

CSR in brief 2020/21

A strategy for a sustainable future



A world leader

With operations in 18 countries, Tereos is a world leader strongly rooted at regional level. In the regions where it is active, the Group applies a sustainable and virtuous economic model.



6

R&D centres



Sales in

113

countries



2nd

largest sugar group worldwide



18,000

agricultural partners including

12,000

cooperative members



23,000

employees

Tereos was awarded a gold rating in 2020 by EcoVadis in recognition of its efforts with regard to sustainability. The Group is in the top 2% best-performing companies in its sector.



48

industrial facilities



€4,5 bn

of sales

Editorial



Philippe de Raynal
Chairman of the
Management Board

Sustainability and responsibility are at the core of the Tereos model, whether it be agricultural or industrial practices, the business model or links with society. In 2015, the Group launched its first Corporate Social Responsibility (CSR) roadmap, and in doing so, it formalised a positive approach.

First and foremost, we are working closely with our cooperative members. Thanks to a long-term trusting relationship, we are collaborating to achieve sustainable agriculture. This is borne out by the certification of almost two thirds of our raw materials as sustainable over the last five years. These certifications have been obtained through the application of acknowledged standards such as SAI and Bonsucro.

2021 opens a new page for the Group's ambitions over the next ten years. Our strategy is part of Tereos' transformation plan, which aims to take Tereos to the next level in terms of performance, operational excellence and continuous improvement, while our unchanged priority remains the safety of our employees on all our sites. It is the fruit of our work on the ground carried out with all the industrial teams, fully integrating the challenges of our production facilities.

In terms of sustainability, several milestones have already been achieved: Tereos reached the threshold of 50% of renewable energy in its energy mix by 2020. It has invested in an approach based on a circular economy: today, the water naturally present in the sugar beets and the condensed water recovered during the transformation process enables us to cover 91% of the water needs of our sugar plants. These examples are not exhaustive, but they illustrate the work carried out on a daily basis by all Tereos teams. We must now continue and accelerate this process to attain new goals.

In adopting a revitalised CSR strategy, we are reaffirming our commitment to meeting the expectations of society: healthy and safe food, agricultural practices that respect the environment and biodiversity, products from short supply chains, clean and renewable energies, and a low-carbon industry.

Tereos intends to play a fundamental role in this environmental transition by reducing the impact of its activities, by making a positive contribution to society and by creating shared value for a world that is more resilient, more just and more sustainable.

Agriculture Industry Consumers

To improve its social and environmental footprint, Tereos' CSR strategy is built on five pillars, shared by all its business units:

Sustainably performing agriculture

Increase yields while reducing our environmental footprint.

Positive industry

Reduce water and energy consumption and recycle non-food by-products in our plants.

Local development

Support employment and skills development in the regions where we operate.



Safety

Make Health & Safety our Number One priority for our employees and suppliers.

Nutrition

Develop innovative solutions that meet the nutritional needs of our customers.



Our approach to CSR

Committed to the Sustainable Development Goals

Sustainability Industry Nutrition Energy transition

On the basis of its business, its impacts and its geographical profile, Tereos has contributed since 2017 to seven of the Sustainable Development Goals (SDGs) established by the United Nations:



2 ZERO HUNGER
69% of the R&D budget is devoted to customising recipes to meet consumer expectations.



3 GOOD HEALTH AND WELL-BEING
Tereos creates innovative nutritional solutions, such as its range of wheat protein and chickpea flour-based foods, Épi&Co.



6 CLEAN WATER AND SANITATION
90% of our sugar plants' water needs are covered thanks to the water naturally present in sugar beets and the condensed water recovered in the transformation process.



7 AFFORDABLE AND CLEAN ENERGY
Approximately 40% of our industrial sites are certified for ISO 50001, a standard focusing on the energy performance of companies.



8 DECENT WORK AND ECONOMIC GROWTH
One job at Tereos = 11.5 indirect jobs. Our industrial sites generate growth and additional employment in France.



9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
50% renewable energies form part of Tereos' energy mix. Use of renewable and alternative energies plays an important part in Tereos' energy sourcing.



