LDC.
Louis Dreyfus Company

Embracing Transformation in a Changing World

Integrated Report 2023

About This Report

Having reported annually on its sustainability roadmap and efforts since 2012, this year Louis Dreyfus Company publishes for the first time an Integrated Report for the year ending December 31, 2023.

This new report combines our annual financial and sustainability reports into a single publication, to provide an integrated view of business activities and performance, and environmental, social and governance (ESG) targets and progress – Group-wide and in specific business lines.

ESG Reporting Framework

Our 2023 Integrated Report references *Global Reporting Initiative* (GRI) Standards, which are the most widely used sustainability reporting standards globally. A mapping of our disclosures against these standards can be found here.

As we continue to help advance the *United Nations* Sustainable Development Goals (SDGs), this year we identified specific targets relating to identified SDGs and have reported on our progress against these in the Appendix of this report.

We welcome any feedback on our reporting via our website contact form.


INDONESIA

Embracing Transformation in a Changing World

Year in Review


LDC.
Louis Dreyfus Company

Message From Our Chairperson

From the first consignment of grain delivered to Switzerland by our founder in 1851, LDC has been on a mission to deliver the right product to the right place, at the right time – safely, reliably and responsibly. Over more than 170 years, our family business has transformed, but that mission remains the same, guided by a shared purpose to create fair and sustainable value for the benefit of current and future generations.

Indeed, our business has grown in scale and complexity, and so have the challenges we face. In 2023, persistent supply chain disruptions and ongoing geopolitical tensions contributed to an uncertain global trade environment, compounded by increasingly urgent climate-related challenges – not only for agricultural production, but for society at large.

In this context, we have continued to fulfill our mission, successfully keeping essential food, feed, fiber and ingredient supply chains moving, while pursuing our sustainability commitments.

The case for accelerated efforts toward more sustainable food and agricultural production has never been more compelling and, recognizing the key role of global agricultural merchants like LDC in that journey, I am pleased with the strides we are making on LDC's sustainability journey, thanks to our teams across the Group.

In 2023, we took steps to accelerate LDC's decarbonization trajectory, setting an emissions reduction target, linking our financing model with this and other environmental performance indicators, and taking action across our global operations to advance toward our goal. We also advanced on our trajectory to drive more sustainable land use in our supply chains, reinforcing our governance frameworks and investing to drive greater traceability across our product lines, as a basis for responsible sourcing decisions.

Importantly for both decarbonization and more sustainable land use, we also continued to act at the heart of the food and agricultural chain: in the field, with farmers. Recognizing that our impact is greater when we work in collaboration with others, we continued to work with the *Louis Dreyfus Foundation* and a range of other partners in 2023 – suppliers, peers, governments, NGOs and other stakeholders – to support farmers in adopting more sustainable and regenerative agricultural practices as a path to long-term resilience, for themselves, their communities, and the ecosystems we all rely on.

In a world with an exponential pace of innovation, maintaining the agility to embrace and adapt to change is also an essential ingredient for lasting success. Innovation is not a new concept at LDC – we have adapted, updated and transformed continually since our first steps in 1851, driven by the entrepreneurial spirit of our founder, Léopold Louis-Dreyfus. This spirit, and likewise the company culture we have forged over generations, has been the backbone of our achievements to date – and I am convinced it must also be a foundation for our future success.

That culture is nurtured and honed by each person that is part of the global team at LDC, and I am extremely grateful to each of them for their commitment and efforts – around the world and around the year – to actively champion the values that underpin it: the courage to be entrepreneurial, embracing new ideas, technologies and solutions; the ability to forge lasting relationships with all our stakeholders, built on trust; the determination to strive for excellence in everything we do, maximizing value creation and positive impacts, for ourselves and the people and communities we touch worldwide; and the will to work together, as one global team, for a fair and sustainable future.

I take this opportunity to thank all our teams again for their passion and consummate professionalism in 2023, counting on them to continue pulling together as we move forward, and to thank all our partners and stakeholders for their continued collaboration with LDC, in our work to shape a resilient future for food and agricultural production, and provide sustenance for a growing global population.

Margarita Louis-Dreyfus
Chairperson

Message From Our CEO

2023 continued to present a complex commercial environment, marked by accelerating climate challenges and ongoing geopolitical tensions that continued to affect trade flows and fuel macroeconomic uncertainty, compounded by tightened monetary policy, as central banks sought to curb inflation. In this context, we continued to deliver a robust business performance, advance our strategic growth plans and make headway in our journey to shape more sustainable food and agricultural value chains.

Although market volatility decreased compared to the previous year, uncertainty over crop size prospects, geopolitical tensions and protectionist trade policies, as well as significant currency fluctuations, continued to disrupt markets and trade flows.

Successfully navigating this complex environment thanks to our global network, market insight and risk management capabilities, as well as an ongoing drive for cost and operational efficiency, LDC continued to fulfill its role to keep essential food and agricultural supply chains moving, delivering reliably for our customers worldwide and achieving solid results for 2023.

Net sales amounted to US$50.6 billion, Segment Operating Results were stable year on year at just over US$2.6 billion, with positive contributions from both business segments, and EBITDA exceeded US$2.2 billion. Meanwhile, capital expenditure increased to US$636 million in 2023, reflecting our continued pursuit of LDC's strategic growth plans.

Growth Plans in Motion

We continued to reinforce our core merchandizing activities with actions to establish new flows – for example, becoming the first company to export bulk lime not-from-concentrate (NFC) and frozen concentrate juices from Brazil to Europe and the US, and facilitating South Africa's first-ever bulk soybeans exports to China. We also reinforced our presence and operational capacity in existing markets: we completed the acquisition of a sugar export terminal in Brazil and expanded ethanol operations in the country, grew our presence in Australian cotton through a joint venture agreement to provide gin management services, added Grains & Oilseeds processing capacity at our Zhangjiagang and Fuling Food Industrial Park facilities in China, broke ground on the expansion of our canola processing complex in Canada, and announced the construction of a new soy processing plant in the US.

In 2023, we also invested in facilities and activities supporting our expansion further downstream and revenue stream diversification. We inaugurated a joint venture freeze-dried instant coffee plant in Vietnam, announced the expansion of our complex in Lampung, Indonesia to add glycerin refining activities, and launched bottled juices for distribution under a third-party brand in China, showcased at the 2023

China International Import Expo alongside our growing cooking oil range, specialty feed proteins, plant-based ingredients and other innovative products.

And indeed, innovation being a key driver of competitiveness and sustainability, in 2023 we also formed a central Innovation team to drive focused innovation across the Group for maximum impact and transversal value. Supporting the growth trajectory of our newest Food & Feed Solutions Platform by addressing evolving customer trends and expectations, we also opened a state-of-the-art R&D center in Shanghai, China, where a team of experts leverage cutting-edge technology to develop safe, sustainable and nutritious plant-based protein products and ingredients.

The new center works in parallel to our existing R&D center in California, US, which filed several patents for next-generation, high-quality, non-GMO protein isolates in 2023, as part of an expanding Plant Proteins business portfolio, with planned investments in production at scale in Canada, announced at the start of this year.

In a rapidly evolving technology landscape, our digitalization journey is also well underway toward a more connected and responsive LDC, to better support our teams and customers alike by driving operational efficiency, supply chain traceability and data-driven business decisions.

Stand for Sustainability

Sustainability being an integral part of our company DNA and recognizing the increasing urgency to address global climate challenges collaboratively, in 2023 we continued to make important progress in our sustainability roadmap – in specific business lines, as outlined in our responsible business section, and also Group-wide.

Working from the materiality assessment undertaken in 2022, our newly deployed executive-level Sustainability Committee oversaw the definition of our sustainability strategy, as well as the launch of our Human & Labor Rights framework and global Supplier Code of Conduct, as part of efforts to further reinforce our sustainability governance framework.

Building on baselining work during the previous year, our Carbon Solutions team delivered a detailed climate transition plan to set LDC on a deep decarbonization path, leading to our near-term target to reduce Scope 1 and 2 emissions by 2030, announced in March 2023, and the calculation of LDC's global Scope 3 emissions footprint relative to our 2022 baseline year.

In addition to driving operational efficiencies, and thereby contributing to ongoing cost optimization efforts, our substantial capital expenditure in asset improvement and industrial automation initiatives also led to water usage and emissions reductions across our facilities and processes.

We also established a dedicated global team to define and drive the development of our regenerative agriculture strategy at scale, building up to an important collaboration with *The Nature Conservancy* announced in January 2024, as a lever in the pursuit of our zero-deforestation and conversion commitment. Equally, we accelerated efforts to drive supply chain traceability, as a basis for responsible sourcing decisions and in readiness for compliance with new deforestation-related regulations.

In this sense, we also continued to engage with, support and incentivize tens of thousands of farmers globally to adopt sustainable agricultural practices as a path toward improved livelihoods, while conserving natural ecosystems, soils and biodiversity for the long term.

Finally, the safety and well-being of our people remains a top priority for LDC, and 2023 saw record investments in risk-mitigation measures and awareness campaigns, a significant portion of which geared toward improving process safety, to protect our teams everywhere.

Looking Ahead

As governments, consumers, partners and other stakeholders increasingly prioritize sustainable practices in their choices and actions, the long-term success, growth and resilience of our business is inextricably linked to our ability to carry out our business in a way that ensures fair and sustainable outcomes across value chains.

Our sustainability efforts outlined above, and the many others detailed in this report, are therefore not just important in their own right, but crucial enablers of business longevity – and looking ahead, I am convinced that LDC's enduring commitment to growing our business through fair and sustainable value creation will position us for success in the future.

I would like to take this opportunity to thank all our teams for their continual efforts to live up to this commitment each day, and for the hard work and dedication that contributed to LDC's successful delivery in 2023. I am confident that if we remain focused on the pursuit of our ambitious and transformative plans, while staying true to our convictions, we will continue to deliver successfully in 2024 and beyond – for and with our customers and many business partners around the world, whose enduring trust and support we are very grateful for.

Michael Gelchie
Chief Executive Officer

LDC at a Glance

As a leading global merchant and processor of agricultural goods, we rely on our expertise and global network to source, transform and transport approximately 80 million tons of products for customers and consumers around the world, every year.

We develop sustainable solutions to bring agricultural goods from where they are grown to where they are needed. This involves a complex chain in which our people and partners play a vital role, ensuring a smooth journey for our products and adding value along the way.

Originate & Produce

Sharing our expertise with farmers and producers throughout our global origination network.

Process & Refine

Processing and refining the finest quality agricultural materials.

Store & Transport

Efficiently managing logistics across the value chain.

Research & Merchandize

Leveraging our market knowledge to ensure reliable and responsive supply.

Customize & Distribute

Tailoring and delivering products to a range of customers, from multinationals to local enterprises and final consumers.

Business Lines:

- Coffee
- Cotton
- Food & Feed Solutions
- Grains & Oilseeds
- Juice
- Plant Proteins
- Rice
- Sugar

Facilities:

- Office
- Processing asset
- Logistic asset – storage
- Logistic asset – transport
- Farming
- R&D center
- Under construction
- X Tolling agreement, off-take contract, minority stake, land lease, facility lease

~18,000 employees

Operating across 6 regions

Active in +100 countries

~80m tons of products shipped annually

Business Performance & Value Creation


INDONESIA
LDC

How We Create Value

At LDC, we are guided by a shared purpose to create fair and sustainable value for the benefit of current and future generations. But what do we mean by 'fair and sustainable value', and how do we create it?

We embrace the role society expects us to fulfill: sourcing, transforming and delivering agricultural goods across the world – safely, reliably and responsibly.

Since 1851, LDC has contributed to the global effort of providing sustenance for a growing population. As a leading global merchant and processor of agricultural goods, we supply more than 500 million people each year with high-quality food, feed, fibers and ingredients, responsibly sourced, transformed and delivered from around the world. Benefitting from our global reach and extensive asset network, our increasingly diversified portfolio covers the entire agriculture and food value chain, from farm to fork.

At LDC, we believe that we also have a duty to act as a catalyst for a better future of food and agricultural production and distribution systems. There has never been a greater need for our sector to reduce the environmental impact of its activities and embrace innovative solutions to secure the future of food. For this reason, we leverage our market-leading position to promote sustainable practices across our value chains, actively partnering with like-minded peers, business partners and other stakeholders.

We are transforming our business to become an integrated food, feed, fiber and ingredients company.

Our rich entrepreneurial heritage and agile mindset help us to continually evolve as a company, readily embracing new business opportunities, and investing in innovations and technologies with the potential to transform our activities and industry.

As the context we operate in evolve, we are building on the agribusiness expertise we have gained over more than 170 years to move beyond the traditional merchandizing of agricultural commodities. Through greater vertical integration within our business lines, we aim to diversify our activities into more value-added product lines and help secure seamless, traceable and responsible supply chains from farmers to end-consumers.

We are committed to sustainable business practices in everything we do, as part of our company DNA.

Our increasingly integrated business model further reinforces our position to champion responsible and innovative production practices that help future-proof food and agricultural systems, by addressing environmental, social and governance (ESG) issues in our value chains, and encouraging our business partners to do the same.

Fundamental to the way we do business, our ESG ambitions are integral to our core business strategies and operations, and guide investment decisions and strategies that shape our growth as a company. We also contribute to the *United Nations'* Sustainable Development Goals and advocate for all the goals without exception, and our reporting ambitions are guided by *Global Reporting Initiative* standards as we strive to measure and drive progress in critical areas.

We abide by a common set of principles and convictions that underpin all our activities.

LDC is highly proactive in ensuring that employees and partners alike understand there is only one way to conduct business: ethically. As a global leader in our industry, we believe that our success and reputation as a trusted partner depend absolutely on ethical business conduct.

This approach is enshrined in both our Group Code of Conduct and other Group-wide and platform-specific policies and codes, which set high standards for sustainable practices and serve as a frame to ensure that we do business with suppliers, customers and other partners who share the same values.

We put our stakeholders at the center of all our decision-making.

At LDC, we believe collaboration amplifies our collective impact. Recognizing that we cannot do everything alone, we engage with a broad range of value chain stakeholders in seeking shared solutions to common challenges, for the benefit of all stakeholders. We strive to build mutually beneficial partnerships with the farming communities connected with our activities, co-developing programs and initiatives that address community needs while conserving the natural resources and ecosystems that we all depend on. We also continually collaborate with customers, industry peers, NGOs, governments, the financial community and other partners, on a variety of country- or product-specific projects promoting fair and sustainable food and agricultural production.

We work continually to ensure our people are safe, engaged and empowered.

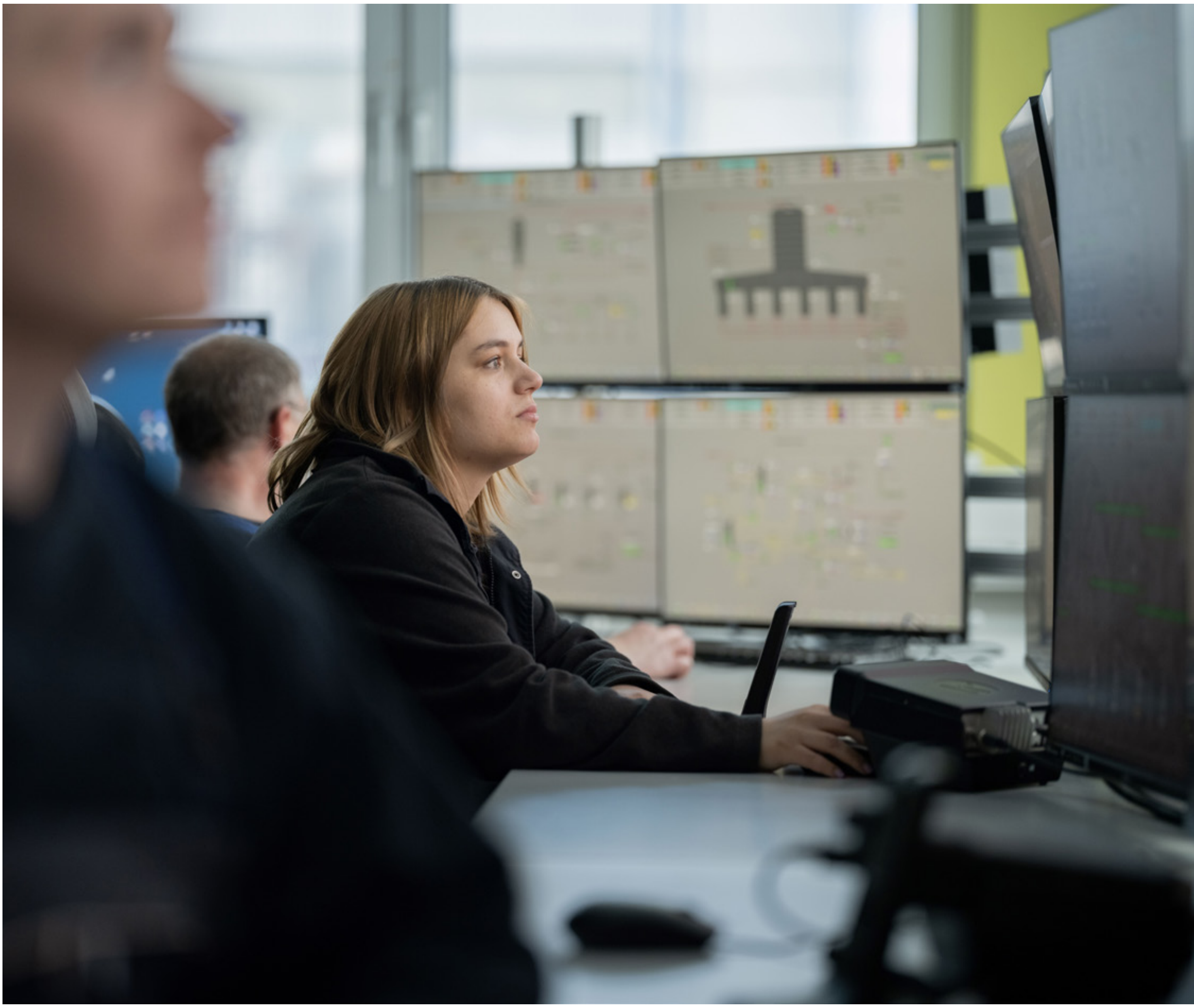
Our people are LDC's most important asset and best ambassadors, and we are committed to protecting and investing in each and every one of them.

Wherever we operate, we strive to create a zero-accident and healthy workplace, while promoting an inclusive work environment that respects diversity in all its forms, welcoming all ideas and perspectives in every aspect of our activities, recognizing the importance of innovation and entrepreneurship to address challenges and drive value creation. We also invest in the well-being and professional development of our employees, to help them reach their full potential and become effective agents of positive change, encouraging them to engage in activities supporting the welfare of their communities.

We continuously measure our progress, reporting in an integrated and transparent way.

Each year, LDC has published an annual report, including our financial statements and a compendium of strategic progress and business performance, as well as a sustainability report. As part of our commitment to transparent reporting to our stakeholders, going forward our annual Integrated Reports will combine the elements that comprised our previous annual and sustainability reports, including LDC's strategic, business and financial performance, as well as progress and efforts pertaining to ESG matters, referencing GRI standards.

Digitalization



LDC's digital transformation journey is a strategic lever and enabler of sustainability, agility and growth for the future.

