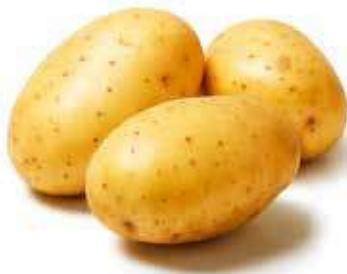


# ANNUAL REPORT 2021/22



# WHO WE ARE



Tereos' mission is to provide a sustainable response to society's essential needs (food, hygiene and health, mobility) by securing opportunities for its cooperative members and maximising the amount they are paid.

Present in  
**6 markets**



food



energy



animal nutrition



green chemistry



pharmaceuticals  
and cosmetics



paper and  
cardboard

**19,800**

employees worldwide



**44**

industrial plants  
worldwide



**12,000**

cooperative members  
in France



To keep the cooperative on a strong, solid long-term footing, in 2021 Tereos' Supervisory Board launched a new strategy. The primary objective of this strategy is to restore financial room for manoeuvre to re-establish profitability for cooperative members.

To achieve this, all the Group's employees and managers have spent the past year working on improving commercial efficiency, controlling costs, increasing industrial excellence to make businesses more competitive, and redesigning our managerial model in order to create further synergies between the various activities.

This first phase will see a return to profitability and effective governance for the cooperative by the end of 2023, a prerequisite for embarking on a new phase of growth.

**4<sup>th</sup>**

largest sugar-producing group in the world

**3<sup>rd</sup>**

largest starch producer in Europe

**2<sup>nd</sup>**

largest global producer of wheat proteins

**1<sup>st</sup>**

European producer of ethanol

Over  
**42 million**

tonnes of raw materials processed



Operations in  
**13** countries

# CREATE VALUE FOR OUR COOPERATIVE MEMBERS

Tereos' governance places cooperative members right at the heart of its corporate vision. With this in mind, its strategy aims to unlock additional value for members, starting with the remuneration for the crops they produce (agricultural output).

Interview with Gérard Clay, Chairman of the Supervisory Board, and Ludwig de Mot, Chairman of the Management Board.



LUDWIG DE MOT

Chairman of the Management Board

GÉRARD CLAY

Chairman of the Supervisory Board



## HOW WOULD YOU DESCRIBE THE WAY THE COOPERATIVE OPERATES TODAY?

**Gérard Clay** First of all, I want to say how strongly I believe in the cooperative model. I and all the members of the Supervisory Board are deeply committed to the spirit of democracy at Tereos. We strive for local, active, collaborative governance. To achieve this, we have made a point of giving our regional advisers, who represent our cooperative members, greater autonomy. The aim is genuinely to promote a more horizontal system by giving regional advisers a role on the ground in the life of their cooperative. We have also strengthened the dialogue with our 12,000 members via «Tereos meetings», Cooperative members newspaper, and «Coop Days» arranged around our nine plants, another initiative that is about sharing information, exchanging views, and engaging in debate.

An important event in the life of the cooperative took place in 2021 with the completion of the «cooperative engagement» survey. Regardless of the difficulties of the financial year, everyone made the effort to look ahead to the future of sugar beet on their farms. For members of the Supervisory Board, this comprehensive survey of cooperative members' intentions was an essential prerequisite for defining the cooperative's strategic direction. The survey has shown that “putting members back at the heart of the project» is a tangible reality.

In parallel with the operational efforts this demands, the Supervisory Board has recognised the need to push forward on governance. As a result, it will present the plan to the 2022 Annual General Shareholders' Meeting. It is essential that this governance reflects the intentions, roles and responsibilities that everyone will assume on a daily basis for the cooperative. Subject to approval by the Plenary General Meeting, the cooperative will now be managed by a board of directors and a cooperative board. The roles and responsibilities of committees and commissions have been clarified to allow new dynamics to develop that will benefit cooperative members.

## ONE OF COOPERATIVE MEMBERS' MAJOR CONCERN IS WHAT THEY ARE PAID FOR THEIR AGRICULTURAL PRODUCTION. HOW CAN TEREOS ADDRESS THIS?

**Gérard Clay** The main role of the cooperative is to ensure profitable long-term opportunities for its members, for their sugar beets, starch potatoes and alfalfa. However, it needs to be remembered that this agricultural production has to be industrially processed into sugar, potato starch and dehydrated products before it can gain access to the market. Tereos' strength lies both in the agro-industrial performance of its plants the length and breadth of the country and in the relevance of its new commercial strategy, which prioritises value over volume. I must also mention the skills of the men and women who are the lifeblood of the business, day in, day out. In this context, the Supervisory Board is reaffirming its deep commitment to remunerate cooperative members at least at the same pricing level as our competitors.

« The Supervisory Board is reaffirming its deep commitment to remunerate cooperative members at least at the same pricing level as our competitors. »

- G. CLAY -



The economic performance achieved during this financial year shows that Tereos is now back on track. Maintaining this position means we have to address energy and carbon costs, a challenge that requires us to keep investing heavily in our tools.

In addition, Tereos will continue to rely on its core areas of diversification, business activities that contribute to the Group's strength and profitability.