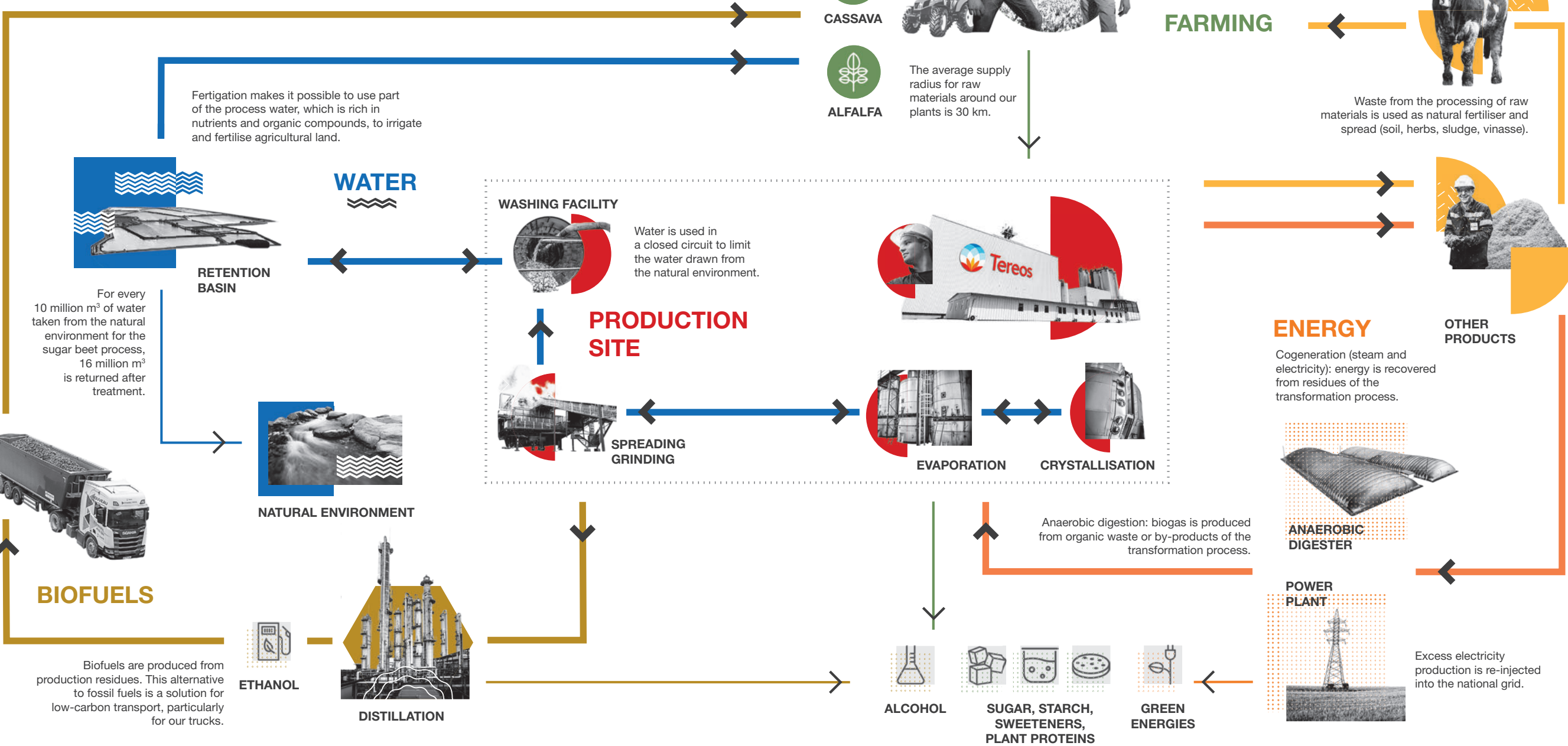
12 RESPONSIBLE CONSUMPTION AND PRODUCTION
One third of the Group's sites are certified for ISO 14001, the standard concerned with environmental management.



The circular economy at the core of our model

Sustainable agriculture Industry Energy Biofuel

The circular economy is based on an integrated upstream-to-downstream approach and involves complete exploitation of agricultural raw materials, a well-managed environmental footprint and a positive impact on our ecosystem.



1 Sustainably performing agriculture

Organic & HVE

Research

Facing climate and demographic challenges, Tereos provides support for its cooperative members and partner growers around the world in their search for an innovative model that combines higher yields and a reduced environmental footprint.