Our ambition is to harness digitalization for business connectivity, sustainability, agility, scale and intelligence, in support of our commercial and operational efficiency goals, and ensuring LDC's responsiveness in a fast-changing context.

Our four digitalization strategies are designed to advance our trajectory in this sense.

Operate Traceable & Efficient Value Chains

Supporting our commitment to shaping increasingly traceable, agile and efficient supply chains, with seamless data flows from the farmer to the customer, we aim to continually drive productivity improvements through process re-engineering, automation and best-in-class shared business services.

In 2023, working with industry peers as well as other companies and organizations across the food and agriculture supply chain, we helped launch a new online platform called *TRACT*, enabling users to compare metrics and methodologies across multiple product categories all in one place, for the first time.

We also continued the deployment of *Siemens Insights Hub®* to optimize energy consumption in LDC's industrial assets, and launched this cloud-based IoT platform in nine additional plants.

Augment Our Workforce

Digitalization has the potential to equip our workforce to address daily business challenges, including with AI- and automation-driven insights that support strategic decision-making and operational excellence. In 2023, we launched our commercial analytics data lake, which is fed from multiple internal and external systems, with dashboards of different levels of maturity that cover over 90% of LDC's geographic regions and commercial platforms.

We piloted LDC's Assistant GPT, resulting in 75% of users saving up to four hours per week, ahead of deploying *Microsoft's Copilot* across the company. We leveraged multiple automation techniques including Robotic Process Automation (RPA) to redeploy effort to new activities, increase productivity or improve operational excellence, such as automating inbound and outbound inventory in China, scheduling cargo deliveries in Brazil, or processing invoices.

Deploy Agile Trading & Execution Platforms

Our front office modernization program is an enabler to advance digital sales interactions and react quickly to changing business conditions or innovations. The changes we are introducing aim to deliver seamless interaction with clients through their channel of choice, while providing them with market knowledge and insights.

In 2023, we implemented an online trading platform with *Fidessa* that enables automation in trading execution and sophisticated algorithmic trading, rolling out the platform for 96% of the target trading teams, with completion to follow in 2024.

Enable Innovation Through Architecture

Enterprise architecture is one of the key enablers of scalable innovation and rapid prototyping. Integrated platforms enable the business to make intelligent decisions based on rich, global data, and improve insights to anticipate and/or respond to new developments, such as new acquisitions or changing business models.

In 2023, we migrated 100% of our global data-centers to *Microsoft Azure*. We also piloted innovation platform *Yumana* with our coffee teams in South & Southeast Asia, supporting ideation and collaboration within and among teams, and ultimately more rapid adaptation to changing circumstances.

Within four months of going live the project had gathered almost 60 ideas from LDC employees, which were screened and whittled down to six winning concepts for further development, such as upcycling waste, new uses for by-products, and even a car pool bot. The project is now due to roll out across seven more teams in 2024.

Industrial Excellence

At LDC, our longstanding and ongoing commitment to industrial excellence allows us to deliver goods and services safely, reliably and responsibly to our customers around the world.

In 2023, we allocated over US$20 million of capital expenditure to improvement initiatives seeking to drive energy efficiency and reduce waste and emissions across LDC's industrial facilities and processes.

Operational Efficiency

As part of our drive for continuous improvement, we replaced motors, steam traps and air compressors for higher efficiency equipment; made insulation and condensate recovery improvements to save energy; installed variable frequency drives, LED lighting, and new steam and power measurement devices in many of our assets. Some examples include:

- Heat pump projects at Wittenberg in Germany, and Zhangjiagang and Tianjin in China, which will be fully operational by early 2025.
- Upgraded pumps and drags at our canola processing plant in Yorkton, Saskatchewan, Canada, eliminating bottlenecks toward new crush records.
- Pinch analyses with *CoolPlanet* at our processing plants in Wittenberg and Claypool, Indiana, US, identifying many opportunities to reduce energy and water consumption, for which projects are underway.
- Introduction of wet scrubber systems at our General Lagos and Timbúes agro-industrial complexes in Argentina, with an attendant steam reduction of 6 kg/MT at each facility. The installation of a pre-condenser at General Lagos also improved stripper efficiency, which drove a further steam reduction of 3 kg/MT at the site.
- Installation of grid purification equipment at Zhangjiagang, Tianjin and Dongguan facilities in China, with an estimated 2% reduction in electricity consumption.
- Replacement of hammer mills with roller mills at General Lagos, as well as Ponta Grossa, Paraná State, Brazil, for more efficient meal grinding.
- Evolution of the monitoring and operation control room in Rosario, Argentina to the second generation. Aggregating over 100 global sites and including new process safety, operational KPIs and efficiency parameter monitoring are part of the new capabilities, beyond security and surveillance.

Industry 4.0

We continued to embrace the digital transformation of our industrial operations and adopt technology enabling real-time decision making, enhanced productivity, flexibility and agility. Highlights include:

- Implementation of *Siemens Insights Hub®* at nine of our facilities across Brazil, China, Germany, Indonesia and US, with a further 16 earmarked for incorporation in 2024, improving data management and analytics.
- At Claypool, Ponta Grossa and Wittenberg, we deployed industrial wi-fi to combat areas with weak signal coverage or sources of interference, and began to enhance wi-fi coverage at our Yorkton facility.
- Virtual tours using *RealWear* devices carried out at Yorkton, Zhangjiagang, Wittenberg, Lampung and Claypool, to analyze process safety and operational improvements with remote experts, enabling real time support to any site from a remote expert, saving time on operational issue resolution, such as maintenance, quality control and safety.
- Introduction of technology packages enabling wireless monitoring of critical parameters, such as vibration and temperature, for mechanical equipment at key assets.

Automation

In 2023, we continued to put automation at the service of safety, productivity and quality in our operations, with actions including:

- Implementation of a safety programmable logic controller (PLC) in our extraction operations at Claypool, General Lagos and Fuling Food Industrial Park, China, with Yorkton to follow, as well as our biodiesel operations, with deployment scheduled for five assets in 2024. The PLC adds a safety protection layer to our industrial processes, reading signals from Critical Safety Devices and triggering safety actions, like plant shutdown or others.
- Deployment of model predictive control (MPC) to minimize steam production at our plants in Timbúes and Claypool.
- Introduction of real-time optimization (RTO) boiler control at our facility in Alto Araguaia, Mato Grosso State, Brazil.
- Installation of a new boiler at our Claypool facility, with full cross-limiting functions to prevent combustion imbalance.

Innovation

In a rapidly changing context, LDC strives to foster a company-wide culture of innovation to seek out new ideas, technologies and solutions with the potential to disrupt our industry and complement our activities, while pushing the boundaries of what is possible within our value chains.

To accelerate LDC's innovation trajectory, in 2023 we formed a central Innovation team with a mandate to drive the development of new and existing innovative solutions that have the potential to reinforce or complement our core capabilities, and differentiate our products.

The team is charged with driving a focused innovation culture across LDC in line with the Group's strategic priorities, by aligning skills and resources to innovation goals, supported by robust governance and processes to ensure innovation efforts support LDC's broader transformation journey.

Investing in the Future of Food

In 2023, we continued to invest in research and development (R&D) as part of our commitment to help shape a more sustainable future of food. In August, we opened a new state-of-the-art global R&D center in the heart of Shanghai, China, with a mandate to support the growth of our new Food & Feed Solutions Platform, by developing innovative products and solutions with potential to help meet growing global demand for nutritious and sustainably produced food, feed and ingredients.

Working in the facility's seven ultra-modern laboratories, our skilled team of local experts leverage cutting-edge technology and techniques spanning biotechnology, enzymology, microbiology and fermentation, to enhance the nutritional potential of our products.

Meanwhile, our R&D facility in California, US, opened in 2022 to support LDC's new Plant Proteins business, made significant strides in 2023, filing several patents as part of a steadily growing portfolio of high-quality protein ingredients, expanding from existing non-GMO pea and soy protein isolates with multiple product and application solutions.

Collaboration for Transparency

A broad spectrum of companies and industries – including food, beverages, pharmaceuticals, cosmetics and others – are under growing legislative and public pressure to provide supply chain information, demonstrating that their products are responsibly sourced and/or produced.

As part of our efforts to shape increasingly traceable supply chains, October 2023 saw the launch of *TRACT*, a new online platform enabling users to compare metrics and methodologies across multiple product categories all in one place, for the first time.

The new platform was jointly developed and launched by LDC and fellow founders *ADM*, *Cargill* and *Olam*, and over 30 other companies and non-profit organizations across the food and agriculture supply chain. *TRACT* is now established as an independent company. Initially focused on coffee and palm oil, *TRACT* will also introduce EU Deforestation Regulation (EUDR) capability in 2024, gradually broadening its reach and impact with the onboarding of additional suppliers and buying companies, expansion to other product categories and coverage of additional sustainability areas.

Accelerating Startups

Our corporate venture capital program, Louis Dreyfus Company Ventures, continued to invest in early-stage companies developing innovative and sustainable products, technologies and solutions, while acting as a bridge between startups and LDC's business lines. The program's investments in 2023 include: *EarthOptics* – a soil data measurement and mapping company; *Natural Fiber Welding* – a company that creates durable, all-natural alternatives to animal or petrochemical-based materials; and *Omnivore* – a venture capital fund supporting startups in India to develop breakthrough technologies for agriculture, food, climate and the rural economy.

Louis Dreyfus Company Ventures also invested in *bound4blue*, a company that develops automated wind-assisted propulsion systems for maritime transport, including a pioneering suction sail system (eSAIL®) that reduces vessel fuel consumption and emissions, contributing to a more sustainable maritime industry overall.

Subsequently, LDC signed an agreement in December to install several of these sails aboard one of its vessels dedicated to juice transportation. LDC also continued to work with several accelerators to support the next generation of innovators, including the *GLOCAL* Game Changers LatAm Series 2023 and the *MassChallenge Switzerland* 2023 Startup Accelerator Program, as part of which we also jointly launched our inaugural 'LDC Climate Resilience Prize' to empower the originators of transformative ideas with the potential to drive climate resilience in food and agriculture value chains.

The 2023 winner of this non-dilutive cash award of US$120,000 (CHF100,000) was *SeaStock*, an Australian startup that creates global marine science solutions to produce and extract compounds derived from seaweed and algae, for use in the agriculture, cosmetic and pharmaceutical industries, showing great potential to scale quickly, cutting emissions in the short and medium term and driving climate resilience across several value chains.

Risk Management

Geopolitical tensions and adverse and volatile weather events contributed to disruptions in commodity supply chains, while a tightening monetary policy in response to inflation influenced commodity trading in 2023.

The global economy continued to struggle with inflationary pressures throughout 2023, with central banks, including the *US Federal Reserve* and *European Central Bank*, tightening monetary policy. Meanwhile, general macroeconomic uncertainty, coupled with political and sovereign risks, meant economies that rely on food imports faced difficulties in accessing US Dollars for commodity imports. And although counterparty risk at origin declined, the risk increased at destination as prices for key commodities traded by LDC began to decrease.

In this context, the Group maintained an agile and diversified approach to country risk and asset hedges, leveraging the expertise of its Global Markets Platform.

While value-at-risk (VaR) is only one of the risk metrics within LDC's wider risk management system, the Group closely monitors its daily development at different levels. In 2023, VaR deployment remained steady and low as a proportion of overall limits – kept below 1% of its equity, with an average VaR usage of 0.26% of equity during the year ended December 31, 2023 – while both diversification and concentration remained healthy throughout the year.

Amid increasingly unpredictable and severe climate events, the Group continued to run climate resilience surveys to ensure asset investments are protected from extreme weather impacts, and benefitted from its global operations and diversified product portfolio.

LDC's comprehensive insurance program, which is marked by strategic relationships with key reinsurers, was also key, providing the Group with cover against potential asset or trade flow risks.

Responsible Business

Our highly committed teams work continually to drive sustainable practices within their respective activities and value chains, leveraging LDC's leading position to promote best practices and adoption of our policies and standards, toward increasingly fair and sustainable agricultural production.

Carbon Solutions

Established to spearhead LDC's decarbonization journey, our Carbon Solutions team continued to grow in 2023, and successfully advanced a range of initiatives to drive company-wide decarbonization and develop a high-quality carbon reduction project portfolio within and beyond LDC's operations.

In 2023, the private sector faced mounting pressure from governments, investors, shareholders and the public at large, to report greenhouse gas (GHG) emissions publicly and set emission reduction targets aligned with Paris Agreement goals. At the end of the year, more than 23,000 companies (representing two-thirds of global market capitalization) disclosed their emissions through the *Carbon Disclosure Project* (CDP) questionnaire – the leading global disclosure system for environmental data.

However, the Russia-Ukraine conflict and the ensuing energy crisis, as well as general negative macroeconomic volatility, have put pressure on companies and deprioritized climate issues and carbon trading. Furthermore, the voluntary carbon market – and in particular forest conservation projects – were subject to intense scrutiny and some criticism by media.

This context affected short-term demand for carbon credits, as some companies adopted a more conservative approach. As a result, secondary markets in standardized carbon credit contracts suffered a sharp decline in prices, while demand for high-quality carbon credits and removal projects steadily increased over the year.

Climate Reporting & Emissions Reduction Targets

In July 2023, LDC reported for the first time through the CDP questionnaire, including detailed information on climate risks and opportunities, emissions strategy, corporate governance of climate issues, carbon pricing, Scope 1, 2 & 3 emissions inventory and targets. CDP uses an eight-level scale (from A to D-) to evaluate companies' disclosures and performance on climate. We were awarded a "B" score by CDP which is an evaluation mark in the top three levels and shows good management of climate change issues.

Over the course of the year, the Platform calculated LDC's global Scope 3 emissions footprint relative to 2022, covering 13 out of 15 *GHG Protocol* categories and including emissions from land use change. We aligned our calculations with GHG Protocol's latest best practice guidance for our sector and, in addition to industry-wide average emissions factors, used more granular emission factors for our key commodities. The results are detailed in the Climate section of this report and were also disclosed in CDP's Climate Change questionnaire, a year in advance of the deadline set out in the Agriculture Sector Roadmap to 1.5°C.

In March 2023, LDC announced an ambitious near-term target to reduce Scope 1 and 2 emissions by 33.6% by 2030, compared to a baseline year of 2022. Our Carbon Solutions team developed a climate transition plan consisting of a detailed roadmap listing all Scope 1 & 2 decarbonization measures, their abatement impact, implementation timeline and required budget by 2030.

We also kicked off work to set ambitious science-aligned targets for LDC's Scope 3 emissions, by analyzing evolving *Science Based Targets initiative* (SBTi) requirements for our sector: the SBTi Forestry Land Use and Agriculture (FLAG) Guidance (updated in December 2023) and the SBTi Maritime Guidance. Our Carbon Solutions team conducted an-in depth analysis of available levers to reduce our Scope 3 emissions and set LDC on a deep decarbonization path in the near term.

Nyame de Groot
Head of Carbon Solutions

2023 marked an important year for LDC's decarbonization journey. We received a "B" score in our first CDP climate questionnaire. We set an ambitious reduction target for Scope 1 and 2 emissions, backed by a solid decarbonization action plan. We measured and disclosed our Scope 3 emissions for the first time (including emissions from land-use impacts) and analyzed SBTi requirements for our sector.

Participation in Carbon Markets

During 2023, LDC continued to be active in the global voluntary carbon market. We increased the number of bilateral trading relationships with counterparties to 50 in 2023 (up 50% year on year), and continued to trade voluntary carbon emissions futures on *CME* and operate on the main spot carbon exchanges, such as *CBL* and *Climate Impact X*.

We were also active in several carbon compliance schemes around the world, including Europe (*EU Emission Trading Scheme*), the US (*California ETS*) and China (*Tianjin pilot ETS*).

Over the course of the year, our Carbon Solutions Platform also became operational to procure renewable energy certificates (RECs), which can both be traded and used to fulfill LDC's own Scope 2 reduction target. We became a member of the *RECS Energy Certificate Association*, and opened accounts in the *North American Renewables Registry* and the *International REC Standard* registry, to be able to procure and retire both US RECs and global I-RECs in accordance with *GHG Protocol* Scope 2 Guidance.

Carbon Credits Project Portfolio

We continued to build our portfolio of carbon avoidance and removal credits, with a strong focus on nature-based removals and aiming to compensate or neutralize residual emissions beyond LDC's Scope 1, 2 & 3 targets, while serving our customers' needs. Our projects are all certified by leading carbon standards, including the *Verified Carbon Standard*, *Gold Standard* and *Climate Action Reserve*. Some portfolio highlights from 2023 include the following projects:

Household Water Filtration Systems, Kenya
This *Gold Standard* project involves the distribution of water purifiers to over 640,000 households in the country. Households can purify water, removing bacteria and toxic substances, without needing to boil it on fires fueled by unsustainably harvested wood, a previously common practice that contributed to deforestation and environmental degradation. The project is expected to generate 2.2 million tCO_2e in emissions reductions from 2020 to 2025.

Improved Cropland Management, China
This project is introducing regenerative agricultural practices on 20,000 hectares of degraded cropland in Hebei Province. Improved practices, such as reduced tillage, optimized chemical fertilizer application and returning straw residue to grain fields, were implemented, monitored and verified in 2023. The project is estimated to sequester over 2.4 million tCO_2e over its 20-year lifecycle.

Other Highlights

- Assessed candidate startups and participated in the jury selection of the winner of the inaugural 'LDC Climate Resilience Prize', launched in cooperation with *MassChallenge Switzerland*, awarded to a startup in the agriculture and food value chains with the biggest climate impact potential.

- Supported a variety of customers to enhance their own sustainability reporting, by providing carbon footprint calculations for various products, including Brazilian frozen concentrated orange juice, Argentine soymeal, and German lecithin and glycerin.
- Facilitated the organization of LDC's first-ever carbon neutral booth at the 2023 China International Import Expo, calculating emissions from business travel and conference facility use, and compensating these through the public permanent retirement of carbon credits from LDC's own portfolio.
- Worked with various LDC business lines and local industry teams to initiate or accelerate a range of internal carbon reduction projects, some of which are detailed in the Climate section of this report.

Coffee

In 2023, the Coffee Platform expertly navigated volatile markets and performed well in a challenging environment. Despite limited growth in global coffee consumption, we continued to grow our business, investing in origination reach, sustainability measures and soluble coffee production.

Brazilian coffee crops started to recover from extreme weather in previous years, with farmer sales and exports improving as a result. Globally, Robusta consumption remained strong throughout the year, as consumers continued to prioritize cheaper blends, while high-end Arabica consumption was relatively weak.

In this context, the Group inaugurated its joint venture freeze-dried instant coffee plant, *iLD Coffee Vietnam*, in Binh Duong province, Vietnam, diversifying our coffee product portfolio in line with LDC's global growth strategy to embrace more of the value chain.

Elsewhere, we used *ProfilePrint's* patented food ingredient AI fingerprint platform to develop set grade coffee profiles. This adds a new, unbiased dimension to our quality control, with the potential to make our coffee supply chains both more efficient and transparent.

Responsible sourcing demand from roasters continued to grow across most destinations, and interest in low-carbon coffee persisted. In June 2023, the EU Regulation on Deforestation-Free Products (EUDR) entered into force, requiring that 100% of coffee imported into the European market be traceable and meet a number of criteria – not just in relation to deforestation but also human rights and environmental due diligence, and be produced in adherence with relevant local legislation.