This strategy is paying off and we want to take advantage of the current upturn in the European sugar market to speed up its implementation.

**LUDWIG DE MOT, YOU TOOK OVER AS CHAIRMAN OF THE MANAGEMENT BOARD IN APRIL 2022 IN ORDER TO ACCELERATE ROLL-OUT OF THE STRATEGY. WHAT ARE YOUR PRIORITIES?**

**Ludwig de Mot** We face two kinds of challenge in the short term. Firstly, challenges that are specific to Tereos, namely reducing our debt, ramping up the transition from a volume strategy to a value strategy, and operational excellence.

« Our agricultural crops play an important role in regional economies and sovereignty. »

- L. DE MOT -

Then, there are the major societal challenges that are common to the entire sector. These include, for example, working with the sector to identify agronomic responses to sugar beet health crises (yellows virus) and the effects of global warming on all crops. On the industrial front, the major challenge is decarbonisation. In this regard, we have initiated ambitious roadmaps for our sugar and starch business in Europe, to drastically reduce our CO<sub>2</sub> emissions and at the same time optimise our water and energy consumption to support the Group's competitiveness. Faced with these many challenges, my objective is clear: we need to build a shared performance culture so as to prepare for the Group's future and consolidate our financial performance.



## TO WHAT EXTENT MIGHT MARKET DEVELOPMENTS IMPACT TEREOS' ROADMAP?

**Ludwig de Mot** Of course, as is the case for the food processing sector as a whole, we have to take account of the recent upheavals in our society. In response to the climate challenge, as has been said, we have to speed up the reduction of our carbon emissions. Furthermore, in an extremely volatile market that has been impacted this year by the war in Ukraine, we need to absorb the surge in commodity prices and above all, deal with the considerable increase in energy costs and a lack of agricultural production. However, our business requires ever more significant investment to maintain the right level of quality; this is the case, for example, for decarbonising our industry. These costs are additional to inflation, which is already weighing heavily on logistics.



At the same time, we must not lose sight of the fact that we are processing strategic raw materials (sugar beet, potatoes, alfalfa, wheat, sugarcane, etc.), used for food products, pharmaceuticals, animal feed, and energy. These agricultural crops therefore play an important role in regional economies and sovereignty. With that in mind, we need to work together on redesigning their production, moving away from thinking of them as commodity products and seeing them instead as value-added offers. These efforts require financial support from the entire value chain.



# FINANCIAL PERFORMANCE 2021/22

**5.1**

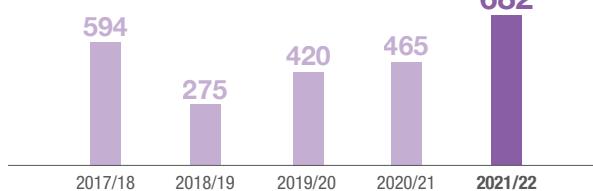
**BILLION OF EUROS**  
OF REVENUES



CONSOLIDATED REVENUES  
IN MILLIONS OF EUROS



ADJUSTED EBITDA  
IN MILLIONS OF EUROS



CONSOLIDATED NET INCOME  
IN MILLIONS OF EUROS



## BREAKDOWN OF REVENUES BY PRODUCT

### SUGAR



**36%**

### STARCH



**6%**

### ANIMAL FEED



**8%**

### PROTEINS



**7%**

### ALCOHOL / ETHANOL



**22%**

### SWEETENERS



**13%**

### Other (including energy)



**8%**



In 2021/22, Tereos

Commodities marketed **1.32 million tonnes of sugar** in **50 countries**, particularly from Brazil and France.

**652,000m<sup>3</sup>** of ethanol was sold, i.e. an **increase of nearly 20%** on the previous year, which was impacted by the fall in consumption due to lockdowns. Trading activity made a significant contribution to the Group's results thanks to good fundamentals management.



**GWENAEL ELIES**

Group Chief Financial Officer

## ENSURING THE GROUP HAS THE FINANCIAL STRENGTH TO STEER THE BEST COURSE THROUGH INCREASINGLY VOLATILE MARKETS

One year after the roll-out of our Group strategy, we are posting encouraging results which, if we stay on track, will help us to achieve our financial objectives for 2024: increase our recurring EBIT margin to 5%, generate structurally positive free cash flow (these two objectives were achieved in 2021/22), and reduce debt below €2 billion with debt leverage of less than 3x (we went from 5.5x to 3.5x during the 2021/22 financial year).

These results have been achieved by means of measures with rapid returns, starting with a new sales strategy that favours value over volume and control of our overheads.

At the same time, we conducted an analysis of our asset portfolio to focus our long-term efforts on three activities that form the pillars of the Group: Sugar & Renewables Europe, Sugar & Renewables International, Starch & Sweeteners Europe. Tereos has sold several of its businesses over the past year as a result. In September 2021, Tereos announced the sale of its 49% stake in its two Chinese starch joint ventures to its partner, YKA Group. At the start of 2022, the Group announced the closure of its business in Romania, followed by the effective transfer of its stake in the Axéréal cooperative's malt business. Then, at the end of the fiscal year, Tereos finalised the sale of its loss-making business in Mozambique, which was taken over by the African agri-food group MARS.