100%

of Tereos cooperative members are gold or silver rated by the sustainability benchmark SAI (Sustainable Agriculture Initiative) Platform.

99.5%

of volume commitments that expired during the 2019/20 campaign were renewed by Tereos cooperative members.

One-on-one

Pauline Hien

Sustainable Agricultural Initiatives project manager



What are the main strands of Tereos' strategy for promoting sustainable agriculture?

Tereos provides its cooperative members with support in implementing innovative and eco-friendly farming practices. First of all, we work with seed companies to test the most productive and disease-resistant varieties. Together with our cooperative members, we are also setting up decision support tools (DSTs) to manage the crops. The Group is currently testing a weeding robot, for example, which helps to reduce the need for phyto-sanitary treatments and to increase competitiveness. On the industrial side, our production sites are good examples of a circular economy. The washing and process water from the plants, which contains organic fertilising nutrients, is spread around the plants during the campaign, fertilising the next set of crops.

“For 30 years now, I have been making a plot available for starch trials. Not only does this allow me to have discussions with agro-nomists, but it also means I'm contributing to the progress of research that is important for all the cooperative members and for the whole sector.”

Éric Guillaume

Cooperative grower in Nampcel, France



Organic & HVE

Diversification through organic products

Tereos achieved a milestone during the 2019-20 campaign, becoming the first producer of organic beet sugar in France. Cultivated by several of the Group's cooperative members, organic sugar beets were transformed into sugar at the Attin sugar plant in northern France. In parallel, Tereos launched its first High Environmental Value (HVE) sugar campaign in 2020. This certification of farms contributes to the development of biodiversity while limiting inputs.

What benchmarks does Tereos follow to implement efficient and sustainable agricultural practices?

Tereos works with a number of widely recognised agricultural certifications. In 2020, 62% of our raw materials were certified sustainable. The Group relies in particular on the SAI (Sustainable Agriculture Initiative) Platform, which supports the development of socially and environmentally responsible agriculture. This approach, which is based on self-assessment and verification by an independent body, allows us to promote the good practices of our cooperative members. Another major benchmark is the 2BSvs, which enables Tereos to certify 100% of its sugar beet production intended for bioethanol production. This international certification is obtained through compliance with three key criteria: the origin of the cultivated land, the carbon footprint and a social indicator.

Research

Tereos Sugar Indian Ocean works on soil preservation

In Reunion Island, the Cultivation Techniques department of the eRcane research centre has undertaken research on minimum tillage in plantations to limit the risks of water erosion linked to slopes and heavy rainfall during the cyclone season, and on the recovery of fertilising residual materials in order to preserve and increase the soil's biological activity.

2 Positive industry

Energy transition

Environment

Biofuel

Green energy

Tereos has been working on the development of renewable energies since 2010. The installation of cogeneration and anaerobic digestion processes in its plants and the production of biofuel and green energy for the public grid have all had a positive impact on the environment. They also constitute strategic diversification for the Group, as well as new opportunities for the cooperative members.



B

In 2020, the independent assessment body CDP awarded a B rating to Tereos for all its activities, highlighting the Group's commitment to energy transition.



Biofuel

Biofuel: when sugar beets transport sugar beets

A highlight for Tereos in 2020 was the signature of a sustainable development charter with the Grand-Est region of eastern France. After a pilot experience with ED95 fuel at its Escaudoeuvres site in the Hauts-de-France region of northern France, Tereos has undertaken to develop the use of biofuels in the Grand-Est region, alongside around twenty other stakeholders. Bioethanol is a local renewable energy which uses the residues of raw materials after processing for food. By extracting value a second time from the natural resource, bioethanol supplements revenues and boosts agricultural production in the French regions. It is a promising solution for the planet, as it reduces CO₂ emissions by up to 88% compared to diesel in urban areas, according to an Ademe study.

Energy transition

Investing in energy optimisation

Tereos has been undertaking energy optimisation investments in its starch plants for three years. A first phase enabled the installation of low-temperature evaporators in Aalst (Belgium), Zaragoza (Spain) and Nesle (France). Then the Marckolsheim (France) plant commissioned a 45 MW co-generation plant. Not only do these investments help to optimise energy balances, but they will also reduce costs in the long term.