Thanks to a longstanding commitment to helping shape more sustainable coffee chains, as well as the coffee sustainability strategy we adopted in 2022, our Coffee Platform is well-prepared to meet EUDR requirements and was able to deliver our first sales of EUDR-aligned coffee to European customers already in 2023.

Ben Clarkson
Head of Coffee

Our soluble coffee joint venture with Instanta in Vietnam supports our global strategy to diversify through more value-added products, reflects our ongoing commitment to the country as a key market for LDC, and complements our existing global Robusta green coffee business, expanding our product portfolio to meet customer needs.

Sustainable Coffee

Sustainability is a core driving force for the Coffee Platform, and 2023 marked the first implementation year for our new coffee sustainability strategy, which is structured around four pillars: responsible sourcing, supporting farmers, sustainable operations and sectorial partnerships.

Responsible Sourcing

In 2023, LDC expanded the visibility of its global coffee supply chain in a number of ways. Firstly, we measured farm-level carbon emissions in more than 65% of our certified and verified supply chains, and made good progress in collecting geospatial coordinates of farms in our supply chains. This provides sourcing visibility to individual farm level, allowing us to trace the coffee and give customers supply chain transparency, but also helping farmers to maintain access to key destination markets such as the EU.

We also continued to roll out and customize (by origin) our purchase point platform tool, allowing us to retain and transmit information from upstream players, be they intermediaries or cooperatives, by further developing our data management and collating information from different systems to give more automated visibility on our traceability.

The Coffee Platform also worked toward LDC's zero deforestation commitment, assessing deforestation risks and expanding compliant supply through the certification of more farmer groups and the development of our Responsible Sourcing Program (RSP), which is intended to enable deforestation-free supply at scale across our sourcing network.

In March, the *Global Coffee Platform* (GCP) – a pre-competitive multi-stakeholder initiative of which LDC is a member – recognized LDC's RSP Advanced as GCP Coffee Sustainability Reference Code equivalent second party assurance. The Coffee SR Code is a sector-wide reference on the foundations of sustainability for green coffee production and primary processing worldwide. This important recognition identified our RSP as a credible and effective due diligence system, and opened up new demand for our product offering.

We also continued to develop and manage networks for the *Rainforest Alliance*, *C.A.F.E Practices* and *4C* standards, all of which guarantee no deforestation or conversion with cut-off dates pre-dating 2020. Over the course of 2023, LDC also continued to expand its network of farmers operating under third-party certification and under our own RSP.
By the end of the year, this represented 22,850 farmers, 97,144 ha of coffee farmland and 186,876 MT of green coffee. In terms of volumes, 20% of 2023 coffee sales were approved under one of these internationally recognized programs – up from 14% of 2022 sales – and we expect this volume to grow significantly in the coming years.

Supporting Farmers

The second pillar of our strategy refers to our *Stronger Coffee Initiative*, which supports farmers through a three-pronged approach that encourages low-carbon production, regenerative agriculture and farmer prosperity.

In 2023, LDC completed a carbon baselining exercise of 43 targeted farmer groups, which were divided into 25 carbon archetypes based on their characteristics and locations. The target groups in eight origins – Brazil, Colombia, Honduras, India, Indonesia, Mexico, Uganda and Vietnam – represent approximately 18,000 farmers and 121,650 MT of green coffee.

This work was conducted in line with *GHG Protocol* requirements, supported by LDC's technical partner, *South Pole*, and is a first step toward reducing emissions at scale.

In October, LDC was part of a consortium that was awarded an approximately US$2 million grant by the *Danida Green Business Partnerships* program, to help roll out a market-based solution to reduce Scope 3 emissions in coffee supply chains. The resulting project will be designed and implemented with *Merrild-Kaffe*, *Lavazza Foundation* and *Solidaridad*, and aims to support 4,500 smallholder farmers in Uganda to transition to low-carbon regenerative agriculture.

Beyond this initiative, LDC has implemented ten separate projects in five origins (Colombia, Ethiopia, Indonesia, Uganda and Vietnam) that support farmers to adopt low-carbon coffee production and regenerative agriculture, as a path toward increased farm productivity and better farmer livelihoods. In 2023, these projects reached 22,461 farmers, covering 48,598 ha of coffee farmland and an estimated 65,501 MT of green coffee.

Activities included training in intercropping, agroforestry and water reduction in post-harvest processes, as well as education support for communities. Some of the farmers also received individual technical support such as assistance with replanting new coffee trees, soil analyses and compost production. Additionally, nearly 200,000 shade trees were planted during the course of these projects.

Case Study: Spotlight on South & Southeast Asia

In 2023, LDC and *JDE Peet's* renewed their partnership in Vietnam and Indonesia, opening a new phase of collaboration focused on reducing carbon emissions at farm level. By 2026, this partnership is expected to benefit 11,000 farmers across four districts in Vietnam, as well as 6,000 farmers in Southern Sumatra, Indonesia.

In Indonesia, LDC also initiated a project with *Deutsche Investitions- und Entwicklungsgesellschaft* to develop an organic supply chain, involving 600 smallholder Arabica farmers. And in Vietnam, LDC worked with the *Rainforest Alliance* to promote integrated pest management practices among 500 smallholder Robusta growers in the country's Central Highlands region.

Sustainable Operations

Our third strategic workstream focuses on reducing Scope 1 and 2 emissions in our operations.

In 2023, numerous actions were taken to reduce waste generation, water usage and energy consumption in LDC coffee facilities around the world, and to transition to renewable energy where possible.

The main initiatives focused on solar energy projects, fuel changes for coffee dryers, replacement of combustion forklifts with electric ones, and machinery and infrastructure replacements.

Additional actions included installing wastewater meters and LED lighting, fitting toilets with economical valves and increasing electrical efficiency with capacitator banks.

At a global level, this led to an absolute reduction in Scope 1 and 2 emissions at LDC coffee facilities of approximately 19.9% compared to 2022. A five-year CAPEX plan was also created, with projects aligned to the Group's global Scope 1 & 2 emissions reduction target.

Sectoral Partnerships

As part of the fourth pillar of our coffee sustainability strategy, LDC also continued to support pre-competitive and multi-stakeholder efforts, working with others to promote more sustainable practices across the sector.

In particular, we actively engaged in discussions with sector organizations globally: the *Global Coffee Platform*, *Sustainable Coffee Challenge*, *Public-Private Taskforce of the International Coffee Organization*, *European Coffee Federation* and *Deutscher Kaffeeverband*, as well as governments and industry associations in origins, business clients and peers, NGOs and solutions providers. A key focus was to advocate for pre-competitive collaboration to address EUDR-related challenges and requirements in origin countries.

The Group also took part in several landscape initiatives across various origins where we source coffee. One of the most relevant is the *Bukit Barisan Selatan (BBS) Sustainable Commodities Partnership* (Kemitraan Komoditas Lestari or KEKAL) – an innovative landscape partnership aiming to protect the forests of BBS National Park in Sumatra, Indonesia, while supporting coffee farmers' livelihoods in southern Sumatra.

Targets

Complete farm-level Scope 3 emissions baselining exercise for selected certified coffee supply chains

Completion: 2023
Status: Complete

70% of all coffee purchased from Code of Conduct compliant suppliers

Completion: 2025
Status: Complete

20% of coffee traced to farm through Code of Conduct compliant suppliers

Completion: 2025
Status: Complete

Plant at least 1.2 million shade trees globally in coffee agroforestry systems

Completion: 2023 – 2027
Status: In progress*

*Almost 200,000 shade trees planted in 2023.

Launch regenerative agriculture and soil restoration across 100,000 ha of coffee farmland

Completion: 2023 – 2027
Status: In progress*

*1,360 ha covered by regenerative agriculture projects in 2023.

Source at least 80% of coffee from RSP-approved supply chains

Completion: 2027
Status: In progress*

*20% in 2023.

Support 30,000 farmers globally to improve and diversify their income

Completion: 2027
Status: In progress*

*16,804 farmers trained or supported in 2023.

Support the production of 180,000 MT of third party-verified, low-carbon coffee

Completion: 2027
Status: In progress*

*121,650 MT of green coffee had a carbon baseline by the end of 2023.

Use 99% electricity from renewable sources to power LDC's coffee assets

Completion: 2027
Status: In progress

Reduce scope 1 & 2 emissions by 33.6%

Completion: 2030
Status: In progress

*Globally, we reduced Scope 1 & 2 emissions at LDC's coffee facilities by 19.9% year on year.

Cotton

In 2023, the Platform generated solid margins despite subdued market conditions, which included sluggish global demand beyond China, reduced production in the US, and a tight pricing range with many competing market forces.

Amid reduced retail activity that accompanied the global economic slowdown of 2023, textile mill demand for cotton outside China diminished. Global cotton mill use in the 2022/23 season was estimated at 110.7 million bales, the lowest figure in three years and the second lowest in nine years. Conversely, China bucked this trend and recorded a sharp increase in national demand for cotton, up 11% year on year to 37.5 million bales in 2023.

In the US, crop production in 2022/23 fell by a substantial 17% year on year. Brazil, however, recorded significant growth in production, up almost 25%, and Australia also maintained near record cotton production for the last few years, thanks to steady water supply.

Certain countries, such as Pakistan and Bangladesh, experienced sourcing challenges due to a lack of US Dollar availability. This was a particular issue in Pakistan, where heavy rains in the 2021/22 year had contributed to a historic low in domestic cotton production.

Despite challenging market conditions, the Cotton Platform generated solid returns for stakeholders, supported by a diverse origination network, which allowed the Platform to provide alternative solutions when supplies from a particular origin were limited.

Our extensive global warehouse and logistics network also enabled us to provide an agile response to changing market conditions and customer needs, while the Platform's risk management expertise allowed us to successfully navigate the complex market dynamics of 2023.

Importantly, our data science teams harnessed additional business intelligence tools to provide more timely and accurate data and reporting, in support of merchandizing activities and greater traceability in our operations.

Other Business Highlights

- Expanded our presence in Australia through a joint venture agreement with *WANT Cotton Company Pty Ltd* to provide gin management services.
- Secured a new warehouse lease in Argentina (Zarate) to facilitate cotton exports.
- Received *regenagri®* certification in Brazil, India, Switzerland and the US.

Joe Nicosia
Head of Cotton

Despite a global lull in demand and a complex trading environment, the Cotton Platform was able to maintain a leading presence in key origination markets including the US, Brazil, India and West Africa, while continuing to expand our presence in Australia.

Sustainable Cotton

In 2023, a principal sustainability focus was on supporting farmers to adopt regenerative agriculture techniques that increase soil health, encourage biodiversity, reduce greenhouse gas (GHG) emissions and sequester CO_2.

To this end, we initiated regenerative agriculture projects in the US with 24 farmers across 50,000 acres, and began a two-year regenerative agriculture program that will benefit some 4,000 farmers from the Aurangabad district of Maharashtra, India.

Spotlight on India

Recognizing that our sustainability efforts gain momentum through collaboration with others, we joined forces with a range of partners for our regenerative agriculture initiative in Maharashtra. *Action for Food Production* representatives are implementing the project on the ground, supported by training and capacity building consultants from *Peterson*. Participating farmers were selected with *Better Cotton*, and have been *regenagri©* certified by *Control Union* so that they can supply *regenagri®* cotton over the course of the project.

Farmers are being trained in a range of regenerative agriculture techniques, including irrigation structures and water storage, with a focus on managing changing rainfall patterns.

The project also seeks to advance the farmers' financial literacy and improve their access to financial services, including credit, through the formation of farmer group structures. The aim is to produce *regenagri®*-certified bales, helping the farmers to realize a market premium for their goods.

To ensure the benefits of this initiative extend beyond the 2023-24 season, the project is following a train-the-trainer model. 30 cotton farmer groups are being established and at least 60 farmer group experts (FGEs) are being trained, to facilitate ongoing farmer-to-farmer knowledge transfer on climate resilience. Given that women farmers comprise approximately 35% of group members, at least one of the two FGEs assigned to each group is a woman.

Case Study: Update on Project Jagruthi

In 2022, in response to a pink bollworm outbreak, we launched Project Jagruthi to train and support Indian farmers in adopting more sustainable farming practices, while increasing their capacity to mitigate pest threats to cotton crops.

By the end of 2022, the project had helped over 7,500 farmers to minimize cotton yield loss to pests, and supplied them with more than 40,000 pheromone traps to assist in the effective management of pink bollworm.

We ramped up our efforts in 2023, training an additional 18,000 farmers through pest management workshops in more than 70 locations across India, and supplied farmers with over 80,000 additional pheromone traps.

The average yields of participating farmers are between one and two quintals higher per acre than those of non-participants.

Cali Noland

Cali Noland
Cotton Farmer in Mississippi, US

Farmer Testimonial

I am a co-owner at Long Lake Farms, and a fourth-generation farmer in the Mississippi Delta, alongside my husband, Mark Noland.

In 2021, after experiencing significant health complications I started researching natural health, which led me to learn more about regenerative agriculture. I connected with a strong support system that helped us start implementing these new practices, and discovered my passion for regenerative agriculture, as we transitioned our land.

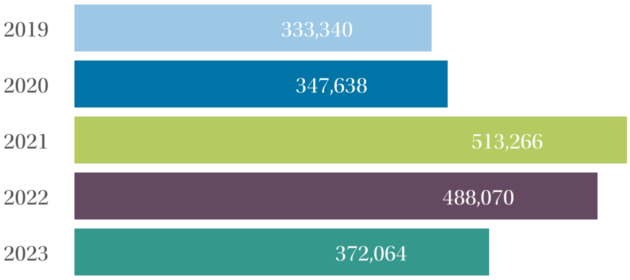
My family has been farming since 1915, but regenerative agriculture has opened a whole new way of viewing farming for us. Not only are we growing great quality cotton, but we're also thinking about how our farming practices affect the health of people and the planet. By implementing practices like cover crops, no-till, nutrient management and reduced inputs, we are building plant health and soil health, as well as sequestering more carbon, while contributing to the regeneration of ecosystems in our area.

The regenerative agriculture program at LDC allowed us to take our regenerative practices a step further. The team helped us get certified by a prominent organization, and create a plan to implement more regenerative practices on our farm. LDC's global cotton presence will enable us to connect with companies who are looking for regenerative cotton and open new market opportunities for us.

My passion for regenerative agriculture is not only a personal pursuit but a mission to educate and support fellow farmers who want to transition their land.

Purchases of Better Cotton 2019-2023 (MT)

Global consumption patterns changed dramatically in 2022 and 2023, as consumption decreased while interest rates rose significantly. This led to a draw down in inventory and a decrease in stocks to use. All of this contributed to lower purchased volumes of Better Cotton – for LDC, but also globally.



Targets

	Completion	Status
Increase Better Cotton purchased over previous year by 10%	2020-2023	Missed
Initiate a digital chain of custody pilot in Brazil, India & US	2023	Complete
Initiate climate smart cotton pilots in India & US	2023	Complete
Extend Project Jagruthi in India to reach at least 12,000 farmers	2023	Exceeded*

*reached 15,000

New Targets

	Completion
Develop at least 30,000 ha of land under regenerative practices, in direct partnership with farmers in the US and India	2024
Initiate carbon interventions at farm level and generate carbon removal data that can be accounted for downstream	2024
Set carbon baseline and generate premiums for Indian farmers to pay for climate friendly farming practices, targeting 5,000 farmers	2024
Continue to expand Project Jagruthi to manage pests and increase farmer income in India	2024

Food & Feed Solutions

2023 marked the first year of operations for our new Food & Feed Solutions Platform, with a focus on building technical capabilities and integration across relevant LDC production sites toward the creation of two global product lines: lecithin and glycerin.

The Food & Feed Solutions Platform was established in line with LDC's strategy to diversify revenue streams by transforming or upcycling agri-commodity by-products into value-added products and solutions.

Throughout 2023, the Platform's strong financial performance demonstrated the resilience of its business model, which is based on a multi-origin, multi-product approach combined with global commercial footprint – and confirmed the capability of the newly created Platform to broaden market access and diversify its customer profile.

While the world's lecithin and glycerin supply chains were disrupted from 2021 to 2022, resulting in unprecedented price increases, the market has since reverted to historical levels and more normalized margins. The market slowdown in 2023 can be attributed to several factors, including healthy oil and biodiesel processing margins, and raw material availability in our operating regions. Lower demand in the main market segments was driven by a higher borrowing rate and inflation, while customer inventory levels were high during the first part of the year.

In this market context, the Platform benefitted from upstream integration to acquire cost-competitive raw material and expanded our customer base in key locations, supported by a dedicated commercial team, technical experts and proximity to the end markets.

Other Business Highlights

- Built a global team with core R&D, technical, commercial, marketing, industry and quality control capabilities.
- Inaugurated a dedicated R&D center in Shanghai, China, to support development of innovative and nutritious food, feed and ingredients.
- Completed the first year of operations for LDC's new lecithin production line in Claypool, Indiana, US, and committed to adding another line to our new crushing plant in Upper Sandusky, Ohio, US.
- Announced the addition of glycerin refining capacity at LDC's refining complex in Lampung, Indonesia, complementing our existing glycerin refining activities in the US (Claypool, Indiana) and Germany (Wittenberg), and expanding LDC's glycerin offering to cover all major feedstocks.
- Initiated third-party packaging operations in the Netherlands, for our non-GMO rapeseed lecithin and refined glycerin.
- Launched fermented soybean meal production in China, with a tolling partner.
- Recorded a 57% increase in active customers.

In 2023, the Platform made important strides building on LDC's existing capabilities in the processing of oilseeds, oils and lipids ingredients. Leveraging the Group's global asset network and market presence, we are well-placed to scale up our participation in the nature-based ingredients market, both through organic growth of production capacity and through targeted acquisitions and investments to diversify geographically and expand our portfolio.

James Zhou
Head of Food & Feed Solutions

Freight

In 2023, we continued to serve a growing customer base with our modern and innovative fleet, while partnering ever closer with shipowners on emissions reduction investments.

The Freight Platform successfully navigated a still challenging geopolitical environment and a normalization of dry bulk fleet earnings, which were down 30% year on year, to post satisfactory results. A combination of El Niño, a global manufacturing slowdown and rising interest rates led to a complex demand environment.

In terms of global maritime trends, 2023 was marked by a re-acceleration of seaborne dry bulk ton-mile growth. Despite a challenging property market and slowing manufacturing activity, China imported a record volume of iron ore, coal, bauxite and soybeans, while achieving its largest steel export shipments ever. India's industrial activity also prompted strong demand for mineral imports. Brazil's record harvest faced logistics constraints, while adverse weather conditions in other countries led to reduced crops, prompting export restrictions in Asia.

From a supply standpoint, dry bulk fleet delivery pace slowed somewhat, while more nuanced dynamics were revealed on fleet speed deceleration that was significantly counter-balanced by a pronounced decongestion trend; indeed, high port congestion gradually eased globally, as improved efficiency in Chinese port operations led to shorter turnaround times. This bearish context in the Pacific was in sharp contrast with tightening conditions in the Atlantic, marked by low water levels in the Panama Canal and record waiting times at Brazilian ports.