Our strategy and above all its implementation, with initial results visible from the end of 2021, is improving the way that Tereos' financial partners perceive the Group. As such, in January 2022 we issued a new bond loan for €350 million. The cost of this loan (4.75%) was a significant reduction on the issue conditions for our October 2020 bond (when the cost was 8.00%).

In parallel with the action taken right from the start of the 2021/22 financial year, we have embarked upon measures that will be rolled out over several financial years, with less immediate effects. These include the legal simplification of the Group.

Everything we do is designed to restore Tereos to financial strength and streamline our organisation to make it more efficient and agile, to enable the Group to manage an increasingly volatile environment as effectively as possible, and to maximise the amount that cooperative members are paid.

# ACTING FOR THE AGRICULTURAL WORLD

INNOVATE TO ENSURE THE SUSTAINABILITY OF OUR SECTORS

## ENCOURAGING INITIAL RESULTS IN RESPONSE TO BEET YELLOWS VIRUS

The National Research and Innovation Plan (PNRI) was set up for three years, after the 2020 campaign. Bringing together some 30 players in the sector, it aims to find sustainable alternatives to neonicotinoids in order to effectively combat aphids that spread yellows virus. The plan focuses on four areas: improving understanding of the disease and predicting aphid behaviour, identifying crop-level solutions, identifying regulatory solutions at plant environment level, and initiating a transition to a sustainable economic model.



As a member of the Technical Coordination Committee, Tereos contributes to the examination, appraisal and orientation of the work. Starting with the 2022/23 campaign, the cooperative will also be part of the network of pilot and demonstration farms. Its objectives include developing varietal research and the interest of natural aphid predators.



## COMBINING AGRICULTURE AND BIODIVERSITY

One of the objectives set by the PNRI is the planting of 4,000 metres of honey bee-friendly strips on French sugar beet farms by October 2022. These plants help to limit the dearth periods detrimental to pollinators, as well as meeting the requirements of the new European common agricultural policy. Accordingly, Tereos has fully incorporated biodiversity issues into its sustainability roadmap. The cooperative, which farms half of the surface area given over to sugar beet in France, has undertaken to plant 2,000 hectares of flower strips. It has a range of bee-friendly seeds available for its cooperative members so that together, we can achieve this target.

## THE DIAGNOSTIC CARBONE (CARBON DIAGNOSIS) SCHEME AS A TOOL IN OUR DECARBONISATION STRATEGY

With an envelope of €10 million from the *France Relance* recovery plan, the *Diagnostic Carbone* scheme offers each volunteer grower the opportunity to devise an appropriate carbon strategy. As the winner of the call for projects launched by ADEME (the French Agency for Ecological Transition, which is in charge of coordinating the process), Tereos is supporting around 20 cooperative members in their diagnosis.



**AS A FARMER, I AM WITNESSING THE EFFECTS OF CLIMATE CHANGE ON MY CROPS. CARBON DIAGNOSIS IS A TOOL THAT ALLOWS ME TO IDENTIFY THE BEST MEASURES TO TAKE, BOTH FOR THE ENVIRONMENT AND FOR THE ECONOMIC VIABILITY OF MY BUSINESS. USING THE AGROSOLUTIONS CARBON EXTRACT TOOL, THE TEREOS SUSTAINABILITY TEAM ASSESSED THE GREENHOUSE GAS EMISSIONS AND CARBON STORAGE POTENTIAL ON MY FARM AND THEN DREW UP A SHORT- AND MEDIUM-TERM ACTION PLAN FOR IMPROVING MY CARBON FOOTPRINT. »**

Matthieu Puiseux, Tereos cooperative member in Montépreux, north-eastern France.

## DIRECT OFFERS FOR COOPERATIVE MEMBERS

Tereos adds value to all its raw materials via a wide range of coproducts:

**As products:** dehydrated and compressed pulp, dehydrated alfalfa, dry and moist AmyPlus

**And services:** Pulp'Mix and silage bagging

The cooperative has introduced a permanent offer for members that is driven by their requirements and the demands of organising production tools.

## DEVELOPING SUSTAINABLE SECTORS

Faced with growing customer interest in sustainable sugar supply, Tereos continued to roll out its Organic and High Environmental Value (HVE) sectors during the 2021/22 sugar beet campaign.

### ORGANIC CAMPAIGN

**765 Ha**

sown to organic sugar beet on 106 farms



Yield of

**51.2 T**

at 16 per hectare (+88% compared with 2020/21)

**38,000 T**

of organic French sugar beet processed in our Artenay sugar factory near Orléans

### HVE CAMPAIGN



**ALMOST  
4,000 Ha**

identified as HVE on

**135**

cooperative sugar beet farms

**25,000 T**

of HVE French sugar beets processed in our Artenay sugar factory near Orléans

# ACTING FOR INDUSTRY

## MORE EFFICIENT AND RESPONSIBLE PRODUCTION

### IN CONNANTRE, TEREOS INAUGURATES ONE OF THE WORLD'S LARGEST WASH HOUSES

After eight months of large-scale construction works, the new 32-metre-long wash house, fully manufactured in France, began operations for the launch of the 2021/22 campaign.

