

We ensure that we are meeting our commitments

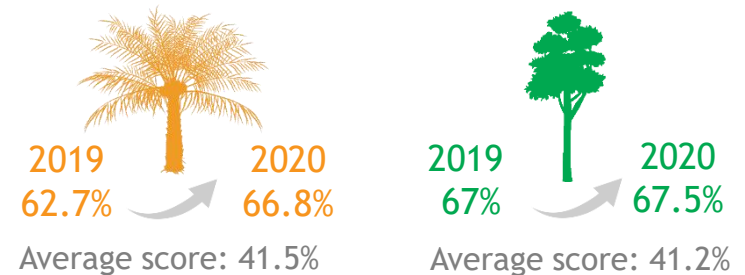
- ✓ Internal audits: local and head office audits
- ✓ Local Ministries: Environment, Labour, Health
- ✓ Partners in the field: Earthworm Foundation
- ✓ Customers: tyre manufacturers
- ✓ Certification bodies: ISO 14001 et 9001 (annual renewal), RSPO, Global GAP and certification according to European biological standard
- ✓ Evaluating bodies: SPOTT, Forest 500, Ecovadis
- ✓ Global Platform for Sustainable Natural Rubber (GPSNR) : founding member



Our results

- Forest 500 (2019) : 59% - 9th/350
- Ecovadis (2019) : 51% - Silver
- SPOTT:
 - Oil palm (2020): 66.8% - 27th/100
 - Rubber (2020): 67.5% - 3rd/15

Socfin Score - SPOTT

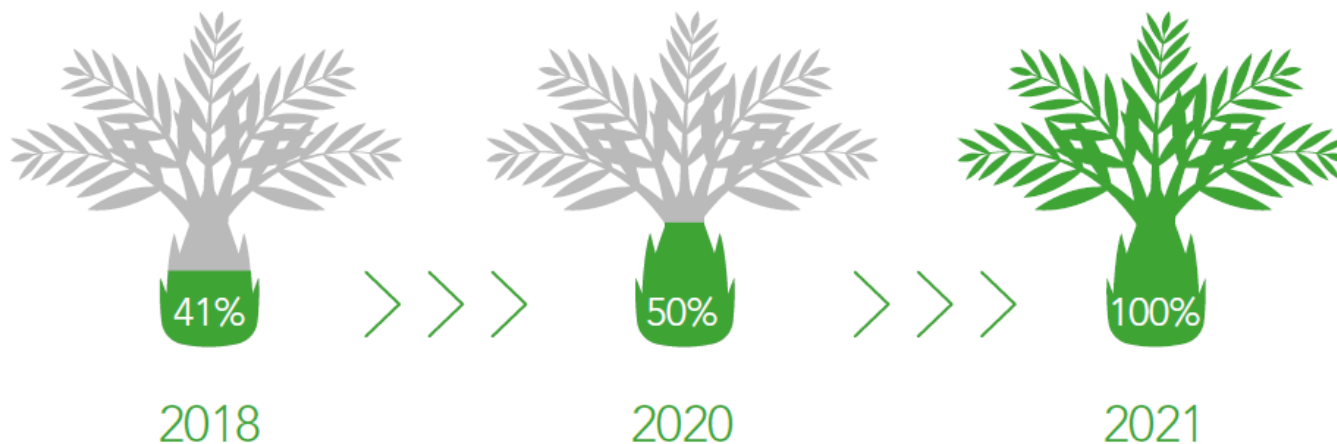


RSPO: for a sustainable palm oil production

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

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

RSPO CERTIFICATION PLANNING (OIL MILLS)



GPSNR : for a sustainable natural rubber production



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

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

- ✓ **Founded in october 2018**

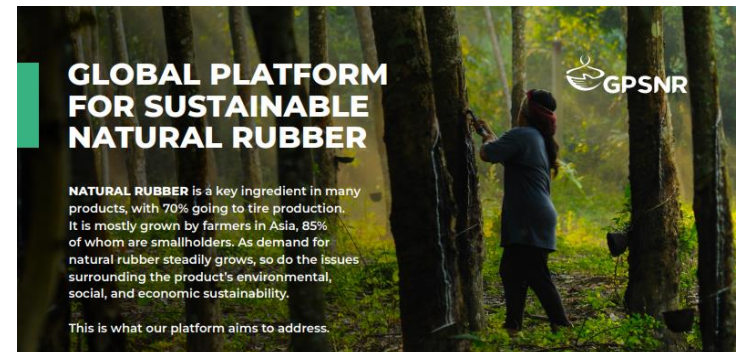
- ✓ **12 principles for sustainable rubber**

- ✓ **5 categories of membership:**

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

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

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



Our actions - Covid-19



“During this pandemic, we have strived at all costs to ensure the continuity of our operational activities to secure the employment and stable income of thousands of families living in and around the plantations. We all know to what extent food security and access to health care for families are indispensable to face this type of health crisis, especially in these isolated rural areas”.