Ship asset prices remained overall supported and above multi-year trends due to reduced yard capacity and inflationary cost pressure. In this context, bulk carrier contracting slowed further, albeit with a noticeable increase in alternative fuel fleet orders.

Despite market rate headwinds in 2023, the Platform navigated complex fundamental dynamics through careful vessel positioning and disciplined hedging strategies, assisted by first-class predictive analytics and research tools. In a challenging environment, the Platform recorded a 5% growth in external sales, and continued to grow and diversify its third-party customer base.

Other Business Highlights

- Continued Platform expansion, with the opening of a new office in Bulgaria and commercial team growth in Brazil.
- Formation of a new Shipping Innovation team, comprising fleet performance experts, naval engineers and data scientists.
- Signed eight additional newbuilding contracts and took delivery of four of these in 2023.

5%
year-on-year growth in external sales

275
time-chartered vessels on water, of which 150 period charters

Sébastien Landerretche
Head of Freight

We welcome the IMO's strong engagement and clear timeline of deliverables for the industry, and will continue to work hand in hand with shipowners toward these targets, through joint investments in asset efficiencies, vessel design optimization, innovative technologies such as wind-assisted propulsion systems, and alternative fuels.

Sustainable Freight

Over the course of 2023, the Platform made significant investments and entered a range of new partnerships to support the advance of sustainability in our freight operations. As a result, we made considerable headway on our sustainable shipping journey, with the materialization of several key milestone projects, referenced among the sustainability highlights on this page.

This year also saw a strong commitment from the *International Maritime Organization* (IMO) – the *United Nations* agency responsible for developing global standards for shipping – to support shipping decarbonization, with enhanced targets to tackle harmful emissions.

In July, the IMO's Marine Environment Protection Committee (MEPC 80) adopted the revised IMO Greenhouse Gas (GHG) Strategy – a key step to ensuring a clear pathway toward full decarbonization for the industry. In addition to an enhanced collective ambition to reach net-zero GHG emissions from international shipping close to 2050, the revised strategy includes a commitment to ensure an uptake of alternative zero and near-zero GHG fuels by 2030, as well as indicative checkpoints for 2030 and 2040.

Sustainability Highlights

- Formed a new Shipping Decarbonization Team, comprising a decarbonization specialist, a fleet performance manager, a naval architect and data scientist, and a decarbonization technical manager.
- Installed sensors on board vessels, to better monitor energy performance.
- Entered into an agreement with *ZeroNorth*, whose advanced algorithms generate data-driven recommendations to optimize shipping voyage routes and so reduce GHG emissions.
- Announced a commercial agreement with *bound4blue*, for the installation of four 26-meter-high eSAILs® on one of our chartered juice vessels, MV Atlantic Orchard, in collaboration with *Wisby Tankers AB, Sweden*.
- Made joint investments with shipowners in energy saving devices such as low friction paints and wake-equalizing ducts, and carried out a comparative study on hull paints, working with *Lloyd's Register*.
- Engaged in further biofuels trials and partnered with energy major *TotalEnergies* on transitional and low-carbon marine fuels research.
- Increased overall energy efficiency of our shipping activities, as noted in the 2023 *Sea Cargo Charter report*, and engaged with the *Global Maritime Forum* to identify short-term action opportunities that improve the operational efficiency of existing vessels.
- Prepared for the inclusion of maritime emissions in the European Union Emissions Trading System from January 1, 2024 by upgrading systems, trainings and process implementation.

Emissions

CO_2 **3.45m**
tons of CO_2 emission
(vs 3.55 million in 2022)

CO_2 **6.98g**
CO_2 / ton-mile
(vs 7.95 in 2022, using EEOI* method)

CO_2 **3.78g**
CO_2 / dwt-mile
(vs 4.21 in 2022, using AER* method)

Notes:

- Figures are preliminary, with verification in progress.
- EEOI figure is aligned with 2017 target of 15% reduction.

*Energy Efficiency Operational Index: the amount of CO_2 emitted by the ship per ton-mile of work. It is the ratio of CO_2 emitted to the ton-mile (amount of cargo x nautical miles sailed).

**Annual Efficiency Ratio: the ratio of a ship's carbon emissions per actual capacity/ distance (deadweight tonnage/nautical miles sailed), using the parameters of fuel consumption, distance travelled and design deadweight tonnage.

Global Markets

The Platform delivered a robust 2023 performance in a year that saw volatility across global markets, maintaining a healthy diversification of risk and capturing profitable opportunities in several regions.

Multiple factors influenced volatility across global markets in 2023, including the strength of the US Dollar, which acted as a driver against other major foreign currencies, as well as financial stability issues in US regional banks and global geopolitical issues. Our Global Markets team successfully navigated this volatile environment, taking measured risks in fixed income, rates and foreign currency markets.

Thanks to a widely diversified portfolio across different trading locations and asset classes, the Platform saw positive earnings before tax across most of LDC's geographic regions, effectively leveraging the Group's global footprint and commercial flows, with a growing presence in several countries (including Pakistan, Vietnam and Paraguay) further diversifying our asset portfolio and maximizing synergies with other LDC platforms.

The Platform also continued to invest in systematic and algorithmic trading systems, keeping pace with the industry's constant evolution. Additional investments in the team and our front-to-back treasury systems were also key to a solid performance.

Miguel Catella
Head of Global Markets

Our teams' capacity to rapidly adapt or change trading strategies in such shifting markets and conditions was key to the Platform's positive performance in 2023, relying on market-specific experience and nuanced understanding of certain emerging markets.

Grains & Oilseeds

The Platform delivered a solid financial performance in 2023, amid a challenging context. It increased capital expenditure, specifically in processing assets and production capabilities.

The Platform performed well across its diversified portfolio and wide geographical footprint, with standout performances in global soybeans and in North America, while in Brazil, a large rise in soy and corn production resulted in a combined volume increase of 19% compared to the previous year's harvest.

As the ongoing Russia-Ukraine crisis continued to exacerbate grain export challenges in the Black Sea region, LDC announced in April that it would cease grain exports from Russia from July 2023, and other wheat business operations in the region continued to function in crisis mode.

In 2023, central banks introduced higher interest rates as they fought to curb inflation that remained high in many countries, leading to a challenging macro environment for growth market importers and distributors such as Egypt and Pakistan, which also contended with a strong US Dollar and subdued growth outlook.

Meanwhile, legislation seeking to accelerate the transition to cleaner energy – such as Canada's Clean Fuel Regulations, the US Inflation Reduction Act and the EU's revised Renewable Energy Directive – continued to drive strong demand for LDC's oil products, driving higher crush margins and the expansion of related Grains & Oilseeds facilities.

Expanded Crush Footprint

In China, we added a further 1,300,000 tons of crushing capacity at our oilseeds processing facility in Zhangjiagang, Jiangsu Province. The new facility will also package soybean oil as part of our strategy to extend further downstream. We also completed the first phase of construction at our new, joint venture Fuling Food Industrial Park in Guangzhou, including a feed protein mill, a vegetable oil refinery, a high-end cooking oil production line, a packaged cooking oil warehouse, a lecithin production line, a soybean meal warehouse and soybean oil tanks.

In Canada, we announced and broke ground on the expansion of our canola processing complex in Yorkton, Saskatchewan, to boost its capacity to supply food, feed and energy customers by more than doubling the facility's annual crush capacity.

Finally, in the US, we announced the construction of a soybean processing plant in Upper Sandusky, Ohio, with integrated crushing, vegetable oil refining, lecithin production and packaging facilities, with construction due to begin in 2024. This development will strengthen LDC's core merchandizing capabilities with additional capacity to originate and process US soy into value-added products – in this case edible oils and lecithin – and will provide opportunity to participate in renewable energy feedstock markets and help meet growing demand for biofuels.

André Roth
Head of Grains & Oilseeds

Our expansion in both origination and processing, covering the entire supply chain, supports our strategy to strengthen our leadership position in core merchandizing activities. It also supports revenue diversification and integration with downstream operations, as we strive to meet evolving customer demand for quality products and ingredients.

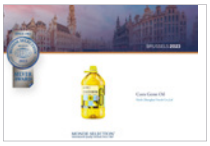
Growing Origination Flows & Capabilities

Having fully integrated the *Emerald Grain* business acquired in 2022, our expanded Australian grain handling business drove further export flows and contributed positively to business results.

In Latin America, our first Grains & Oilseeds warehouse in Northwestern Argentina became operational, streamlining logistics for local farmers by facilitating the transport of their harvest by rail to the country's main port complexes in Gran Rosario, Santa Fe Province, thanks to a rail connection to the Belgrano Norte line. Also in Argentina, we acquired a new warehouse in Trilí, La Pampa Province, with capacity to handle significant volumes of different grains and oilseeds throughout the year, and a connection to the Domingo Faustino Sarmiento railway line that will facilitate the shipment of local production to LDC's agro-industrial complex in General Lagos, Santa Fe, and its deep-water port complex in Bahía Blanca, Buenos Aires.

Other Business Highlights

- In July, we announced the expansion of LDC's refining complex in Lampung, Indonesia, adding glycerin refining capacity and edible oil packaging capabilities to the complex.
- Latin America and West Africa grew in importance as palm origination markets, with exports from these two regions respectively increasing over 40% and 20% year on year'.
- In December, LDC scooped two awards at the '2023 Top of China National Grain Awards', one of the country's top awarding entities in the field of grains and oils, including the 'Most Influential Food Enterprises Award' and the 'Most Influential Brands in China Award' for our *Mastergold* cooking oil brand.
- LDC facilitated South Africa's first-ever bulk export of soybeans to China, establishing a new flow between the two markets.
- Our *Mastergold* brand also achieved two stars for the *International Taste Institute's* 'Superior Taste Award', as well as a *Monde Selection* silver award for it's corn germ oil.



Sustainable Soy

In 2023, we continued to progress toward LDC's zero deforestation and native vegetation conversion target, acting within our own soy supply chains and through wider sectoral initiatives, by actively promoting LDC's Soy Sustainability Policy with suppliers and incentivizing farmers to avoid land conversion, which requires wide collaboration across value chains and remains a key priority for LDC.

Supplier Screening

In Brazil, we continued to conduct soy supplier screening against the following minimum conservation criteria:

- No deforestation after 2008 for farms in the Amazon biome, in accordance with the Brazilian Soy Moratorium, of which LDC has been a signatory since its inception in 2006;
- No embargo for deforestation from the *Brazilian Institute of the Environment and Renewable Natural Resources* (IBAMA);
- No overlap with conservation units; and
- Compliance with the *Green Grain Protocol of Pará State*, which bans financing or sourcing of soy associated with illegal deforestation.

We screen every soy supplier in the country to verify compliance with these criteria, and where suppliers fail to meet requirements, they are disqualified from commercial transactions. We also began field audits, visiting and auditing a few dozen soy suppliers in 2023 against socio-environmental criteria, and intend to accelerate this process in 2024. Based on audit results, major knowledge gaps are identified and relevant technical content is shared with audited suppliers, supporting their continuous improvement.

Advancing Traceability

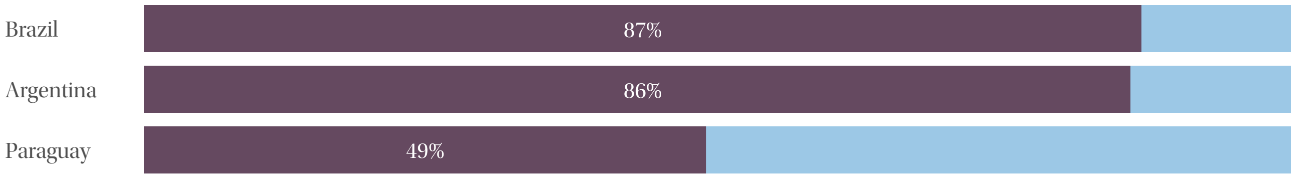
Recognizing traceability as a prerequisite for responsible sourcing, our zero deforestation and conversion verification methodology is built on a risk escalation approach, whereby granular traceability and supplier due diligence are required where deforestation risks are higher. Accordingly we require soy traceability to national, sub-national, facility or eventually farm levels, in accordance with corresponding deforestation and conversion risks. In regions where risks are higher, as defined through internal risk assessments, we strive for full traceability to farm for direct sourcing.

Building on verification methodology and global risk assessment work carried out in 2022, in 2023 we focused on supplier engagement and due diligence efforts in at-risk regions, with a particular focus on indirect suppliers.

In Brazil, we successfully targeted and engaged with suppliers in priority regions, aiming to onboard all our indirect suppliers for farm-level traceability and deforestation due diligence, and a third-party platform was offered to suppliers to upload farm polygons and conduct deforestation screening.

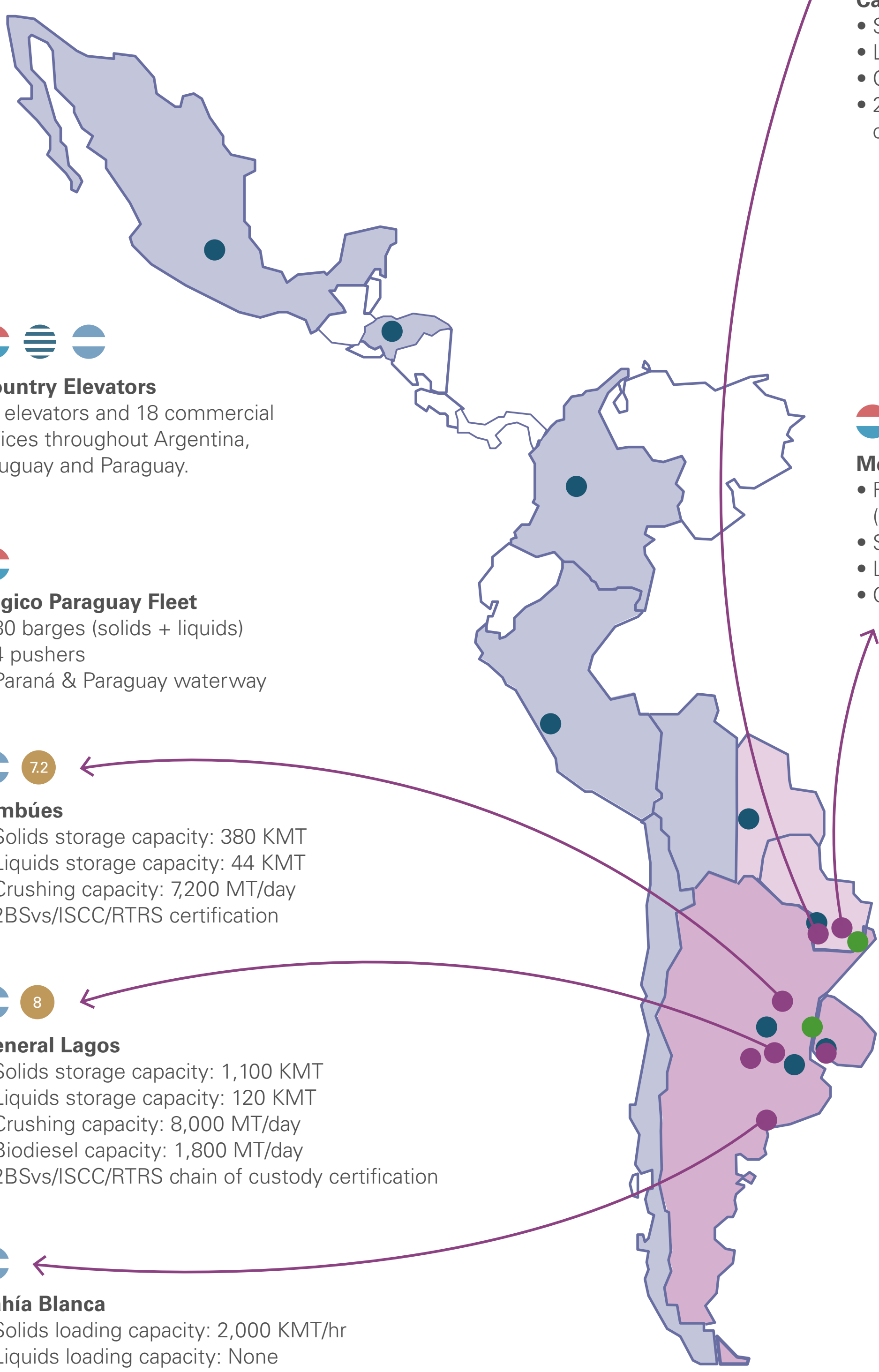
Also in Brazil, for 33 indirect suppliers representing 56% of our indirectly sourced volumes in 2023, we conducted a radius risk analysis of all soy production areas within 150 km of their warehouses. For 12 of these suppliers, representing 13% of our indirectly sourced volume of soy from Brazil in 2023, we went a step further by completing traceability to farm level.

In 2023, our verified zero deforestation and conversion soy ratio was as follows:



In 2024, we intend to accelerate indirect supplier engagement in more priority regions in Brazil, Argentina and Paraguay.

Argentina and Paraguay



4.5

Caiasa
- Solids storage capacity: 440 KMT
- Liquids storage capacity: 25 KMT
- Crushing capacity: 4,500 MT/day
- 2BSvs/ISCC/RTRS chain of custody certification

Country Elevators
16 elevators and 18 commercial offices throughout Argentina, Uruguay and Paraguay.