The performance of the wash house has a direct impact on the three main value drivers:

- An increase in the production rate, with 27,000 tonnes of beet slices washed each day.
- A reduction in sugar loss: grass that goes through the wash house with the sugar beet is recovered as methane, while sand and stones are used in earthworks for farm tracks.
- Optimisation of energy consumption with a 30% reduction in electricity consumption compared to the old wash house, and a 50% reduction in water consumption.



# 25%

less water drawn by Tereos Sucre France plants during the 2021/22 sugar beet campaign than in 2020/21. The investments made to improve recovery and recycling of the water that evaporates during sugar manufacture, particularly at the Connantre, Boiry and Chevrières plants, have contributed to this achievement.

## AMBITION TARGETS FOR 2030

Tereos Sucre France is ramping up its energy transition. Following an audit of our nine sugar factories, the Attin and Bucy-le-Long plants in northern France were selected as pilot sites to identify opportunities for modernising industrial equipment. This pre-project phase involved drawing up a transformation plan that will take place in two stages (2024 and 2025) with the aim of reducing our energy consumption by 30%. After these first two plants, all our French sugar factories will be updated between now and 2030. At the same time, Tereos aims to withdraw from coal for all its dehydration units by 2030.



## THE AALST PLANT CONTRIBUTES TO THE OBJECTIVES OF BELGIUM'S ECOLOGICAL TRANSITION

A €3.5 million investment for better environmental performance. Staff at the Aalst starch facility have brought two projects to fruition this year. Firstly, they installed a new anaerobic digestor for the plant's water treatment station. This will enable more biogas to be produced and reduce the risk of olfactory pollution. In addition, they introduced a softener into the water treatment process, reducing freshwater intake and wastewater discharge by approximately 35m<sup>3</sup>/hr.

## TEREOS INCREASES ITS LOGISTICS EFFICIENCY IN BRAZIL

At the start of 2022, Tereos' sugar business in Brazil added a new terminal to its exporting plants. In partnership with Puerto Commodities, our teams exported the first bags of sugar from the port of São Francisco do Sul, in Santa Catarina state. This should reduce the queues in the port of Paranaguá (Paraná state) and reduce the parking costs of 2 million reals (€300,000) for this initial shipment. Tereos Brazil now has four export ports on the country's east coast.



## ALL OF OUR FRENCH SUGAR FACTORIES CERTIFIED TO ISO 50001

ISO 50001 is an international standard developed in 2011 by around 60 countries. It provides guidelines for greater energy efficiency in companies, helping them save money while limiting greenhouse gas emissions. At the beginning of 2022, the Origny plant was the ninth and final Tereos sugar factory to be certified to ISO 50001. The Group now intends to go further by rolling out its own environmental management system by the end of 2023.

# ACTING FOR SOCIETY

## A PRODUCT RANGE ADAPTED TO MARKET TRENDS



### **BIOETHANOL: A KEY FUEL FOR OUR AGRICULTURAL SEGMENTS AND FOR MEETING FRENCH AND EUROPEAN STRATEGIC CHALLENGES**

Bioethanol is a biofuel manufactured from agricultural raw materials (sugar beet or cereals) and residues resulting from their transformation into sugar, alcohol or starch. There are several advantages to producing and using ethanol (SP95 E5/E10, E85):

- It supports the resilience of farming and food production by offering an additional sales opportunity that boosts cooperative members' income.
- It immediately decarbonises transportation by replacing petrol in the existing petrol vehicle fleet.

- It reduces our dependence on oil imports by prioritising local alternatives that are sources of strength for regional economies.
- It attracts less tax than petrol as it is better for the environment and is the fuel of purchasing power.

Since 2015, Tereos has also promoted ED95 (95% ethanol and 5% additives) to road hauliers, enabling them to reduce emissions by up to 88% compared with diesel and obtain the Crit'Air 1 label to access low emissions zones.

## DEVELOP NEW BIO-BASED AND RECYCLABLE PLASTICS

Tereos is using its recovery of the co-products from agricultural raw materials and its green chemistry know-how to increase its presence in the bioeconomy sector, as illustrated by the partnership concluded at the end of 2021 with Avantium Renewable Polymers. The agreement guarantees several years' exclusive supply of bio-based local raw materials in the form of a high fructose syrup. Made from wheat, this is one of the specialist products developed at the Tereos starch facility in Aalst, Belgium. Avantium will use it in making FDCA, the main component of PEF (polyethylene furanoate), a recyclable plastic that is 100% plant-based.

## BÉGHIN SAY: A NEW PRODUCT RANGE FOR HEALTHIER EATING

Béghin Say is France's best known sugar brand and has been a staple of French kitchens for 50 years (2020 Kantar study for Tereos). In response to the expectations of consumers who are eager for food products that combine pleasure with nutritional balance, the B2C brand has added to its range with four new Béghin Say Sucre & Stévia\* products.