All our sites in the Czech Republic were awarded ISO 50001 certification for energy management in 2020.

Green energy

Seven Tereos Brazil plants certified by RenovaBio

In Brazil, the national RenovaBio biofuel policy came into force at the beginning of 2020, with the clear objective of reducing the country's CO₂ emissions. The programme encourages the increased use of biofuels in the national energy policy through several incentives. The roll-out of RenovaBio in industry involves accredited bodies that calculate the amount of CO₂ emitted by production processes and certify plants producing biofuels. These plants can then issue carbon credits for biofuels on the market, called CBIOS, which are equivalent to 1 tonne of carbon not released into the atmosphere. In turn, fuel distributors set targets for annual purchase of CBIOS. Tereos is an active player in Brazil. Its seven sugar plants have been certified following the national audit process with 800,000 marketable CBIOS for the year 2020/21.

Environment

A step forward for the Palmital site in Brazil in environmental management

In 2020, the Tereos Starch & Sweeteners Brazil plant commissioned an anaerobic digestion unit that treats starch production effluents, generates biogas used by the site and reduces greenhouse gas emissions. With a treatment capacity of 110 m³ of effluent per hour, the new digester is one of the largest facilities of this type installed in Latin America.



3 Nutrition

Health

Plant-based proteins

Product reformulation

One of the direct consequences of Covid-19 on consumption trends is a greater awareness of the importance of food on health and well-being. In order to propose a tailored offer, Tereos spends 69% of its Research and Development budget on nutrition and health. This innovative approach enables it to develop customised product reformulation offers for its customers and to position itself on new growth markets.



2nd

Tereos is the world's 2nd largest producer of wheat protein.

Plant-based proteins

Épi&Co: 100% plant-based recipes

Demand for wheat protein in the food industry has been growing steadily at 10% per year since 2014. The plant-based Épi&Co recipes have been designed by Tereos to meet these new expectations, thanks to a combination of legumes and cereals that offer a high level of protein. Low in salt and saturated fats, the ingredients used are made in France and come from sustainable sources. For the past year, an organic version of Épi&Co has also been available!

Diversification

Outlets for sweeteners in Asia

In Tereos' starch plant in Indonesia, a production line for fructose has been set up, a product derived from corn that is used in the development of beverages. Thanks to the launch of this new line, which has an annual capacity of 72,000 tonnes, the needs of the Indonesian market can be met by local production instead of the Chinese-imported fructose which had previously been predominant.

Food Safety

A shared Roadmap

Tereos launched its new Quality & Food Safety Roadmap in 2020, jointly developed with plant teams. It formalizes our Group's commitments, made applicable to all our entities, and actively raises employee awareness of the essential rules (clean clothing adapted to the work environment, protection of products from possible sources of contamination, etc.). At the same time, Tereos complies its food safety management systems on international standards – FSSC 22000, IFS, BRC for human food and EFISC-GTP, FCA, GMP+ for animal feed – and has its products regularly audited by independent certification parties.

Product reformulation

Sweet&You, the customised reformulation offer

Tereos supports customers seeking to reformulate their products and recipes. The "Sweet&You" programme illustrates this, offering nutritional enrichment solutions in fibre or protein without altering the taste and using 100% natural ingredients at a reasonable and affordable cost. The nutritional profile of a fruit yogurt, for instance, can be optimised by reducing the sugar content of the fruit preparation that accompanies the dairy base.



4 Safety

Safety at work

Preventive measures

Risk management

At Tereos, our safety performance is our number one priority. For our employees and partners, this means everyone being fully committed to safety at the workplace.



Accident prevention

Identifying risks

Through local initiatives in our plants, all Tereos employees are constantly striving to maintain their vigilance. Everyone is fully accountable transparency of incidents and near-misses of which he is a victim or witness. Over the last three years, reporting of near-misses has thus increased by 70% at our sites.

Safety

A shared ambition for safety

180 Tereos suppliers and service providers gathered early in 2020 on the Tereos Campus Europe site in France for the first Contractors' Safety Day. This was an opportunity to share the Group's safety requirements and to discuss the joint actions that need to be implemented. To take this approach to safety still further, Tereos teams have built their partner companies into their action plans.