0.5

Merco
- Facility has no port access (no loading caapcity)
- Solids storage capacity: 41 KMT
- Liquids storage capacity: 5 KMT
- Crushing capacity: 550 MT/day

Lógico Paraguay Fleet
- 80 barges (solids + liquids)
- 4 pushers
- Paraná & Paraguay waterway

7.2

Timbúes
- Solids storage capacity: 380 KMT
- Liquids storage capacity: 44 KMT
- Crushing capacity: 7,200 MT/day
- 2BSvs/ISCC/RTRS certification

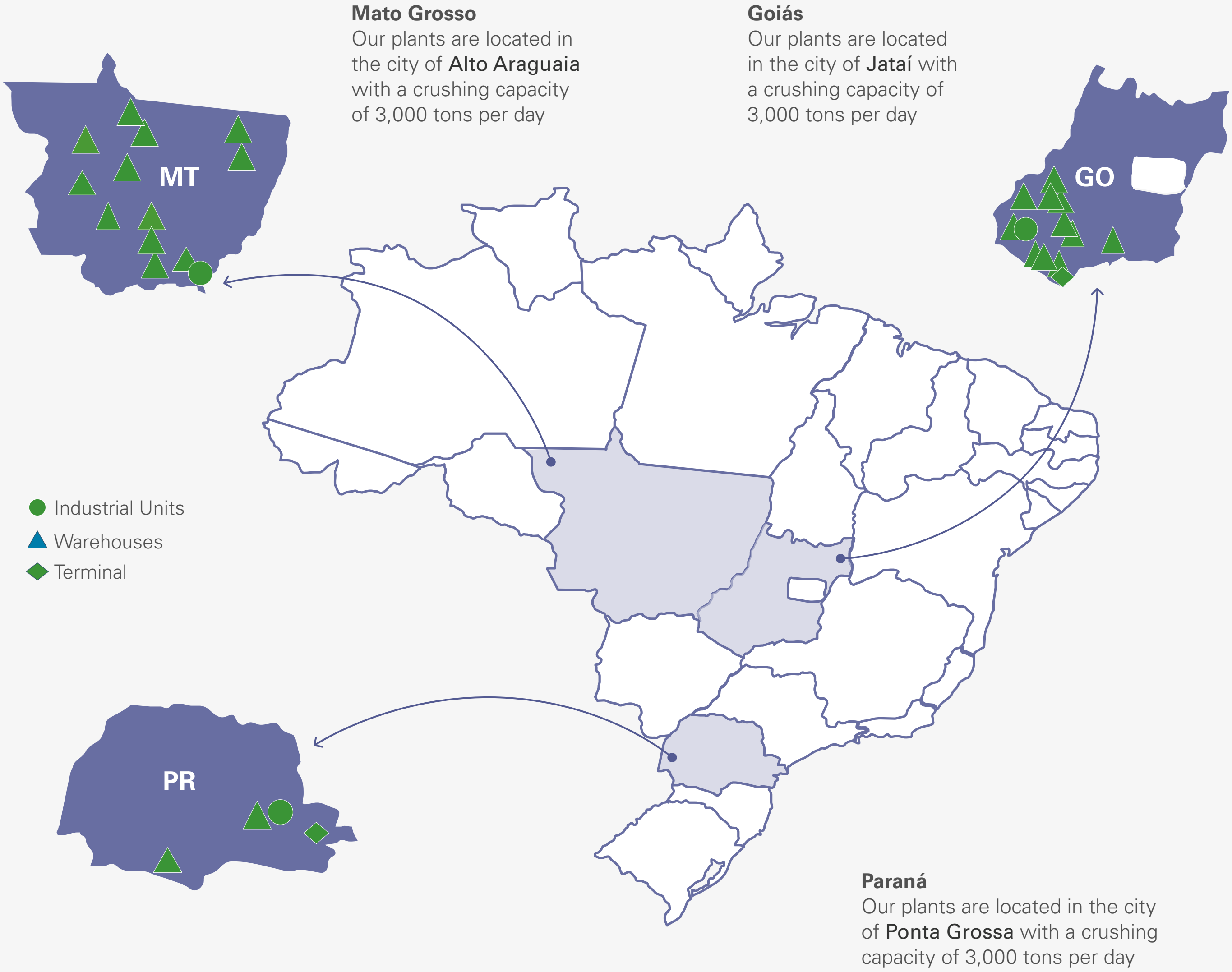
8

General Lagos
- Solids storage capacity: 1,100 KMT
- Liquids storage capacity: 120 KMT
- Crushing capacity: 8,000 MT/day
- Biodiesel capacity: 1,800 MT/day
- 2BSvs/ISCC/RTRS chain of custody certification

Bahía Blanca
- Solids loading capacity: 2,000 KMT/hr
- Liquids loading capacity: None
- Solids storage capacity: 116 KMT
- Liquids storage capacity: None

- Offices
- Key assets
- Port LT agreements
- South Latin America
- West Latin America
- Crushing capacity (KMT/day)

Brazil



Mato Grosso
Our plants are located in the city of **Alto Araguaia** with a crushing capacity of 3,000 tons per day

Goiás
Our plants are located in the city of **Jataí** with a crushing capacity of 3,000 tons per day

MT
GO
PR

Industrial Units
Warehouses
Terminal

Paraná
Our plants are located in the city of **Ponta Grossa** with a crushing capacity of 3,000 tons per day

Reinforcing Sustainable Certification

In Latin America, LDC purchases and exports soybeans from Brazil, Argentina, Paraguay and Uruguay. In 2023, we further reinforced our sustainability certification programs in the region, seeking to meet customer demand for sustainable products while generating a sustainability premium for farmers.

In Brazil, we further expanded our outreach to farmers and successfully certified 210,000 hectares of soybean production areas, in accordance with LDC's Program for Sustainable Agriculture and the *Round Table on Responsible Soy* (RTRS). In Argentina, we launched our first farmer training program toward RTRS, and in Paraguay, we laid the groundwork for a similar program to be launched in 2024.

Incentivizing Conservation

In 2023, we successfully distributed the US$275 million credit facility in Brazil, through the *International Finance Corporation*, to fund crop purchases from eligible Brazilian farmers committed to zero deforestation and conversion of natural habitats (with a cut-off date of 2016). We also reward the conservation efforts of farmers who voluntarily conserve native vegetation beyond legal requirements, by delivering a commercial premium for their products. In addition, we relaunched LDC's long-term financing program to support soy production expansion on degraded land and help mitigate further deforestation, completing a first round of supplier pre-selection and engagement, with the first disbursement expected in 2024.

Regulatory Compliance

The European Union (EU) being a key destination for LDC's soy and soy products, predominately as animal feed ingredients, in 2023 we took steps to prepare for compliance with EU deforestation regulation (EUDR) requirements, including mandatory deforestation due diligence on imported soy (with a December 31, 2020 cut-off date, full traceability to plot level and physical segregation from conventional products, among other conditions), with a focus on creating a 'green corridor' to meet the segregation requirement.

In May 2023, we initiated a collaboration with the *Earthworm Foundation* to verify 30% of Brazilian soymeal imports into France over a one-year period, against their Zero Deforestation and Conversion methodology – a protocol to verify that imported soy is not linked to deforestation or conversion of natural ecosystems (legal or illegal), with a January 1, 2020 cut-off date. As of December 2023, we had completed the verification of four cargo ships. In December, we also successfully completed two pilot deliveries of Argentine soymeal to Europe, with full farm-level traceability and segregation from conventional soy, achieved one year ahead of the regulation implementation date.

More pilots and actions are planned for 2024, to keep LDC on track to offer EUDR-compliant products from all key origination countries.

Sectoral Collaboration

At LDC, we believe that collaboration amongst all soy value chain participants is key to achieving long lasting change towards sustainable soy production.

As a member of the *World Business Council for Sustainable Development's Soft Commodities Forum* (SCF), LDC works with sector peers to improve supply chain transparency and mitigate deforestation risk in priority landscapes of Brazil's Cerrado biome. In 2023, the SCF made great progress in implementing its Farmer First Clusters Initiative, which aims to provide a combination of solutions to address soy-driven deforestation and conversion in four key Brazil Cerrado landscapes: Western Mato Grosso, Southern Maranhão, Western Bahia and Tocantins. LDC has so far put forward 60 key soy suppliers to participate and benefit from this initiative.

As signatory to the Agriculture Sector Roadmap to 1.5°, we also continue to collaborate with our peers to develop a sectoral standard on key definitions, timeline and targets for forest and native vegetation conservation. In 2023, we delivered against key milestones, including a collective operating model, a definition of native vegetation conversion and an updated timeline to reach zero conversion. For details, please visit the 2023 Roadmap Update.

LDC also actively participates in the *Visión Sectorial del Gran Chaco Argentino* (ViSeC) sectoral initiative, aiming to promote sustainable soy production in Argentina, with a focus on monitoring and reducing land-use change for agricultural purposes in the Gran Chaco biome, through a traceability and monitoring system along the production chain. ViSeC secured funding from the European Commission to serve as a tool for Argentine soy compliance with the upcoming EUDR, and in 2023, LDC participated in piloting the ViSeC methodology for this purpose, with two soymeal shipments receiving independent verification in December 2023.

Targets

Establish baseline and annual targets for deforestation- and conversion-free soy

Completion: 2023
Status: Complete

Launch LDC Program for Sustainable Agriculture in Argentina

Completion: 2023
Status: Complete*

*Farmer training program successfully launched in Argentina, following RTRS standards

100% traceability to farm for direct sourcing in high-risk regions as defined in our deforestation risk assessment regions

Completion: 2023
Status: Missed*

*reached 96% in 2023, target extended to 2024

Expand preferential financing program in Brazil's Cerrado & Argentina's Gran Chaco biomes

Completion: 2025
Status: In progress

100% zero deforestation and conversion in soy origination

Completion: 2025
Status: In progress

New Targets

Launch farmer training program for RTRS in Paraguay

Completion: 2024

Deploy regenerative agriculture pilots in Brazil and Argentina

Completion: 2024

Complete LDC's long-term financing program pilot for zero conversion soy expansion

Completion: 2024

Reach 8% of biological fertilizer* sales in our total fertilizer sales in Brazil

Completion: 2027

*Biological fertilizer, as per FAO

Sustainable Palm

In 2023, we further refined LDC's No Deforestation, No Peat, No Exploitation (NDPE) supplier assessment methodologies and applied these to our full palm supply base, which provided insight into where focused supply chain risk assessments and supplier engagement are needed going forward.

It was also a successful year for supplier capacity building, a key tool to enhance environmental and social performance within our supply chains, with training sessions covering topics such as NDPE-compliance, human rights, climate change and carbon accounting, and with plans for further collaboration with our suppliers in 2024 and beyond.

Supply Chain Traceability

Working closely with our suppliers, we maintained our strong traceability performance in 2023, reaching 98% traceability to mill level for global volumes, stable versus 2022, and actions planned to close the gap in 2024.

We also improved traceability to plantation level for directly-sourced volumes for our two Indonesia refineries to 98%, up from 95% in 2022, bringing global palm traceability to plantation to 87% in 2023, up from 77% the previous year.

With the formal adoption of the EUDR in 2023, we rolled out an extensive supplier engagement exercise to assess their readiness to comply with EUDR requirements, especially traceability to production plot. Recognizing that this last-mile traceability requirement puts a significant number of smallholder farmers at risk of market exclusion, we initiated collaboration with smallholder suppliers in Indonesia, Malaysia and Latin America, to provide technical and financial support for plot mapping within their supply chains, helping to maintain their access to the EU market access when the EUDR is enforced.

Preserving Natural Ecosystems

At LDC, we are committed to conserving forest and peat land within our palm supply chain, as stipulated in our Palm Sustainability Policy, aiming for zero deforestation and peat development by the end of 2025, in line with our global zero deforestation commitment.

To measure the performance of our own refineries toward these goals, we work against the NDPE Implementation Reporting Framework (NDPE IRF), with annual independent verification of our IRF profiles to ensure accuracy.

In 2023, 93% of our global refinery volumes and 72% of our global sourcing volumes achieved the NDPE IRF highest category: "*Delivering*". We expect the gap to 100% to continue closing, in line with our 2025 target, as suppliers who are also signatories to the Agricultural Sector Roadmap work to deliver on their own commitments.

The 2023 IRF profiles of our three palm refineries are as follows:

Lampung Refinery – Indonesia

NDPE IRF Profile – No Deforestation

NDPE IRF Profile – No Peat

Balikpapan Refinery – Indonesia

NDPE IRF Profile – No Deforestation

NDPE IRF Profile – No Peat

Kandla Refinery – India

NDPE IRF Profile – No Deforestation

NDPE IRF Profile – No Peat

Building Supplier Capacity

In 2023, we actively communicated our NDPE expectations with our suppliers and supported them in building capacity to mitigate deforestation and peat development risks in their own supply chains. We delivered four supplier training workshops in Indonesia and Malaysia, attended by 93 participants from 44 supplier companies (around 40% of our supplier base), and conducted 14 one-on-one sessions with direct suppliers in Latin America. In these workshops, the NDPE IRF was promoted as a tool to monitor and report progress toward zero deforestation and peat supply chains, with step-by-step tutorials.

Human and labor rights were also a focus in our supplier training activities in Indonesia and Malaysia, where a dedicated session explored the range of human, labor and community rights risks in the palm supply chain – from plantations to smallholder plots, and from mills to refineries. Using case studies and real-life examples, the *United Nations' Human Rights Due Diligence Framework* was introduced as a tool to systematically identify, address, prevent, mitigate and remediate risks. Additional tools and resources were also introduced to help suppliers improve their practices, such as the Palm Oil Collaboration Group Human Rights Due Diligence Library of Tools.

Supply Chain Risk Assessment

We deploy various tools to assess potential risks within our supply chain and conduct further due diligence, including:

- Potential Supplier Sustainability Due Diligence, applied to all potential palm suppliers and ensuring those with severe LDC policy violations cannot enter our supply chain.
- Supplier Self-Assessment Questionnaire, applied to all palm suppliers to provide information on their relevant policies and practices.
- Supplier NDPE Risk Profiling, developed with the support of *Proforest*, applied to all our trading counterparties and supplying mills, and used to assesses their relevant deforestation policies, governance, practices, grievance management and reporting.

86% of our existing suppliers have an NDPE commitment in place. In 2023, we screened 57 potential new suppliers and blocked 12 of these due to high NDPE risks. We also applied NDPE Risk Profiling to our whole palm supply base.

For suppliers identified as high-risk, we initiate one-on-one engagement and, if needed, conduct further field and desktop due diligence, following our NDPE Compliance Verification Protocol. This process leads to corrective action plans, which are co-developed with suppliers, as well as regular updates to ensure continuous improvement. In 2023, two suppliers successfully implemented corrective action plans.

Working with *Global Forest Watch* and *Earthqualizer*, we employ satellite monitoring of our global palm supply chain for deforestation and peat development. Bi-weekly land-use change alerts allow us to quickly identify and respond to possible non-compliance in our supply base.

Our latest grievance log is accessible via LDC's website. Suppliers who engage in deforestation and peat development activities are required to complete remediation and compensation procedures (RACP). If they fail to do so, they face suspension from LDC's supply chain.

We also compile a no-buy list of suppliers who exhibit severe environmental or social non-compliance, and a lack of willingness or capacity to improve practices. These suppliers are blocked from commercial activities, and we also circulate this list proactively with our direct trading counterparties, to ensure no indirect sourcing from these entities. As of December 2023, there were 46 entities in our no-buy list, compared to 39 in 2022.

Sectoral Collaboration

As previously mentioned, in December 2023 we published our progress update on implementation of the Agriculture Sector Roadmap to 1.5°C.

In 2023, we also continued our active role in the *Palm Oil Collaboration Group* (POCG), which seeks to advance collective work with value chain partners on deforestation risk definition and mitigation in key landscapes, with a particular focus on deforestation beyond corporate palm concessions.

As a member of the POCG, in 2023 we contributed to the development of the *NDPE Social Implementation Reporting Framework*, which serves to assess human, labor and community rights practices at refinery level in a unified way. Once finalized, we plan to apply this tool to our two refineries in Indonesia in 2024, and subsequently roll it out across our supply chain.

In Latin America, we continued our active participation on the board of directors of the *Colombian Corporation for Sustainable Palm Oil* and as member of the *Colombian Palm Zero Deforestation Agreement*, to advance sectoral efforts toward sustainable and zero deforestation palm production.

Human Rights

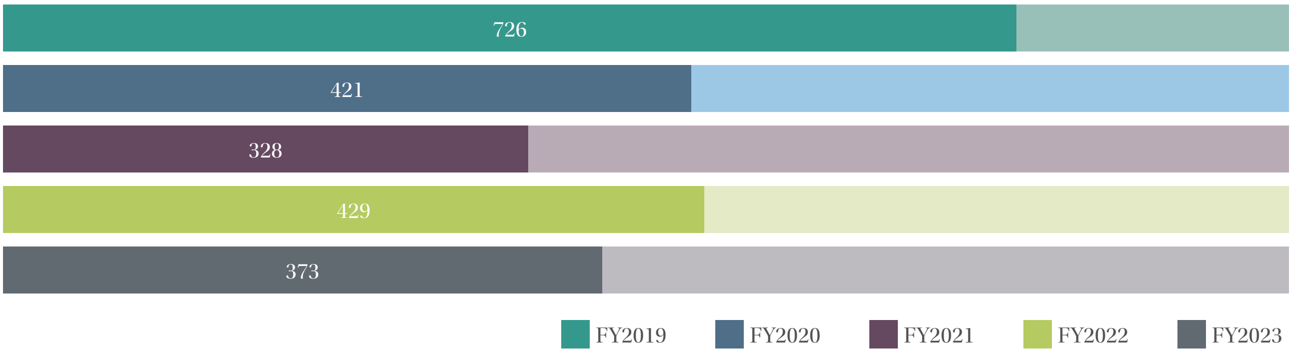
Upholding human and labor rights being integral to LDC's Palm Sustainability Policy, we deploy various tools to assess potential risks within our supply chain and conduct further due diligence in relation to issues such as child and forced labor, fair labor practices, work conditions, health & safety, and community and indigenous rights.

In 2023, we continued external human rights due diligence work on our refinery in Balikpapan, Indonesia, and its three supplying mills, conducted by the social responsibility consultancy *Verité*. Audits were carried out at the four sites, following the *United Nations* Guiding Principles on Business and Human Rights, which generated insights into current practices and identified improvement areas, and strengthened our relationship and collaboration with suppliers. We aim to complete all pending improvement actions with our refinery and its supplying mills in 2024.

Certification

Recognizing certification as one way to ensure responsible sourcing of palm products and fulfill our customer expectations, in 2023 we continued to source palm oil that complies with *Roundtable on Sustainable Palm Oil* (RSPO) and *International Sustainability & Carbon Certification* (ISCC) standards, although our certified palm oil sales declined, largely due to reduced demand for ISCC palm oil in EU countries.

ISCC and RSPO Certified Volumes (KMT)



Case Study: Sustainable Palm Smallholder Training, Côte d'Ivoire

LDC's Rural Business Incubator in the country's Sud Comoé region has been active since November 2022. The training center provides a four-month intensive educational program as well as customized training for local palm oil farmers, cooperative members and young people who want to improve their agricultural practices and production.

The center consists of classroom buildings, a boarding house, tree and vegetable nurseries, and trial plots for conventional and regenerative palm oil production, while the educational curriculum includes theoretical and technical classes on sustainable crops production, agro-transformation, entrepreneurship and good nutritional practices.

In 2023, 32 trainees completed the training program, with a further 64 farmers trained through the custom program.

We will continue to advance the program in 2024, developing a new strategy to attract graduates and create awareness about the center, and launching a post-graduate support program. We also plan to enhance engagement with key project stakeholders, including palm oil mill companies and farmer cooperatives, by creating a Management Committee consisting of community representatives who will actively participate in managing the center.

Targets

100% indirect suppliers to complete LDC NDPE assessment

Completion: 2023
Status: Complete

Maintain 100% traceability to mill level for palm sourced directly to LDC refineries

Completion: 2023
Status: Complete

Maintain near 100% traceability to mill level for palm traded by LDC

Completion: 2023
Status: Complete

100% direct suppliers categorized as high-risk to complete field verification of NDPE compliance and improvement plan

Completion: 2023
Status: Missed and postponed to 2024*

*Limited commercial leverage over some high-risk suppliers

Initiate support for one landscape project in our key supply base

Completion: 2023
Status: Missed and postponed to 2024*

*More time required to align on which project to prioritize

100% traceability to plantation for direct suppliers to Indonesia refineries

Completion: 2025
Status: In progress

Near 100% volumes for Indonesian refineries are in the Delivering category of the NDPE IRF

Completion: 2025
Status: In progress

New Targets

Maintain 100% traceability to mill level for palm sourced directly to LDC refineries at origin

Completion: 2024

95% volumes for LDC Indonesian refineries are in the *Delivering* category of the NDPE IRF

Completion: 2024

Maintain near 100% traceability to mill level for palm traded by LDC

Completion: 2027

Juice

The Juice Platform delivered strong results in 2023, supported by robust production figures, an expanded client base, an enlarged geographical footprint and product offering, and best-in-class industrial and agricultural performance, following consistent investments to improve operational excellence – all while maintaining a rigorous focus on maximizing the sustainability of our operations.