Two are beet sugar-based products produced by Tereos in mainland France, while the other two products use brown sugar produced in Réunion Island. Combined with stevia extract, known for its power as a sweetener, consumers can use 50 g of product from the new Béghin Say Sucre & Stévia\* range to replace 100 g of conventional sugar. This development is helping the brand to target a younger market, boost its fresh and innovative image and add value to its portfolio.



\*With stevia extract



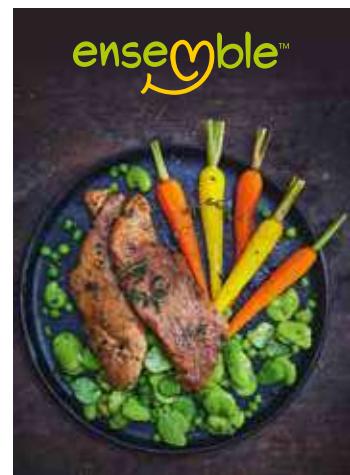
 ALL THE PRODUCTS IN THE RANGE  
COME IN A RECYCLABLE CARDBOARD  
CONTAINER. THEY ARE PART OF OUR  
COMMITMENT TO «GO GREEN», WITH FULLY  
RECYCLABLE PACKAGING BY 2025

Capucine Duchesne, Head of Group B2C Marketing

## MAKING THE MOST OF WHAT PLANT PROTEINS HAVE TO OFFER

Nearly half of European consumers have cut down their meat consumption over the past year (source: International vegetarian organisation ProVeg 2021). Tereos offers several solutions that cater to this trend.

Leveraging its expertise in adding value to agricultural raw materials, the Group has developed a range of plant proteins under the brand name *Ensemble™*, meaning 'together' and conveying the company's cooperative values. This range of tasty, ready-to-use recipes is made with five main ingredients (wheat, chickpeas, fibre, sunflower oil and vegetable stock) and serves the dual objective of «good for me, good for the planet». Available in original and chicken flavours, the range offers gourmet taste with a focus on nutritional benefits: the dishes are high in protein, a source of fibre and low in saturated fat and salt.



Find out about the range at [ensemble-foods.com](http://ensemble-foods.com)

# ACTING TOGETHER

FOR OUR COOPERATIVE MEMBERS, EMPLOYEES  
AND TERRITORIES

## A MODEL BASED ON TRANSPARENCY AND COLLABORATION

As shareholders, Tereos' cooperative members participate in the decisions that define their company's strategy. Governance is organised into business line committees (sugar beet, alfalfa, potatoes, animal feed), to inform cooperative members of Supervisory Board decisions and feedback insights from the field. This direct contact encourages appropriate decision-making in support of a common goal: to maximise the amount that members are paid for their agricultural production.

## BE A LOCAL INDUSTRIAL PLAYER

With key locations in rural areas, Tereos' plants are centres for employment and training for the surrounding populations. A total of around 4,000 men and women work for the cooperative in France alone. In parallel, the Group's input into the economy has indirect and knock-on benefits, thus contributing to local development.



**THERE IS A STRONG LOCAL ELEMENT TO THE COOPERATIVE MODEL OF TEREOS AND ITS 12,000 MEMBERS. OUR INDUSTRIAL PLANTS ARE GENUINE 'CAMPAIGN FACTORIES' FOR PROCESSING AGRICULTURAL RAW MATERIALS. THE PLANTS PROVIDE MEMBERS WITH SALES OPPORTUNITIES AND AN ESSENTIAL SOURCE OF INCOME, WHICH HELPS TO KEEP THE ADDED VALUE IN AND FOR THE LOCAL AREA. ▶**

Jean-Jacques Mennesson,  
Vice-Chairman of the Supervisory Board



## SAFETY, A PRIORITY MANAGERIAL PRACTICE FOR OUR PLANTS

Tereos aims to develop an effective safety culture where all employees are responsible for risk prevention and for upholding the behaviours to be adopted. Several strategies have been adopted to act on this priority: training our managers in safety governance, implementing continuous improvement through monthly reporting, arranging for audits of our plants by an external body or via cross-audits, and developing daily conversations around safety to promote the sharing of best practices.

During the past year, the Tereos teams have focused on controlling process risks, using a new Process Safety Incident (PSI) indicator to record all incidents occurring at the plant. Tereos also aims to reduce its overall accident frequency rate (LWC-FR) to 0.5 in 2029/30, from 2.8 in 2018.

## LAUNCH OF THE “DIVERSIFICA TEREOS” PROGRAMME IN BRAZIL

In 2021, Tereos Sugar & Energy Brazil launched its “Diversifica Tereos” programme, a range of initiatives to promote inclusion and diversity. The programme focuses firstly on the role of women in the company with the creation of a discussion group, *Women in Agrifood*, which aims to increase female representation and women’s career opportunities within the company. The subsidiary has set a specific target of 15% for the proportion of women in its workforce by 2029/30 (compared with 8% in 2020/21).

It will also fight discrimination, whether based on ethnicity, disability, age, or sexual orientation. In 2021/22, Tereos Sugar & Energy Brazil had 274 employees with disabilities, for example, compared with 111 in 2017.