Continuity of operational activities



Stable income and employment



Health and safety
(awareness and access to healthcare)



Support to communities and local government

“Again, our business model based on solid social and health structures enabled us to efficiently manage the health crisis we are facing. We could very quickly implement an operational program in all the regions where we operate. Donations of equipment, financial support to local governments, and training and sensitization plans were organised by and for medical teams, employees and communities”.



Research and development: Socfin Research

- ✓ A driving force in agricultural research
- ✓ Specialized: oil palm & rubber tree
- ✓ 2 operating entities: Camseeds and SSPL Socfindo

➤ Activities:

- ✓ Genetic improvement of the oil palm
- ✓ Selected seeds production



Cameroon
Indonesia



Opened in 2017
Opened in 1913



248 employees
156 employees

€ 17.2 million

Investments 2013 - 2019

> 1 200 ha

Experimental fields



Collaboration with
research institutes and
universities

Research and development: Socfin Green Energy



Biomass boiler + turbines = cogeneration

Produces the heat and electricity needed for palm fruit processing

Study, construction and operation of green and renewable energy installations



Hydroelectric plant

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

Objective: self-sufficiency of plants



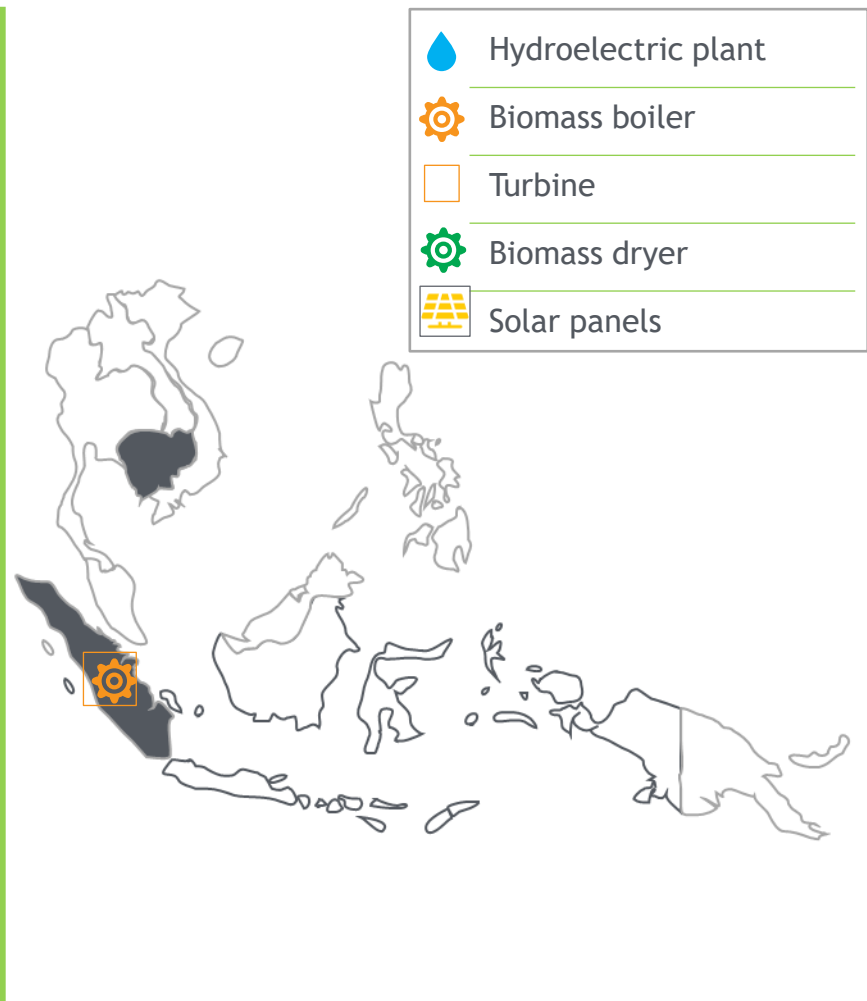
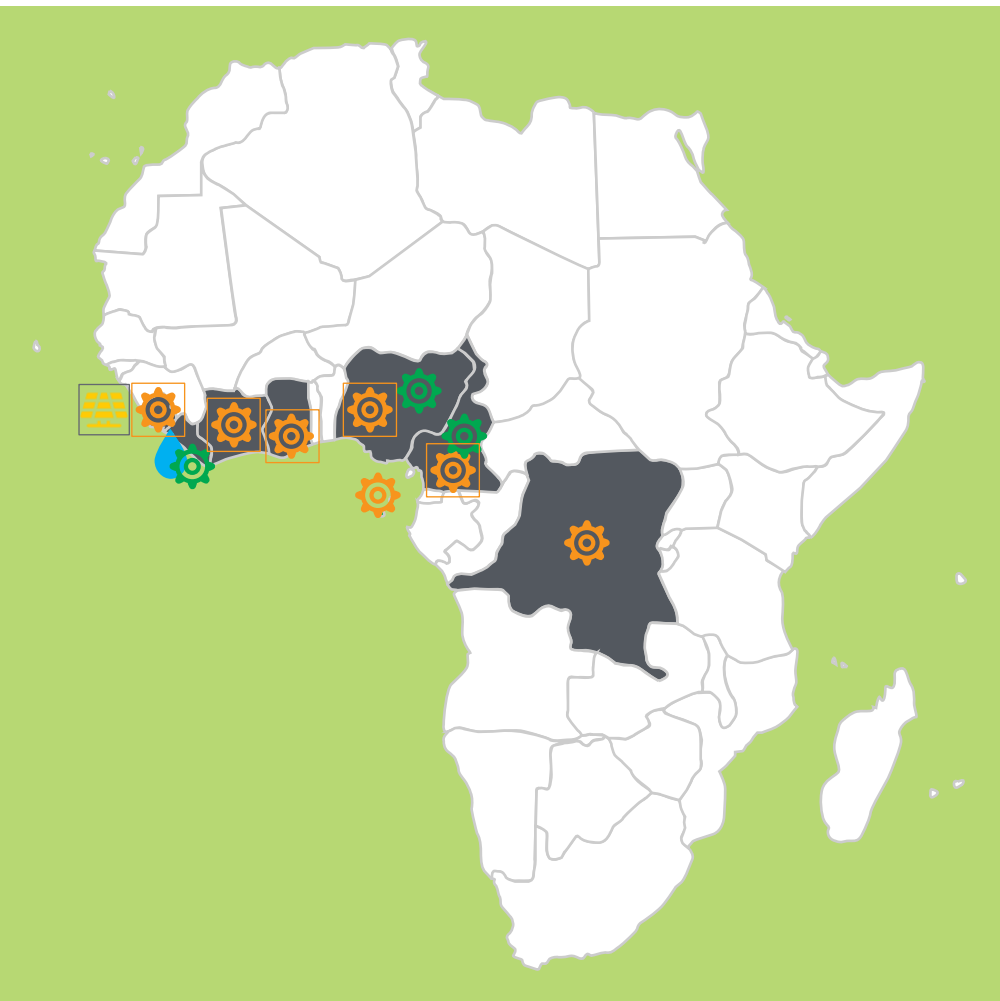
Biomass dryer