Orange Juice Market Outlook

In 2023, the main orange juice producing countries experienced a tightening of fruit supply. In the US, Florida had the smallest orange harvest since the 1930s, due to a combination of rampant citrus greening and damage to groves by Hurricane Ian in September 2022. Mexico also harvested a 20% smaller crop year on year, due to adverse weather conditions.

Although Brazil had a medium crop, total orange juice supply remained under pressure, due to the lowest levels of Brazilian orange juice inventories worldwide since 2011, pushing prices to record levels.

Additionally, citrus greening disease recorded its highest incidence since 2008 in Brazil, affecting some 38% of the trees, increasing fruit drop and reducing quality. Rising production costs also posed challenges for juice producers in 2023. The price of fruit from external suppliers rose by 47% year on year, as diesel and crop protection expenditure increased, with growers seeking to combat citrus greening. Growing competition for workers also encouraged juice producers to offer their workforce higher financial incentives.

In parallel, global orange juice consumption remained under pressure in 2023, driven by the lack of supply and price increase, for both from-concentrate (FC) and not-from-concentrate (NFC), for which consumption was down 12.3% and 4.7% respectively year on year, in the US and Europe.

Strong Performance

Despite this context, our Juice Platform delivered a strong financial performance, partly supported by rising juice prices amid supply tensions, but also attributable to our strategy and investments in best-in-class operations, and accelerated sustainability efforts.

The Platform expanded its commercial reach in 2023, as LDC became the first company to export bulk lime NFC and frozen concentrate juices, as well as lemon frozen concentrate juice, from Brazil to Europe and the US, and increased its juice origination activity. We began selling containers for freight on our juice vessels to third parties and formed a partnership to expand our frozen concentrate orange, lime and lemon juice storage capacity in the US. We also launched our B2C bottled juice business in China, announced at the 2022 China International Import Expo, to distribute LDC's orange and lemon NFC juices under a third-party brand.

Supporting the Platform's innovation drive and portfolio expansion into high-margin products, we reinforced our research and development team in Bebedouro, São Paulo State, Brazil, and produced additional advanced citrus flavor and fragrance ingredients, such as oils and essences, folded oils and fractions, and terpenes. We also formulated new and natural from-the-named-fruit (FTNF) add-backs, boosting the taste and aroma of LDC juices.

Amid supply shortages, LDC accelerated its production at the beginning of the season, paving the way for our good performance, supported by the groundwork already laid by investments in the business, including new NFC storage tanks at Matão, São Paulo State, Brazil, boosting the site's NFC storage capacity to 30 million liters in 2023, and expanding fruit unloading capacity with new ramps to improve operational efficiency. Over the course of the year, we invested further in our operations, increasing oil recovery efficiency in our Brazilian juice assets, commissioning new oil distillation capacity, and upgrading our logistic system in Ghent, Belgium, to drive agility in managing juice deliveries, and ultimately improve our customers' experience.

In turn, this led to a historic level of orange and lime NFC production, up 21% year on year, helped significantly by our new NFC tanks in Matão, and supported by agreements in Brazil to process additional volumes of limes and oranges outside our own facilities.

We also recorded a historic high for pulp cell volumes in 2023, up 103% versus 2022, supported by our two cell processing lines in Bebedouro and in Paranavaí, Paraná State, which became operational in 2022, with an additional processing line currently under construction in Matão.

In parallel, a strong maintenance program at LDC-managed farms, as well as systematic implementation of sector best practices in our groves, led to a substantial improvement in fruit yields and quality: LDC farm yields increased 8% year on year, while overall citrus belt yields fell by 2.3%.

This progress was thanks to the implementation of more advanced agricultural practices, in particular technology for precise fertilization and crop protection application to combat citrus greening, rational and smarter irrigation, precise agricultural strategy plot by plot (instead of a single strategy for the whole farm), and the adoption of new technologies such as drone monitoring, telemetry sensors and assisted pollination.

We also used soil probiotics in our groves to increase microbial activity, which supports root growth and enhances nutrient and water uptake by citrus trees.

As a result of these actions, our Juice Platform produced an additional 25% of fruit year on year from LDC-managed farms, while an important market share increase in third-party fruit supply also contributed to a 14% increase year on year in the volume of fruit processed.

In 2023, we also looked to the future by planting around 3,000 hectares of new trees in irrigated farms, in areas less impacted by citrus greening.

39%
increase in capital expenditure year on year

3
world's third-largest citrus juice processor & merchant

1
top processor and exporter of lemon and lime juices in Brazil

Sustainable Juice

At LDC, we recognize that the long-term success of our business depends on the responsible and sustainable use of natural resources, and that the sustainability of our business is inextricably tied to the adoption of sustainable practices by our suppliers.

Responsible Supply Chain

Throughout 2023, we continued to work with our suppliers to encourage compliance with our sustainability standards in order to maintain commercial relationships, including the socio-environmental standards set out in our *Conduct Manual for Raw Materials Suppliers*, which all our suppliers are required to sign.

Our analysis and monitoring system maps production practices at farm level, as a basis to evaluate supplier farms in relation to deforestation and overlap with protected areas, environmental embargoes, inclusion on Brazil's slave labor list, and other criteria.

80% of our third-party fruit suppliers underwent on-site audits in 2023, based on the requirements outlined in our code of conduct. Where we observe issues, we work alongside our suppliers to help them to adapt their farms in line with our sustainability policies, as well as all legal and industry requirements.

In 2023, we also monitored 100% of our fruit suppliers (existing and new), in relation to LDC's commitment to eliminate deforestation and conversion of native vegetation of high conservation value for agricultural purposes from all our supply chains, by the end of 2025. All existing suppliers were confirmed compliant, and over the year, an additional 65 areas were analyzed to formalize contracts with new suppliers.

Sustainable Finance Supporting Suppliers

As part of our commitment to shape increasingly sustainable food and agricultural value chains, in 2022 LDC signed a sustainability-linked, ten-year US$40 million term loan facility, with a significant share of the funds allocated to supporting fruit supplier verification in line with the *Sustainable Agriculture Initiative's* Farm Sustainability Assessment (SAI/FSA) requirements.

In 2023, LDC supported fruit suppliers with technical consulting to achieve at least Silver-level FSA requirements, and financed their third-party audit to SAI/FSA standards, reaching 2.3 million fruit boxes verified – 187% above the expected target. Over the course of the year, the project positively impacted 31 properties belonging to 19 producers in Brazil, encompassing over 8,300 hectares in the states of São Paulo and Paraná.

Case Study: *Programa Compartilhar*

LDC recognizes its key role in encouraging the adoption of sustainable production practices by third-party fruit suppliers, in line with our own sustainability policies, as well as legal and industry requirements. Since 2015, our *Programa Compartilhar* (Share Program) has reached out to LDC suppliers from various locations in Brazil, to discuss traceability, sustainable agriculture, new technologies and biological pest control, among many other topics.

In March, June, September and December, online editions of the program covered LDC support for SAI/FSA certification, good harvesting practices, regenerative agriculture and good rural work practices (with a focus on migrant workers). In December, LDC also launched an *online course for suppliers* to learn more about labor conditions and human rights, environmental conservation and good agricultural practices.

Overall, over 100 people representing 97 suppliers participated in *Programa Compartilhar* sessions in 2023, further strengthening our relationship with partner suppliers and encouraging more sustainable practices in citrus production.

Sustainability Certification

In 2023 we maintained or extended our high level of certification across LDC-managed citrus farms and juice processing facilities, with 100% of the 38 productive farms managed by LDC verified to the *Sustainable Agriculture Initiative* Platform's Farm Sustainability Assessment's (FSA) Gold level, and 84% certified by the *Rainforest Alliance*.

All our juice facilities maintain compliance with SMETA requirements and are *Sedex* members. Our industrial facilities at Matão, Bebedouro and Santos retained their *Rainforest Alliance* certification, as did our terminal in Ghent, Belgium. Our facility in Paranavaí, Brazil, is certified by *Fairtrade*, a leader in the global movement to make trade fair.

Case Study: Fairtrade & Coopsoli

In 2023, we increased our export of *Fairtrade*-certified juice by 60% compared to 2022, and maintained segregated production of *Fairtrade* juice, made from fruit supplied by *Cooperativa de Produtores do Comércio Solidário* (Coopsoli) – an organization of 35 citrus growers that guarantees a premium payment for *Fairtrade*-certified fruit, to generate investments in social, economic or environmental projects in surrounding communities.

For example, in 2023:

- A project to empower women cooperative members and their female relatives, through small business and diversified family incomes. A technical workshop was held to teach women about ornamental plant business management – from production to marketing.
- A project to identify the nutritional needs of each soil and plot among member farms, through soil analyses. With this information, the cooperative technical team offered guidance about inputs required to conserve soil fertility, increase productivity and ultimately improve profitability, while minimizing the potential negative impacts of improper soil management.
- Various actions to combat citrus greening in partnership with other cooperatives and public and private actors, including awareness building among producers, their communities and in schools.

Regenerative Agriculture

We are assessing our farming activity in Brazil, actively testing innovative technologies and practices targeting more sustainable fruit production through the implementation of regenerative agriculture principles in our groves.

In 2023, diagnostic testing was conducted at our flagship Monte Belo Farm, São Paulo State, to assess agriculture practices according to *regenagri©* principles. The *regenagri©* seal was received for this farm, making it the world's first orange farm to achieve such recognition. This achievement is a first milestone on our journey toward integrating regenerative agriculture strategies across our citrus farms, which should continue into 2024 and beyond.

Carbon Footprint Assessment

In 2023, our Juice and Carbon Solutions Platforms conducted a study to calculate the carbon footprint of LDC's frozen concentrate orange juice production, following *GHG Protocol* guidelines and using metrics based on *Intergovernmental Panel on Climate Change* methodology.

For the purpose of this pilot study, we adopted the premise of sourcing oranges solely from farms managed by LDC and processed at our Bebedouro facility, right up to delivery at our Ghent terminal in Belgium. It is important to note that the study focused exclusively on emissions from our operations, with the opportunity to include the calculation of sinks present in our fruit groves in future assessments. In 2024, we intend to conduct a carbon stock measurement in LDC-managed farms, to establish a carbon balance that incorporates both emissions and sequestration.

Pest Management

All farms managed by LDC have implemented integrated pest management (IPM), which seeks to manage pests through environmental and biological means. Chemical or synthetic products are only used when pest infestation levels come close to the natural tolerance limit of plants, in order to minimize environmental impacts.

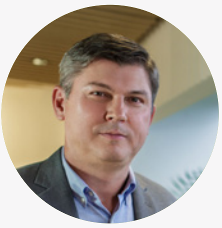
The prevailing tropical climate and the population pressure of citrus greening in the citrus belt pose significant challenges to the sector. Our technical teams work continuously to address these challenges through sustainable practices, particularly through the responsible use and risk mitigation of pesticide applications.

Since 2017, LDC has implemented the ProMIP application on all LDC-managed farms, for real-time monitoring on pest infestations, allowing for more informed decision-making and avoiding unnecessary pesticide use in our groves. Moreover, all farms managed by LDC adhere to *ProteCitrus* guidelines regarding maximum pesticide residue limits, use only active ingredients permitted by the *Rainforest Alliance* and apply risk mitigation measures, such as no-application zones near natural ecosystems, planting vegetation barriers, and mechanisms to reduce spray drift.

Volume and intensity of pesticides used by toxicity hazard levels*

2023	Active ingredient quantity (kg)	Active ingredient Intensity (kg/hectare)
Highly hazardous	2,395.72	0.10
Moderately hazardous	32,688.58	1.33
Slightly hazardous	46,095.20	1.87
Unlikely to present an acute hazard	1,298.13	0.05
Others**	8,035.26	0.33
Total	**90,512.89**	**3.68**

* Toxicity levels defined by The WHO Recommended Classification of Pesticides by Hazard and Guidelines to Classification 2019.
** Products not included in the above-mentioned classification.



Paulo Hladchuk
Head of Juice

Our sustainability projects, pilots and partnerships complemented our customer focus, product innovation and organizational efficiency, to grow and ensure strong returns for our juice business responsibly, for the long term.

Protecting Biodiversity

As a responsible business, we strive to reduce the impacts of our operations and promote the preservation of biodiversity. In 2023, we continued to follow our Biodiversity Protection and Conservation Plans and planted more than 49,900 native seedlings on or around LDC-managed citrus farms in Brazil.

One of the reforestation strategies we employ is 'nucleation', which relies on planting 'islands' of vegetation as focal areas of recovery. These islands are composed of species with the ecological capacity to significantly improve the environment and facilitate occupation of the area by other species.

Case Study: *Juntos Pelo Meio Ambiente*

Our *Juntos Pelo Meio Ambiente* (Together for the Environment) project began in 2012, aiming to raise awareness of the following topics among primary school children from local communities living near LDC-managed citrus farms in Brazil:

- Fauna and flora preservation
- Sustainable agricultural production
- Natural ecosystem ecological balance
- Improved living conditions through sustainable practices
- Their connection with the natural environment

In 2023, the program was conducted on all LDC-managed farms, directly involving 29 schools and approximately 1,600 children from 24 towns. Students participated in lectures, learned about waste recycling and agricultural activities, took part in farm tours and helped plant native seedlings, among other activities.

Targets

Carry out Supplier Code of Conduct audits with 66%* of third-party suppliers

Completion: 2023
Status: Complete

*80% achieved in 2023

Increase fruit volumes sourced from third-party suppliers with SAI/FSA Silver or Gold level verification by 6% year on year

Completion: 2023-2027
Status: Complete for 2023

Carry out Supplier Code of Conduct audits with 100% of third-party suppliers*

Completion: 2024
Status: In progress

*The 2023 and 2024 targets are cumulative: 50% in 2023, plus 50% in 2024

New Target

100% of fruit volumes sourced from third-party suppliers are certified sustainable

Completion: 2030

Rice

Our Rice Platform once again delivered solid results in 2023, consolidating LDC's position as the world's leading private rice trader. We leveraged our global network and reputation to source rice from diverse origins, ensuring continued service to our customers.

Agility Amid Challenges

In 2022, India banned exports of broken rice and imposed duty on certain rice varieties, ending more than a decade of price stability. India upheld these restrictions in 2023, and also halted exports of non-basmati white rice, which previously represented a third of its milled rice exports. The additional restrictions fueled volatility in an already bullish market, compounded by production shortfalls in Pakistan and Myanmar, and Indonesia's entry as a buyer in 2023, for food security needs.

Given government intervention in India, LDC positioned itself well in Thai and Vietnamese origins, where we turned our trading focus in 2023. In Thailand, we strengthened our local trading capabilities through our joint venture tolling agreement with a large miller to process paddy.

Re-establishing a domestic presence in India at the end of 2022 also proved a successful strategy in 2023, as our new local team's presence and market expertise helped the Platform navigate commercial and operational risks associated with export policy uncertainties, allowing LDC to capture origination margins and engage in local trading in the country.

In addition to significantly increasing our participation in Asian rice flows, we also leveraged our global footprint to compensate for India's limited exports, doubling volumes of rice originated from South America in 2023.

Operational and Traceability Improvements

In addition to continued efforts to limit product losses during discharge operations, which we have reduced by 20% since 2021, in 2023 we increased our storage capacity at destination to enhance both our supply chain integration and storage conditions.

In line with our commitment to supply chain traceability, we were able to trace 100% of rice originated from Latin America back to mill level in 2023, and took steps to evaluate traceability levels for rice products originated in Southeast Asia.

Guy de Montulé
Head of Rice

LDC successfully navigated 2023's volatile market environment to meet all commitments to our customers – both long-term historical partners and smaller, more recent clients.

Sugar

Our Sugar Platform delivered significant growth and improved profitability across all activities in 2023, including international trading of raw and white sugar, distribution in China and Africa, as well as ethanol trading.

Sugar prices in 2023 were supported by significant factors impacting the sugar industry, such as reduced export quotas imposed by the Indian Government, disappointing 2022/23 Thai crop yields and the delayed commencement of the 2023/24 Brazilian crop.

Sugar trade flows remained tight for several months, even experiencing a deficit during parts of the year, driven by major contributing factors such as production losses in key countries such as Thailand and India, as well as logistical bottlenecks in Brazil.

In 2022, we announced our entry into the power trading business in Brazil, as part of LDC's strategy to diversify revenue streams. In 2023, we actively engaged in this new venture, expanding our sugar and ethanol operations to also cover energy co-generated from sugarcane biomass.

As part of our long-term growth plan in Brazil, we also successfully completed .the acquisition of a 50% share in an export terminal in the country – *Terminal de Exportação de Açúcar do Guarujá*.

In China, the Platform delivered a strong trading performance and expanded its end-user business, which distributes sugar to industrial segments.

Enrico Biancheri
Head of Sugar

Thanks to our research and logistic capabilities, extensive footprint in all key origins and customer-centric approach, the Platform successfully navigated crop disruptions by providing efficient risk management solutions to its clients.

14%
year-on-year increase in global white sugar flows

9%
year-on-year increase in total global volumes traded

13%
year-on-year increase in global customer base served

ESG Strategy & Performance


LDC
Louis Dreyfus Company

Message From Our CSO

In 2023, amid accelerating climate challenges on a global scale, LDC continued to work toward increasingly fair and sustainable food and agricultural systems, building on the foundations laid by our in-depth materiality assessment in 2022.

Governance in Focus

As part of our focus on further reinforcing our sustainability governance framework, our recently created executive-level Sustainability Committee and experts from across the Group worked to formalize LDC's new Sustainability Strategy in 2023, based on six core priority areas identified through our 2022 materiality assessment, as outlined in detail in the following pages of this report: Human & Labor Rights, Sustainable Land Management, Employee Welfare, Climate Change, Bioenergy, Product Traceability & Sustainability Solutions.

The Sustainability Committee also drove the development and adoption in 2023 of LDC's Human & Labor Rights Policy, formalizing our commitment to upholding human and labor rights in our operations and supply chains, through provisions related to land and resource rights, forced or compulsory labor, child labor, freedom of association and collective bargaining, and rights of indigenous people.

Our 2022 materiality assessment also highlighted the need for a Group-wide responsible sourcing policy and grievance protocol. Accordingly, in 2023 we adopted LDC's global Supplier Code of Conduct, setting sustainability standards applicable to all LDC suppliers, covering both environmental and social impacts on supply chains. We believe the positive benefits of adopting this code will extend beyond LDC's operations, with suppliers actively encouraged to cascade policy principles upstream to parent or affiliate companies, and downstream to subsidiaries, employees and contractors.

These two new policies are designed to work in conjunction with our existing global and commodity-specific policies and codes, which continue to provide additional guidance and standards.

Land Conservation & Climate Change Mitigation

Having identified sustainable land management and climate change as core priorities, 2023 saw the creation of a global team dedicated to the development and implementation of our regenerative agriculture strategy, as we seek to drive adoption of farming practices that improve soil health, promote biodiversity, restore aquifers and sequester carbon, helping to mitigate climate change while supporting local farming systems.

In addition to continued deployment of regenerative agriculture field projects in several of our supply chains, and recognizing that collaborative efforts can drive greater and broader impact than individual actions, in 2023 we also worked toward the signing in January 2024 of an important collaboration with *The Nature Conservancy* across two interconnected action 'pillars': promoting regenerative agriculture and deforestation- and conversion-free production in key supply sheds. The collaboration seeks to accelerate the shift from commitment to on-the-ground implementation, ultimately supporting the long-term resilience of global food and agricultural supply chains by championing sustainable practices where the food system begins: at the farm level.