# 40%

target

Tereos has set a target of 40% for the proportion of women in the Management Forum by 2030 (compared with 14% in 2022). This body was set up in June 2021 and consists of approximately 140 Group managers who are tasked with reporting on performance and sharing best practices and key managerial challenges. In broader terms, Tereos aims to increase the proportion of female employees and provides them with equal access to recruitment, training, and promotion.

# ACTING SUSTAINABLY

Tereos has been committed to making its agricultural, industrial, and commercial practices more sustainable since 2015. In particular, our cooperative has already certified 60% of its agricultural raw materials and 50% of the energy mix for its plants now comes from renewable sources. The cooperative plans to go even further in 2022 and is embarking on a sustainability plan called Sustain'2030. In response to environmental turmoil, new consumer expectations in terms of food and energy and the societal challenges of employment and diversity, Tereos can help by providing solutions.



1

## SUSTAINABLE AGRICULTURE

### OUR AMBITION

Combine environmentally friendly agricultural practices with the economic viability of our growers' farms.

### OUR 2030 GOALS

**90%**

of our agricultural raw materials will be rated or certified as sustainable (vs 60% in 2017).

2

## PROTECTION OF THE ENVIRONMENT

### OUR AMBITION

Conserve biodiversity and minimise our waste by making the most of our agricultural raw materials.

### OUR 2030 GOALS

**100%**

of our subsidiaries will have completed at least one project to protect biodiversity.

## Circular economy

Make the best possible use of raw materials.



# SUSTAIN' 2030

## 3

### POSITIVE INDUSTRY AND DECARBONISATION

#### OUR AMBITION

Optimise water and energy consumption in our plants and reduce our carbon footprint.

#### OUR 2030 GOALS

Reduce our CO2 emissions in Europe by **30%** (vs 2015)

Reduce our water consumption by **20%** (vs 2017)

## 4

### RESPONSIBLE, HEALTHY AND QUALITY NUTRITION

#### OUR AMBITION

Be a leading partner for our customers in nutritional reformulation. And develop educational programmes on the sensible consumption of sugar.

#### OUR 2030 GOALS

**70%** of our major customers will receive a reformulation offer, to improve the nutritional benefits for consumers

**100%**

of our B2C sugar brands will ensure that the general public is aware of sensible consumption.

## 5

### EMPLOYEES AND LOCAL DEVELOPMENT

#### OUR AMBITION

Protect the health and safety of our employees and partners. Promote diversity and equal opportunities and fight against discrimination. Make the regions in which we operate more attractive.

#### OUR 2030 GOALS

Lost-time accident frequency rate of **0.5** (down from 2.8 in 2018)

Proportion of women in the Tereos Management Forum to reach **40%** (compared with 14% in 2022)



# CAMPAIGN REPORTS

## 2021/22



# SUGAR BEET

## CAMPAIGN REPORT



**FRANCE** The agricultural result of the 2021/22 campaign is better than for the previous campaign, which was severely impacted by beet yellows virus. With a campaign lasting an average of 121 days, the harvest was around 16.5 million tonnes of sugar beets processed and a yield of 84 tonnes at 16 per hectare, slightly below the 5-year average. Sugar content was 17.3%, significantly down on the 5-year average.

The late freeze in April 2021, just after sowing, led to 17,500 hectares being resown with seed not treated with neonicotinoids, i.e. 8% of the surface area. Beet yellows impacted a total of 10% of this land.

In parallel with the weather conditions, non-compliant *Adama* weeding products affected more than 6,000 hectares, including 1,500 hectares that were completely destroyed by the use of the *Marquis* product. As a result, Tereos organised its means of production at Bucy-le-Long and Artenay so that all sugar beets treated with the defective Goltix Duo batches were used exclusively to produce ethanol for fuel and pulp for methane production, in compliance with the strictest health rules.

For the fourth consecutive year, the cooperative harvested 38,000 tonnes of organic sugar beets for processing into organic sugar and organic alcohol. Tereos



is the sole producer of sugar using crops from high environmental value-certified farms and produced 1,200 tonnes of HVE sugar during this campaign.

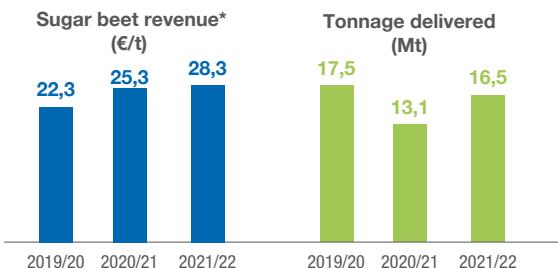
### GOOD INDUSTRIAL PERFORMANCE AND COSTS UNDER CONTROL

On average, the nine plants consistently processed 136,000 tonnes of beet slices per day. The start-of-campaign schedule was adjusted for each plant to take into account sugar beet growing conditions and Tereos' requirements for sugar production.

The price of energy, the largest cost item excluding raw materials, remains a pressure point in cost control. The way the industrial model is organised, and its adaptability have been tried and tested in optimising overall energy consumption. This is one of the first stages in the industrial plan for the new strategy adopted to improve the cooperative's performance.