Commitment

Undertake responsibility

Within the Tereos organization, managers, employees, cooperators and subcontractors are committed to the same Safety Charter. The role and responsibilities at each level of the company are defined so as to contribute in improving health and safety for all. Feedback coming from any incident is dealt with and its preventive solution is inserted within our Best Practices and made applicable to all our sites within Tereos Group.

0

Tereos aims for 0 major accidents, i.e. no fatalities and no irreversible injuries (loss of physical integrity) on its sites.

30%

The accident frequency rate at Tereos plants fell by 30% in 2019/20 thanks to the ambitious safety programme introduced at all the Group's sites.

5 Local development

Industrial sites Jobs Economy

Tereos operates in many rural areas, mainly in northern and eastern France. It contributes to the local economy and helps to make the regions more attractive.

1=11.5

For every Tereos employee, 11.5 additional jobs are sustained in the French economy (average of nine Tereos sites in France analysed on 01/09/2020).

One-on-one

Olivier Leducq
Director of Tereos Sugar Europe



What is the local economic footprint of a Tereos plant?

Every Tereos industrial site plays a very important economic role in its region. This role is exercised directly through the employment of our employees; indirectly through purchases from our supply chain, most notably of sugar beet from our cooperative members; or induced, by household consumption resulting from the salary payments of the jobs supported, and by public administration spending made possible by taxes and levies. Studies designed to assess the local footprint of our industrial sites show that for every individual employed by Tereos, on average 11.5 jobs are sustained in the French economy, the majority of them located in the region where the plant operates. At Bucy-le-Long, in northern France, for instance, for 212 people working in the Tereos facility, 3,185 jobs are supported, 1,639 of them in the region.

These jobs are generated locally in the farming, transport and logistics sectors and support services for businesses.

Looking beyond the economic aspect, how does the Tereos Group positively impact the life of local communities?

Our operations and policies strive to balance economic commitment with reducing our environmental footprint, so we are very careful about the use of natural resources. In Origny, northern France, for instance, water consumption is one of the key indicators reviewed by the plant's teams every morning. In addition, two water recycling projects are currently being studied in the sugar plant's sector. Another important issue is transport. To reduce our carbon footprint in transporting sugar beets to the plant, we have optimised the gross tonnage per truck from 20 tonnes in the early 2000s to roughly 30 tonnes today. And we want to go further still, by running 48-tonne or 50-tonne trucks. This will save 830,000 litres of diesel fuel and will mean 10% fewer trucks on the road!



The plants take action in the context of Covid-19

Since March 2020, Tereos' activity has been impacted by the Covid-19 crisis. The priority in this challenging context has been to protect the health of employees and ensure continuity of service to customers. The plants of Tereos Sugar France and Tereos Starch & Sweeteners Europe launched production of hand sanitizer to support regional health authorities free of charge and supply disinfectant alcohol to pharmacies and regional health authorities, which are responsible for redistributing it to healthcare professionals.

Zoom

Two of our Business Units' social commitment initiatives:

25 tonnes

Tereos Sugar France

25 tonnes of sugar is donated annually by Tereos to the French Federation of Food Banks under the terms of an agreement signed with the association on February 18, 2020.

Professional integration

Tereos Sugar Indian Ocean

In Reunion Island, Tereos teams regularly work with ESATs (Établissements et Services d'Aide par le Travail). These are health and welfare organisations for secured employment, dedicated to helping people with disabilities to integrate or reintegrate into society and the workforce.



This CSR brochure is printed on bagasse paper, a fibrous residue derived from sugar cane, one of the raw materials that we process. The bagasse range takes into account one of the basic values of Sustainable Development: recycling, and hence the sustainable use of our planet's resources. It is produced from annual plants that allow the rapid storage of CO₂ in the sustainable medium of paper.

This document is published by the Group Corporate Social Responsibility and Communications Department.

Photo credits

Ercane-Agence Dohoa, Ferdinando Ramos/
Plus Images, Greg Gonzalez, Michel Blossier,
Ardi Slamet, Jacques Grison, Tereos
Communications Department.

Translation
Nouvel Angle

Design and production
Little Stories, Groupe AUSTRALIE.GAD

[more information](#)

tereos.com

[follow us on](#)