Meanwhile, on the decarbonization front, we continued to carry out asset improvement initiatives and investments that drove energy efficiency, stepped up use of renewable energies and contributed to emissions reductions in our operations, advancing toward our 2030 Scope 1 & 2 emissions reduction target, announced in March 2023.

We also disclosed our 2022 Scope 3 land use-based emissions a full year ahead of time, aligning calculations with GHG Protocol best practice guidance for our sector, and our first-ever Carbon Disclosure Project submission saw a 'B' score attributed to LDC, recognizing good management of climate change issues facing the business.

Preparing for the Future

In June, the European Union adopted its new Deforestation Regulation (EUDR) that requires companies to conduct extensive diligence on their value chains to ensure their goods and products do not result from recent deforestation or forest degradation.

Our commitment to eliminate deforestation and conversion of native vegetation of high conservation value for agricultural purposes from all our supply chains has helped ensure that we are well-prepared for these new regulations, including through continued efforts in 2023, to drive supply chain traceability as a basis for responsible and compliant sourcing decisions.

Product lines in scope for EUDR also took steps in 2023, in readiness for compliance. Our Grains & Oilseeds Platform collaborated with several organizations on pilot soy product shipments from Latin America to Europe, in preparation for EUDR compliance on soy products from all key origination countries by the end of 2024, and collaborated with suppliers in Indonesia, Malaysia and Latin America to offer smallholder farmers technical and financial support for plot mapping in their supply chains, to help them maintain their EU market access when EUDR is enforced. Our Coffee Platform was also able to deliver our first sales of EUDR-aligned coffee to European customers in 2023, ahead of time.

In an exciting development with other founding companies, we also helped launch online sustainability measurement platform TRACT, designed to enable users to compare traceability and sustainability metrics across multiple product categories all in one place, thereby contributing to increasingly transparent supply chains.

Collective Mission

Thank you to all our teams for their commitment and continual efforts to drive fair and sustainable practices in everything we do – at our assets and offices, and across our value chains – working hand in hand to tackle pressing challenges in our industry, and empowering people and communities as a key to lasting positive impact.

In 2024 and beyond, we will continue working together in this sense, toward a more sustainable future for food and agriculture, providing impactful solutions that foster more sustainable business practices across our value chain, and keep LDC as the partner of choice for our stakeholders, based on trust and shared convictions.

Murilo Parada
Chief Sustainability Officer

Materiality & Sustainability Strategy

Material Topics

The identification of LDC's material topics was first carried out in 2022, on the basis of desktop research and analysis of selected peers from LDC's industry and financing groups, regulations, megatrends, media, NGOs, and internal policies, procedures and publicly available reports. This first exercise allowed us to develop a list of 23 topics that were potentially relevant to LDC's sustainability strategy. These topics were organized around five themes: Natural Resources, Communities & Suppliers, People, Products and Business Conduct.

In order to assess the materiality of the topic, we employed the double materiality approach, as outlined by the *Global Reporting Initiative* (GRI) and *European Sustainability Reporting Standards* (ESRS). Each topic has been screened from two perspectives: the importance of the topic to LDC's business success (financial materiality) and the impacts that LDC's business activities have on the topic (impact materiality).

In addition to desktop research, we conducted interviews to gather the perceptions and expertise of key internal and external stakeholders on the predefined list of sustainability topics. These interviews were conducted with LDC management team members, representatives from the financing community, associations and NGOs, and suppliers and customers. In addition to interviews, LDC conducted an employee survey (over 1,900 respondents) dedicated to identifying the most material topics as perceived by employees.

The results of this exercise were published in LDC's 2022 Sustainability Report.

In 2023, we grouped some of these topics to create a more consistent framework, mapped to the GRI 13 standard applicable to our sector and the *United Nations Sustainable Development Goals*. The updated list of topics and definitions can be found in the Appendix.

LDC's Sustainability Strategy

In 2023, the focus was to translate these material topics into a sustainability strategy, with ambitions, goals and action plans. A cross-functional team was formed in order to identify and prioritize the topics that would constitute the core of LDC's sustainability strategy.

We are convinced that creating a positive social and environmental impact will contribute to LDC's resilience and success. Our strategy is therefore structured around the following six core topics, for which we have defined – or are defining – targets and actions.

Traceability & Sustainability Product Solutions

Building traceability capabilities in order to source products with improved sustainability features is a priority at LDC. This topic is closely linked to our commitment to zero deforestation and native vegetation conversion in our supply chains.

The programs to build traceability capabilities are developed at Platform level, in order to ensure consistency with crop and origin specificities.

Bioenergy

At LDC, we believe that we need to support the global energy transition, by supplying sustainable biofuels from sustainable feedstocks.

LDC is actively involved in the production of biofuels in several locations, supplying alternative fuel to support the energy transition.

Human & Labor Rights

Topic boundaries
During our materiality assessment process, Human & Labor Rights has been highlighted as one of the most material topics, from the point of view of both LDC and its stakeholders. It is critical for LDC to develop a systematic approach to human and labor rights through a dedicated framework, and through active monitoring of the potential adverse impacts and risks in our supply chains.

Targets and progress
As announced in our 2022 Sustainability Report, LDC has appointed a cross-commodity Group Lead for Human & Labor Rights to spearhead our action plan on the topic, with the objective of designing a new LDC Human & Labor Rights Governance Framework. This includes both the adoption of a human rights policy and conducting a corporate human rights risk assessment in order to determine and prioritize actions to address negative human rights impacts on stakeholders throughout our activities and operations. Our 2024 and 2026 targets are in progress.

Employee Welfare

Topic boundaries
Employee welfare is about creating a safe and inclusive workplace to foster employee engagement, attract top talent and cultivate high performance. The safety of our employees and contractors has long been a focus area: our commitment to zero accidents and zero injuries reflects the importance of this topic across our facilities.

LDC continues to invest in Diversity, Equity and Inclusion (DE&I) across its locations, fostering an inclusive culture that promotes a diverse workforce that is treated equitably. Whenever possible, LDC develops a regional approach in order to best tailor programs to local needs.

Targets and progress
LDC is committed to zero accidents and zero injuries for LDC employees and for contractors. Progress against our safety targets can be found in the Safe Workplace section of this report. Our DE&I targets can be found in the Inclusive Workplace section of this report.

Sustainable Land Management

Topic boundaries
Sustainable land management encompasses three main areas of focus for LDC.

The first is land use change. We believe that protecting natural ecosystems against deforestation and conversion is a priority. This is embodied by our commitment to zero deforestation and native vegetation conversion in our supply chains by the end of 2025.

The second is regenerative agriculture. Fostering regenerative practices on farms is a critical step to transforming our global food systems and meeting the biggest challenges facing humanity, which include climate change, food waste and malnutrition.

The third is water stewardship and biodiversity. While ensuring responsible water use in our operations will continue to be a priority at LDC, we are also looking at expanding this topic to our supply chain, along with biodiversity. This will be a key focus area for 2024.

Targets and progress
Progress toward zero deforestation and native vegetation conversion for each priority supply chain is detailed in relevant business line sections of this report. All regenerative agriculture targets are ongoing, and targets by location are detailed in the Sustainable Land Management section of this report.

Climate Change

Topic boundaries
Climate change is about encouraging collaborative action to decarbonize LDC's own operations and its value chain. It encompasses developing low carbon intensity products and solutions for LDC's own operations, our customers and suppliers, but also participating in global carbon credits markets, assessing climate-related risks and opportunities, and adjusting to the current and expected effects of climate change in LDC's own operations and our value chain.

The topic includes both LDC's direct and indirect greenhouse gas (GHG) emissions footprint as well as the impact of climate change on LDC's operations and supply chains. A reduction target for Scope 1 and Scope 2 GHG emissions has already been set and published, while a Scope 3 emissions reduction target will be announced in due course. Climate risks are analyzed and managed on an ongoing basis.

Targets and progress
Progress in this area can be found in the Climate section of this report.

Insight From The Nature Conservancy


Authored by The Nature Conservancy's Senior Scientist for Food & Water, Hannah Birgé, Ph.D. and Agricultural Decarbonization Specialist, Gabriella Scolio, PSM.

At The Nature Conservancy, we have a vision of a world where the diversity of life thrives, and people act to conserve nature for its own sake and its ability to fulfil our needs and enrich our lives. For over 70 years of our history, this vision manifested as a focus on protecting lands and waters parcel by parcel and with diverse stakeholders – including thousands of farmers and ranchers.

Starting in the early 2000s, however, we realized that achieving our ambitions meant working to influence the decisions that shape our world on a global scale. This put engaging with the agricultural sector at the top of our list given the sector's immense footprint: Agriculture covers nearly six billion hectares, or 38% of Earth's land surface[1], covering 70% of would-be grasslands, 50% of the savanna, 45% of the temperate deciduous forest, and 27% of the tropical forest biomes[2].

This expansion – nearly 100 million new hectares between 1960 and 2019 – in combination with an explosion of new technologies to intensify production, including improved seeds, farm technology, irrigation, and chemical fertilizers, has positioned agriculture as the primary global driver of soil degradation[3], water depletion[4], water pollution[5] and habitat loss, and a leading driver of climate change[6].

But this expansion and intensification has also come with major and obvious upsides: In the past century, an estimated 1 billion people were spared from deaths of starvation[7]. As a partial result of improved food security, real per capita incomes almost doubled in Asia and India between 1970 and 1995. By the year 2000, in the United States, fewer than 1% of the workforce was employed in agriculture – down from nearly 50% at the start of the 20th century – freeing up would-be farmers to embark on careers in technology, the arts, and business.

In short, this so-called "Green Revolution" pulled hundreds of millions of people worldwide out of food insecurity and poverty and supported the technological and economic triumphs that defined the 20th century.

And, somewhat unintuitively, advances in agricultural intensification, including irrigation and fertilizer application, improved yields so much that they may have spared an estimated 18-27 million hectares of ecosystems from conversion to agriculture lands, due to higher yields[8]. In India, for example, cropland footprint only expanded by 4% between 1970 and 1990 but food production doubled as a direct result of intensification[9].

This sets up one of the grand challenges of our time: how to meet growing demand for food and water while preserving nature both for its own sake and for the life support systems it provides humanity. Our natural lands and waters provide habitat for a dwindling array of species, but it also provides all living things – including people – with clean air, abundant freshwater, and a natural reservoir for absorbing and eliminating toxins and disease.

Nature also provides a place for people to maintain their cultures and support their wellbeing. But our agricultural lands can also provide at least some of these services if they are managed not just for maximal production, but also to restore key ecological functions. This system of farming, loosely referred to as regenerative agriculture, fosters healthy soils, careful water stewardship, a return of native habitat, climate mitigation and adaptation, an emphasis on producer wellbeing and more, alongside agricultural production.

A major question then arises: Should we optimize our existing agricultural lands for maximal production, or should we manage our agricultural lands to restore ecological function while supporting agricultural production as joint objectives? The Nature Conservancy and many of our partners think we can do both.

In the past decade alone, there has been exponential growth in the number of major food companies estimating their environmental footprints, disclosing that impact and creating ambitious and science-based strategies for reducing those impacts. And any business strategy, by definition, is built around financial growth.

We think that's a good thing: if companies can couple ambitious environmental mitigation strategies with ambitious financial growth strategies, we can harness the power of the private sector to find innovative and durable strategies for achieving more agricultural production with fewer environmental side effects.

So, what's next? It's an incredibly exciting time to be working in the regenerative agriculture space, with the proliferation of investments in ambitious and science-based corporate strategies. But the next step – and it's a big one – is going to be in execution.

A recent study from our friends at *The FAIRR Initiative* found that only 8% of 50 agricultural sector companies with regenerative agriculture commitments surveyed had financial targets to match[10]. To make good on the promise of regenerative agriculture it's time to marshal the resources – financial, human, innovation – to translate these ambitious strategies into reality. It's likely going to be expensive and it's definitely going to be messy. But expensive, messy plans are not the hallmark of good business strategy. It's also going to take corporate courage to embrace the unknown and proceed – thoughtfully.

Quite frankly, there is no other option: sustainably intensifying our agricultural systems is the best hope we have for a world in which people and nature thrive and we need all hands on deck – from producers, to NGOs, governments, and private sector companies – to make it happen.

[1] Food and Agriculture Organization of the United Nations

[2] Ramankutty, et al, "*Geographic Distribution of Lands in the year 2000*"

[3] FAO and ITPS (2015) Status of the World's Soil Resources (SWSR) – Main Report. Food and Agriculture Organization of the 4United Nations and Intergovernmental Technical Panel on Soils

[4] UN World Water Development Report 2022

[5] Food and Agriculture Organization of the United Nations: Water Pollution from Agriculture: A Global Review (2017)

[6] Food and Agriculture Organization of the United Nations: Emissions Due to Agriculture 2000-2018

[7] Pielke, R. J., Linnér, B., (2019), From Green Revolution to Green Evolution: A Critique of the Political Myth of Averted Famine, Minerva, 57(3), 265-291

[8] Cassman, Kenneth, University of Nebraska, Lincoln, NE (2013). Green Revolution research saved an estimated 18 to 27 million hectares from being brought into agricultural production

[9] Conway, G., Ruttan, V., & Serageldin, I. (1997). The Doubly Green Revolution: Food for All in the Twenty-First Century. Cornell University Press

[10] FAIRR Report: The Four Labours of Regenerative Agriculture (2023)

Insight From Crédit Agricole CIB

Authored by Crédit Agricole CIB's Head of Corporates Europe, Sustainable Investment Banking, Pascale Forde-Maurice.

The crucial role the financial world plays in delivering climate and sustainable development goals was brought into sharp focus at the 2015 Paris Climate Change Conference (COP21).

Since then, a quiet revolution has taken place in the financial sector, firmly embedding sustainable transition risks and opportunities into credit and investment decisions. The objective is to channel more capital toward sustainable capital expenditures, projects or companies, and ultimately facilitate access to capital for companies with strong Environment, Social and Governance (ESG) performance and a robust transition plan. The need for sustainable investment is tremendous in many sectors, notably in agriculture, energy and freight.

Banks are at the forefront of this dynamic. They are embracing this movement at a pace both dictated by their own voluntary commitments and imposed by regulatory requirements. This results in ESG coming up in every banking process, from risk management and compliance, to credit decisions and strategic guidance.

At the top of these, new sustainability-related strategic guidance for banks is the decarbonization of their portfolio. Some leading institutions, including Crédit Agricole Group, have formed a coalition under the patronage of the *United Nations*, with the aim to work together on this matter. This is how the Net Zero Banking Alliance was born in 2021, gathering over 130 banks committed to aligning their operational greenhouse gas (GHG) emissions, and those related to their financing and investments with a carbon neutrality trajectory of 2050. The challenge is considerable, requiring banks to engage all their clients on climate change mitigation, as most of a bank's carbon footprint comes from the GHG emissions of its clients (Scope 3).

Alongside banks, institutional investors are also showing a growing appetite for sustainable financial products, with more than 50% of European assets under management estimated to be held in funds that take ESG considerations into account when making investment decisions[1]. Bridging the gap between growing investor expectations, lender demand for ESG impact and corporate needs for sustainable investments, is sustainable finance. Sustainable finance products have expanded significantly in recent years, representing more than €12 trillion in 2023 – more than double the €600 billion issued in 2020[2].

Back in 2014, green bonds with a dedicated green use of proceeds were the first lending instrument developed. The sustainability-linked loan market emerged in the early 2020s, driven by corporates tying their ESG commitments to their financing. Such sustainability-linked lending has now become common market practice in EMEA (~32% of RCF loans in 2023[2]) and a way for lenders to ensure their financing consistently aligns with their sustainability commitments.

Committed to the development of sustainable finance since 2009 with our own dedicated Sustainable Banking team, Crédit Agricole Corporate & Investment Bank (CIB) is one of the oldest and most active banks in the sector. We work with our clients to support them in their transition toward more sustainable and resilient business models, aiming to make joint progress toward a net zero economy.

Crédit Agricole CIB is particularly proud to have accompanied LDC in its sustainable finance journey over the past two years, across Europe, the US and Asia. The most recent step in this collaboration was LDC's latest sustainability-linked financing, signed in November 2023, through which it is indexing the interest rate applicable on the achievement of ambitious environmental targets related to its Scope 1 and 2 GHG emissions, as well as deforestation and traceability in its supply chains. The robust and pioneering nature of the structure was confirmed by a strong *Second Party Opinion* from ISS-Corporate, as well as a very positive reception from its banking pool.

This transaction sets a precedent on the sustainability-linked loan market, raising the bar for the industry by committing traceable and verified deforestation-free soy and corn in LDC's direct and indirect Brazilian supply chains.

This new milestone is testament to LDC's leading commitment to sustainable practices, notably on land use, and lays a foundation for ambitious future sustainability developments, including work related to Scope 3 GHG emissions and biodiversity.

[1] MSCI Funds and the State of European Sustainable Finance
[2] Dealogic

Environment

As a leading global agribusiness, we understand that safeguarding the natural resources we depend on in our work to help feed and clothe a growing global population is imperative to our long-term success. We strive to minimize the environmental impact of our business activities through actions to reduce emissions, water consumption and waste generation in our operations, while working with partners to drive adoption of regenerative agriculture practices.

Climate

Climate change is one of the most critical issues facing humanity and one of the most important considerations for any business activity. As a responsible global company involved with a range of agricultural commodities, and signatory to the Agriculture Sector Roadmap to 1.5°C, we are taking climate action to work towards achieving net zero.

New Strides on Climate Disclosure

As the world takes steps towards building a climate-safe, deforestation-free, sustainable future, mandatory disclosure is gaining momentum. In July 2023, LDC disclosed for the first time through the CDP Climate Change questionnaire (formerly *Carbon Disclosure Project*), which is the world's largest corporate survey on climate change, ranking more than 23,000 companies worldwide and using an eight-level scale (A to D-) to evaluate companies' climate disclosures and performance.

LDC received a "B" rating for climate change disclosures from the CDP, an evaluation mark in the top three levels that shows good management of climate change issues. We included detailed information on LDC's climate risks and opportunities, our emissions reduction strategy, corporate governance of climate issues, carbon pricing, Scope 1, 2 & 3 emissions inventory and targets.

Scope 1 & 2 Emissions

In March 2023, LDC announced an ambitious near-term target to reduce Scope 1 & 2 greenhouse gas (GHG) emissions by 33.6% by 2030, compared to a 2022 baseline. We also developed a climate transition plan consisting of a detailed roadmap listing all decarbonization measures, their abatement impact, timing of implementation and required budget by 2030.

In 2023, we achieved an overall reduction in Scope 1 & 2 emissions of 4.7% compared to a 2022 baseline, putting us on track to achieve our 2030 target. The 4.7% reduction was achieved mainly through procurement of renewable electricity, fuel switch and energy efficiency improvements at our assets, despite the growth of our business.