In similar fashion, the cooperative has continued to enhance its transport action plan, focusing in particular on safety and on reducing impacts on local residents. This field work is being carried out in close collaboration with cooperative members, employees, carriers, communities, and the authorities.

**136,000 T  
OF BEET SLICES PROCESSED  
EVERY DAY BY OUR NINE  
SUGAR FACTORIES**



\* Not including price complement

## CZECH REPUBLIC

The Dobrovíce and České Meziříčí sugar plants processed more than 3.1 million tonnes of beet, harvested from 38,999 hectares (up +5.6%), during a 130-day campaign.



On the agricultural front, the start of the campaign was marked by a cold spring. This caused a 14-day delay in sugar beet development, which was then offset by good weather conditions. Thanks to the new cercospora fungus monitoring project, far fewer sugar beets were affected by the disease than in the previous year.

The average yield rose to 80 tonnes of sugar beets at 16 per hectare (compared with 64 tonnes at 16 in 2020/21); 30 sugar beet growers out of 606 also exceeded the threshold of 100 tonnes per hectare. 348,000 tonnes of sugar were produced, the equivalent of total consumption in the Czech Republic, as well as 49,000 m<sup>3</sup> of alcohol, obtained from diffusion juice.



# POTATO CAMPAIGN REPORT



The campaign lasted 182 days at the Haussimont potato starch plant, with very high quality potatoes - low soil tare (8% on average) and high starch content (21% on average). This makes things easier for the teams at the starch plant and provides increased stability compared with the last campaign.

The 404,320 tonnes of potatoes from our 530 cooperative members were processed to produce 82,561 tonnes of potato starch, 3,782 tonnes of proteins, 32,000 tonnes of pulp and 19,200 tonnes of protamylasse. Thanks to the stability of operations at the plant and some production line optimisations, the site achieved an average production rate of 2,240 tonnes of potatoes processed per day.

Haussimont reduced its energy consumption by 6% compared with the previous campaign and finalised its plan to reduce dust emissions on the protein dryer (an investment of €700,000 over 2 years). The success of this project has allowed the plant to get below the regulatory threshold of 10 mg/Nm<sup>3</sup> by replacing cyclone filters with a bag filter.

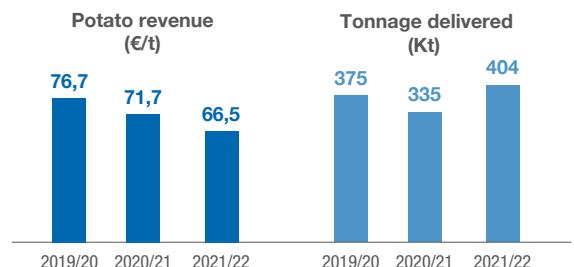


Between campaigns, the teams focused on safety. Their work included making chemical product networks secure and the maintenance of existing facilities, with repairs to graters and centrifuge bowls. The objective is to start the 2022/23 campaign under optimum conditions and get up to speed quickly.

## RECONNECTING WITH A PRODUCTION PROCESS

During the last campaign, the Haussimont potato starch plant produced more than 2,000 tonnes of acetylated potato starch over two four-day periods. Acetylated potato starch is used in making Chinese noodles and presents an opportunity for the Asian market. It had not been produced at the plant for three years, making it a challenge for the teams who had to collectively re-learn how to handle the process.

**404,320 T**  
OF POTATOES AT 17%,  
PROCESSED TO PRODUCE  
POTATO STARCH, PROTEINS,  
PULP AND PROTAMYLASSE.



# ALFALFA

## CAMPAIGN REPORT



A total of 740 Tereos cooperative members planted 10,700 hectares in 2021, a stable surface area compared with previous years. Alfalfa is a protein-rich crop used primarily as a raw material in animal feed.

The 185-day campaign ended on 29 October 2021, with an average yield of 11.9 tonnes of dry matter per hectare. This was slightly higher than in 2020 (11.5 tonnes) but remains below the 5-year average of 12.7 tonnes. After three years of dry weather, the 2021 campaign saw significant rainfall that was beneficial for plant growth, but cooler temperatures affected yields.

Despite these weather conditions, which extended the harvesting period, dry matter content of 41% was achieved across the entire campaign by controlling pre-wilting in the field. This figure is in line with the 5-year average.

Plant performance remained in line with our objectives despite a few fluctuations in production. Over the four harvests, Tereos sites produced 134,500 tonnes of pellets and 2,880 tonnes of concentrated alfalfa extract.

Under the France Relance recovery plan, the Pleurs plant embarked on its energy transition by installing a biomass injector and exceeded its initial objectives. A total of 40% of the plant's fossil fuel consumption has been replaced by wood chip, reducing CO<sub>2</sub> emissions by 7,400 tonnes. The cooperative now intends to go further with a second investment to proceed with the energy transition at its Allemanche plant.



### ALFALFA AS A MEANS OF PROMOTING BIODIVERSITY

The Apiluz project initiated by Symbiose, a charity supporting biodiversity in France's Grand Est region, consists of developing food resources for pollinators and improving the health of bees through alfalfa. The project highlighted the commitment of Tereos' cooperative members to biodiversity. More than 1,890 km of fallow strips were created right across the region. Our cooperative's efforts on the project amounted to an equivalent of 80 hectares and helped to address a period of bee scarcity. The initiative is being repeated in 2022.