Produces the heat needed to dry natural rubber

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

On study: sources of wind energy

Socfin Green Energy: in operation



-  Hydroelectric plant
-  Biomass boiler
-  Turbine
-  Biomass dryer
-  Solar panels

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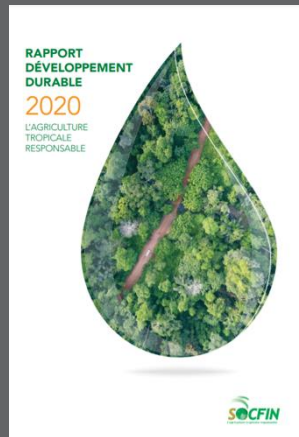
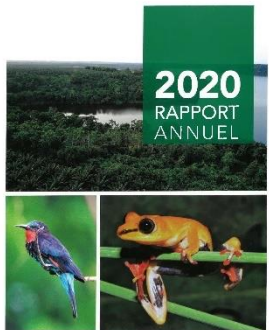
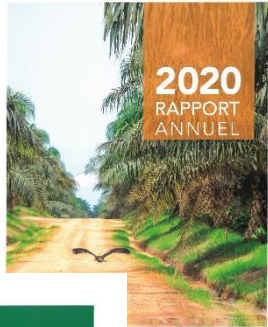
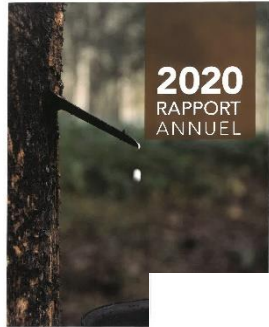


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