DRY MATTER  
CONTENT  
OVER THE  
CAMPAIGN:

41%

Alfalfa revenue  
(€/t)

86,1

73,2

75

2019

2020

2021

Tonnage delivered  
(Kt)

142

117

140

2019

2020

2021

# CEREAL

## CAMPAIGN REPORT



### EUROPE

Tereos Starch & Sweeteners Europe processes wheat and corn into starch, sweeteners, grain alcohol and ethanol. Tereos' six starch plants processed more than 3.37 million tonnes of cereals; an increase compared with the previous campaign.

Wheat with low starch content was a feature of 2021/22, with the quality of this wheat being detrimental to our processing methods. Prompt coordinated action by the R&D teams together with the process and plant teams helped to contain the impacts.

The Aalst, Marckolsheim and Zaragoza plants significantly improved their production record. The Haussimont and Nesle plants re-established or maintained a good level of reliability. The Lillebonne starch facility, meanwhile, improved its safety performance. The performance of all plants was therefore satisfactory in terms of improvements in safety and environmental indicators, quality indicators, volumes, and yields.

Tereos Starch & Sweeteners Europe improved its industrial competitiveness while keeping fixed costs under control. The impact of the increase in energy prices was limited by reduced consumption in specific areas as a result of targeted investments. Electricity price volatility was also cooled by the roll-out of cogeneration systems across the entire subsidiary.

Overall, demand remained steady throughout the year and starch activity returned to acceptable margin levels in the second half of the financial year.



### BRAZIL

Despite the strong appreciation in the Brazilian real against the US dollar, the drought during the 2021/22 campaign and the impact of the Russian-Ukrainian conflict on fertiliser prices kept the price of corn high, at BRL 93/60 kg in March 2022 (versus BRL 94/60 kg in March 2021). For cassava, the reduction of around 50% in the area sown to this crop over the last two years also led to a sharp upturn in prices, which reached BRL 768 per tonne in March 2022 (compared with BRL 392 in March 2021).

The Palmital starch facility processed approximately 188,000 tonnes of corn during the last campaign (152,000 tonnes the previous year) and 55,000 tonnes of cassava (versus 54,000 tonnes). The plant obtained ISO 9001 certification for the first time, for its management of quality and customer satisfaction.

In addition, the subsidiary achieved an index score of 82 points in the latest climate survey and renewed its Great Place to Work certification.

**3,97  
MILLION  
TONNES  
OF CEREALS  
WERE CRUSHED  
IN 2021/22**

### INDONESIA

The Tereos de Cilegon starch facility continued to reap the benefit of investments in capacity, processing more than 410,000 tonnes of corn (up 8% compared with 2020). The plant is also working on reducing its energy consumption per tonne and its adoption of safety best practices is reflected in a 5-point reduction in the accident frequency rate.

# SUGAR CANE

## CAMPAIGN REPORT



### BRAZIL

The seven Tereos plants in Brazil processed 15.6 million tonnes of sugar cane, a fall of 20% compared with the average of the last five harvests. This campaign was mainly affected by adverse weather conditions in the southern central region where Tereos operates.

Tereos Sugar & Energy Brazil ended the 2021 campaign early due to unusual weather patterns associated with the worst drought of the last hundred years and widespread frosts. On the agricultural front, yields reached 9 tonnes of sugar per year. The challenging agronomic conditions led to a 20% drop in the harvest compared with the previous five years.

The impact of lower volumes was reflected in production, with 1.4 million tonnes of cane sugar and 531 million litres of ethanol produced. The subsidiary sold more than 1.34 GWh of electricity from biological sources resulting from cogeneration and trading.

At the same time, Tereos Sugar & Energy Brazil certified its production of electricity from biological sources for the issue of international renewable energy credits (I-REC). Lastly, the alcohol production at the Tanabi plant was awarded Tereos' first CARB (California Air Resources Board) certification, for the export of its output to California in the United States.



### REUNION ISLAND

After an historical drought in 2020, the 2021 campaign in Reunion Island continued to feel the effects of a significant water deficit, inconvenient rainfall events and high temperatures overall. The lack of water seen in the first half of 2021, during the cane growth period, and rainfall events during the dry season had a dual impact: tonnage was low, with 1,553,630 tonnes received, and sugar content was down (its development was impacted by rains and high temperatures in the third quarter during the dry season).

Despite these circumstances, the sugar factories managed to maximise sugar production, producing nearly 160,000 tonnes of sugar.

**1,77  
MILLION**  
TONNES  
OF CANE  
SUGAR  
PRODUCED

### TANZANIA

The TPC sugar factory owned jointly with Alteo reported a slight upturn in the sugar campaign, with more than one million tonnes of cane crushed and 103,548 tonnes of sugar produced.

### KENYA

The Transmara sugar factory, operated in partnership with Alteo, recorded a sharp increase in the sugar campaign: 987,494 tonnes of sugar were crushed, resulting in production of 102,230 tonnes of sugar.

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