Scope	2023 GHG Emissions (in tCO_2e)*
Scope 1	776'529
Scope 2 (location-based method)	518'631
Scope 2 (market-based method)	482'832
Biogenic Emissions	1'117'213

*Scope 1, Scope 2 and biogenic emissions include GHG emissions produced by all processes, equipment and company-operated vehicles at all global sites under the operational control of *Louis Dreyfus Company B.V.* and its subsidiaries, relative to the 2023 calendar year. The Scope 1 figure includes GHG emissions from combustion of fuels. The Scope 2 figure includes GHG emissions from consumption of purchased electricity, steam, heat and cooling, calculated using the location-based and the market-based approach in line with GHG Protocol Scope 2 Guidance. Biogenic emissions refer to GHG emissions resulting from the combustion or processing of biologically-based materials. The 2023 reported values relative to Scope 1, Scope 2 (market based method) and biogenic emissions were reviewed by *Deloitte & Associés* – independent external assurance provider – who provided a limited assurance report in relation to these values.

Reduction of Scope 1 & 2 Emissions

	2023 (in tCO_2e)	2022 (in tCO_2e)*	Reduction (2023 vs 2022)	Target 2030 (in tCO_2e)
Total Scope 1 + Scope 2 market-based	1,259,361	1,322,106	-62,745 tCO_2e (-4.7%)	886,929

* Baseline Scope 1 & 2 emissions for year 2022 are re-stated compared to LDC's previous Sustainability Report to take into consideration acquisitions and cessions that occurred in 2023 (with cession of Port Wentworth, Georgia and Norfolk, Nebraska having largest impact) and application of the market-based method instead of the location-based method for Scope 2 emissions. Reported value was not third-party assured.

GHG Emissions Intensity Index

The GHG emissions intensity index shows the quantity of GHG emitted from combustion of fuels (Scope 1), consumption of purchased electricity, steam, heat and cooling (Scope 2), and combustion of natural sources (Biogenic), per ton of feedstock crushed or processed at all our global sites. It is measured in tons of CO_2 equivalent per ton of feedstock (tCO_2e/ton).

GHG Emissions Intensity (in $tC0_2e$/ton)

GHG Intensity (in tCO_2e/ton)	**2022**	**2023**
Scope 1	0.0165	0.0131
Scope 2 (location-based method)	0.0074*	0.0087
Scope 2 (market-based method)		0.0081
Biogenic Emissions	0.0180	0.0188

* This figure was corrected compared with the figure published in the Sustainability Report 2022.

Asset Improvement Initiatives

During the course of 2023, LDC invested in improvements for facilities in Asia, North America and Latin America, with a goal to optimize fuel and power consumption through a range of heat recovery and energy efficiency measures.

In one far-reaching initiative, we installed high efficiency motors and steam trap replacements across our portfolio of grains and oilseeds processing plants.

Case Studies

Heat recovery and wind power generation in Argentina

At our General Lagos and Timbúes Grains & Oilseeds facilities in Argentina, we implemented measures to recover the heat from vapor generated during the soymeal drying process. That heat is now captured and used for preheating the drying air. The reduced steam consumption results in around 3,000 tCO_2e annual emissions reductions at nominal load at each plant.

In General Lagos, we also recovered heat from vapor produced by the mineral oil stripper, instead of directly condensing it with cooling water. The captured energy is repurposed to preheat the solvent used for oil extraction at the plant. This measure also decreases annual steam consumption by an additional 1,000 tCO_2e at nominal load.

From April 2023, approximately 35% of the electricity needs of our Timbúes facility, Argentina, were met with renewable electricity generated by the *Parque Eólico Pampa Energia* windfarms, in accordance with a five-year power purchase agreement with *Pampa Energia*. This contributed to approximately 4000 tCO_2e in Scope 2 reductions at the site, in 2023.

Furthermore, all the electricity used by LDC's General Lagos agro-industrial complex in Argentina during calendar year 2023 was certified as originating from *Parque Eólico Pampa Energia* windfarms. This reduced the site's Scope 2 emissions to zero (under market-based method) and contributed to approximately 35,000 tCO_2e emission reductions compared to 2022.

Energy & Electricity Consumption

In 2023, LDC procured an increased amount of renewable electricity from wind and solar plants in Argentina, China and Brazil through renewable energy power purchase agreements or the purchase and retirement of International RECs (I-RECs), in line with the *GHG Protocol* Scope 2 Guidance.

We also continued to generate solar power from rooftop solar photovoltaic systems previously installed on a number of our sites, such as Tianjin oilseeds processing plant in China, El Cofre coffee mill in Mexico and cotton warehouses in Australia.

Energy Consumption Across the Organization

Energy Source	2023 Consumption (in GJ)
Non-renewable	11,521,722.44
Renewable	10,866,171.05
Electricity from grid	3,305,093.72
Steam bought	2,295,649.97
Total	**27,988,637.18**

Total Energy Consumption Intensity

	2023 Intensity (in GJ/ton)
Energy intensity	0.47

Repartition of Non-Renewable Energy Consumed

Energy Source	2023 Consumption (in GJ)
Natural gas	9,414,405.29
Anthracite coal	462,339.45
Sub-bituminous Coal	855,564.04
Others	789,413.66
Total	**11,521,722.44**

Offshore wind power in China

In 2023, all the electricity needs of LDC's crushing plant in Dongguan, Guangdong Province, China, were met with green power produced by the new *CGN Shanwei Jiazii* 500MW offshore wind farm. This reduced the plant's Scope 2 emissions by approximately 10,000 tCO_2e, bringing these to zero.

Scope 3 Emissions

In July 2023, LDC disclosed via the *CDP* Climate Change 2023 questionnaire its Scope 3 land-use based emissions relative to the 2022 calendar year – a full year ahead of the deadline set in the Agriculture Sector Roadmap to 1.5°C.

Global Scope 3 Emissions

Scope 3 Categories*	2022 GHG Emissions (in tCO_2e)**	Percentage of Total
Category 1: Purchased goods and services	106,048,051	84.83%
Category 2: Capital goods	58,154	0.05%
Category 3: Fuel-and-energy-related activities (not included in Scope 1 or 2)	376,462	0.30%
Category 4: Upstream transportation and distribution	5,132,797	4.11%
Category 5: Waste generated in operations	9,538	0.01%
Category 6: Business travel (air travel)	6,058	0.01%
Category 7: Employee commuting	16,248	0.01%
Category 8: Upstream leased assets	1,428,254	1.14%
Category 10: Processing of sold products	5,139,657	4.11%
Category 12: End of life treatment of sold products	5,678,511	4.54%
Category 15: Investments	1,120,068	0.90%
Total Scope 3	**125,013,798**	**100%**

* Categories in line with *GHG Protocol*. Category 9 (Downstream transportation and distribution) for land transport and Category 11 (Use of sold products) are omitted due to lack of data. Category 13 (Downstream leased assets) and Category 14 (Franchises) are not relevant to LDC and thus omitted.

** Scope 3 emissions include GHG emissions relative to all legal entities under the operational control of *Louis Dreyfus Company B.V.* and its subsidiaries, relative to the 2022 calendar year. Reported values were not third-party assured.

	2022 GHG Emissions (in tCO_2e)*
FLAG emissions	106,048,051
- of which are Land-Use Change emissions	51,877,568
- of which non Land-Use Change emissions	54,170,483
Non-FLAG emissions	18,965,747
Total Scope 3	**125,013,798**

Emissions from Category 1 (Purchased goods and services) represented the largest portion of LDC's Scope 3 emissions in 2022. This category encompasses all our so-called FLAG (Forestry, Land and Agriculture) emissions as defined by the *Science Based Targets initiative* (SBTi), and includes both farm-level emissions (such as fertilizers to grow crops) and emissions from land use change impacts.

We have aligned our calculation with the latest best practice guidance for our sector against the *GHG Protocol's* draft Land Sector and Removal Guidance. Purchased goods volumes are multiplied by emission factors derived from several LCA databases, as well as LDC-specific emission factors developed in collaboration with *AdAstra*, a company specialized in measuring land use change emissions in agricultural supply chains using satellite data.

Setting a Scope 3 Reduction Target

During 2023, our Carbon Solutions Platform analyzed evolving SBTi requirements for our sector, such as the SBTi FLAG Guidance (updated in December 2023) and SBTi Maritime Transport Guidance, and conducted an in-depth analysis of the following levers to reduce our Scope 3 emissions in order to lay the groundwork for setting an ambitious reduction target in 2024:

- The most important lever is the reduction of land use change-related emissions through the implementation of LDC's zero deforestation commitment, with reference dates of November 2016 for palm and January 2020 for soy and other commodities.

- In October 2023, LDC created a central Regenerative Agriculture team to develop and implement a Group-wide regenerative agriculture strategy, announced in January 2024, effective implementation of which will result in substantial reductions in Scope 3 emissions.

- We intend to increase our offer of certified low-carbon products (soy, palm, coffee, cotton, juice and sugar), and to deliver these with assurances of sustainability and climate credentials, via certification schemes that include specific requirements on GHG emissions levels and climate action along the product supply chain.

- Finally, we are working on initiatives to reduce our maritime freight-related Scope 3 emissions, including energy efficiency measures, wind-assisted technology on chartered vessels, use of advanced fuels and other measures outlined in the Freight section of this report.

Climate Risks

In 2023, LDC's Carbon Solutions Platform advanced with its mandate to identify and report on physical and transition climate risks affecting LDC's value chains, and to develop a Group-wide policy for addressing and managing such risks.

Physical Climate Risks

Accurately identifying and assessing physical climate risks is a strategic imperative for agribusinesses like LDC, as shifts in climate patterns and increased occurrence and severity of climate hazards will have far-reaching implications for both our assets and supply value chains. In 2023, LDC embarked on modeling analyses designed to understand the exposure to physical climate risks of our global assets, which include processing and logistic facilities.

The analyses aimed to identify relevant physical climate risks that are significant for the company's asset base, taking into account scenario-analysis for timestamps of 7 to 80 years (2030-2050-2100). We modeled three different climate scenarios, assuming temperature increases compared to pre-industrial levels of 1.6 to 2ºC, 2.1 to 3ºC, and 4.1ºC and above.

Based on the results of these analyses, the most important physical climate risks faced by our facilities by 2050 would be the following:

- global labor productivity losses due to heat stress;
- extreme precipitation, mostly affecting high-value Grains & Oilseeds processing plants in Latin and North America; and
- river flooding, mostly affecting Grains & Oilseeds assets in Latin America and North America.

Site-specific climate change surveys were conducted for three sites determined to be most at risk to asset interruption, to collect recommendations on mitigation actions, such as:

- Raising or otherwise protecting critical electrical equipment for locations exposed to flooding;
- Improving maintenance of building envelopes and roofing; and
- Installing rail loader facilities on river port terminals, to mitigate risk of unavailable river barge transportation.

In terms of supply chains, we identified the risk of drought as significant for LDC's Juice business citrus supply chain, given our activities to process citrus fruit (oranges, lemons and limes) sourced from third-party groves or grown in LDC-managed farms in Brazil. Combining reduced rainfall with high temperatures, droughts impair the physiological functions of citrus plants, reduce their growth, increase the fruit fall rate and make plants more vulnerable to disease.

In addition to citrus, we plan to extend physical climate risks analyses to also cover impacts on LDC's planned new facilities, third-party warehouses and agricultural value chains, paying attention to the largest trade flows that have the highest climate impacts, and that involve vulnerable geographies. Furthermore, reporting of vulnerability to physical climate risks is being integrated into LDC's central, company-wide risk management process.

Transition Climate Risks

Our analyses identified that the most relevant transition risks for LDC are current and emerging carbon regulations, including Canada's federal carbon pricing scheme, which affects our Yorkton industrial complex, and the extension of the EU Emission Trading System to the shipping sector, which impacts LDC's chartering operations into and out of Europe.

LDC considers that it is well-prepared to comply with these emerging regulations – for example, we are already trading European emission allowances and working to reduce the CO_2 footprint of our chartered fleet.

In Canada, LDC already complies with Saskatchewan's carbon pricing system and is evaluating measures to reduce the emissions footprint of our Yorkton facility through use of renewable electricity.

For more details on climate-related risks and opportunities, please see our response to the CDP Climate Change 2023 questionnaire.

Targets

Adopt new, science-based targets for our GHG emissions	Understand physical and transition climate risks affecting the Group's value chains, reporting results	Reduce global Scope 1 & 2 emissions by 33.6% (compared to 2022 baseline)
Completion: 2023 Status: Partly complete*	Completion: 2024 Status: In progress*	Completion: 2030 Status: In progress
*Scopes 1 & 2 completed in 2023; Scope 3 to be completed in 2024.	*Risks affecting assets completed; supply chains risks in progress.	

Sustainable Land Management

LDC has two key pillars of work for sustainable land management. First, given their importance for ecosystem services, biodiversity and climate regulation, we strive to preserve existing forests and native vegetation in our citrus plantations and global supply chains. Second, we support the transition to more regenerative farming practices on existing farmland that is either operated by LDC, as in the case of our citrus plantations, or in our supply chains.

Regenerative Agriculture

LDC's approach is aligned with the six core principles of Regenerative Agriculture:

Our Strategy

Among other sustainable solutions, regenerative agriculture presents promising principles to restore arable soils, improve biodiversity and water quality and sequester large amounts of carbon, contributing to both climate regulation and local farming systems adaptation.

In 2023, LDC formed a global Regenerative Agriculture team to drive the development of our regenerative agriculture strategy in our key sourcing supply sheds, in partnership with internal and external stakeholders.

Developed in 2023 and launched in January 2024, in the context of the *World Economic Forum* Annual Meeting, our five-year strategy focuses on supporting farmers in four of our key supply sheds, as outlined below, with the implementation of regenerative agriculture practices. It aims to scale up swift, beyond-pilot initiatives, as we co-design and implement landscape-level projects with our partners.

As part of this roadmap, LDC established an important collaboration with *The Nature Conservancy* to advance the Group's decarbonization trajectory, ensure the lasting welfare of farming communities connected with our supply chains, and help protect the natural ecosystems we all depend on.

Target Acres Enrolled*	2024
Canola, Canada	25,000
Soy, Corn and Biofuel Cover Crops, US	185,000
Soy & Corn, Brazil & Argentina	75,000
Palm, Guatemala & Indonesia	10,000

* Measured every two years.

Pilot Projects

While the newly formed Regenerative Agriculture team has been working closely with LDC's internal teams and external stakeholders to identify opportunities at scale, LDC initiated several regenerative agriculture pilot projects in 2023 with soy and cotton farmers in the US, citrus in Brazil, and coffee in Indonesia.

In 2024, we aim to expand on these, while we scale up regenerative agriculture efforts in key supply sheds.

Industry Collaboration

In 2023, LDC engaged actively with industry peers in precompetitive platforms that foster collaboration and alignment across the value chain to facilitate the adoption of regenerative agriculture at scale.

For example, as members of the *Sustainable Agriculture Initiative* (SAI) Platform, we endorsed the SAI Regenerative Together framework in our regenerative agriculture metrics monitoring and reporting systems.

We also continued to pioneer the development of an regenerative agriculture framework for cotton, through our membership of and active involvement with *Better Cotton*.

Action Agenda on Regenerative Landscapes

Recognizing the need for wider collaboration for at-scale landscape transition, in 2023 we joined the COP28 Action Agenda on Regenerative Landscapes, a flagship initiative led by the *COP28 Presidency*, the *World Business Council for Sustainable Development* and *Boston Consulting Group*, and supported by the *UN Climate Change High-Level Champions*.

This initiative aims to aggregate, accelerate and amplify existing efforts and new commitments to transition large agricultural landscapes to regenerative landscapes by 2030. With the other signatories, we will jointly accelerate the transition toward future-proofed food and agriculture systems, with a focus on:

- Fostering transparency;
- Access to partnerships;
- Helping to accelerate public-private collaborations;
- Collaboration, knowledge and best practices sharing;
- Access to financing;
- Alignment toward a commonly accepted outcome framework; and
- Inspiring other players by showcasing efforts and results achieved.

Land Use Change

The world's agri-food system accounts for more than 31% of global greenhouse gas emissions, while agriculture expansion is the primary driver in 88% of native habitat loss globally.

For companies like LDC, operating in the food, feed, biofuel and fiber sectors, sustainable land management to preserve natural resources and ecosystems is a matter of long-term business viability, as increasingly frequent extreme weather events in key production countries lead to crop failures and severe supply chain disruptions.

In early 2022, LDC formalized its commitment to eliminate deforestation and conversion of native vegetation with high conservation value for agricultural purposes from our global supply chains by end of 2025, with industry-leading cut-off dates of November 2016 for palm, and December 2020 for soy and other commodities.

In 2023, we made steady progress toward this goal, Group-wide and in specific supply chains, as outlined in the relevant pages of the Responsible Business section of this report.

Monitoring Supply Chains

Recognizing supply chain monitoring as a key lever toward implementation of our zero deforestation and conversion commitment, LDC has deployed both inhouse and external satellite monitoring tools for certain at-risk commodity and geography combinations.

We have third-party monitoring over our global palm oil supply chain, with bi-weekly deforestation incident reports. In Brazil, we have deployed a third-party tool to monitor all our supply chains against deforestation and conversion, including soy, corn, juice, coffee and cotton. In Argentina, an external service provider monitors and verifies deforestation for our sustainable soy certification programs, which covers over 50% of our soy sourcing volumes in the country.

In 2023, we strengthened our inhouse capabilities for deforestation monitoring. Our Remote Sensing team now comprises two dedicated deforestation monitoring experts in charge of developing our inhouse solution. Based on *Google Earth Engine*, this new tool uses geospatial data from creditable sources, as well as machine learning, to apply monitoring to our traceable supply chains, especially those in at-risk geographies. Monitoring currently covers deforestation and protected areas, with plans to extend to other environmental and social criteria that could be verified via remote sensing.

Incentivizing Conservation

In addition to essential monitoring activities against deforestation and native vegetation conversion, we believe that farmer incentives are key to proactively prevent further forest clearance.

Landowners and operators – in other words, farmers – must be supported and incentivized to adopt more sustainable land use practices, bridging knowledge and technical gaps, and sharing the risks associated with changing practices at farm level, which often need to go beyond legislative requirements.

During 2023, we conducted an exercise in collaboration with *The Nature Conservancy* (TNC) to detect all remaining forest and native vegetation areas within our soy supply base in Brazil, as a basis to prioritize supplier engagement and incentives. We subsequently deployed a pilot program in the Cerrado biome, rewarding soy farmers for forest conservation beyond legal requirement by offering a price premium (the first year of which to be disbursed in early 2024) in proportion to the hectarage of surplus forest on the farming property.

In 2024, we are also relaunching our program that offers Cerrado soy and corn farmers preferential financing rates and technical support to expand production on already degraded land, instead of expanding into natural ecosystems. In collaboration with TNC, we are structuring the scale-up of such incentive programs to facilitate the participation of downstream customers and other financial partners.

Advancing the Sectoral Agenda

In 2023, LDC also continued to support sector-level collaboration toward more sustainable land use:

- Further to signing the Agriculture Sector Roadmap to 1.5°C, a sectoral initiative aiming to halt commodity-linked deforestation in line with a 1.5°C pathway, the signatories published a progress update on roadmap implementation in November 2023.
- Alongside peers from the *World Business Council for Sustainable Development's Soft Commodities Forum*, we pooled financial resources to build farmer incentive pilots in some key landscapes in Brazil's Cerrado biome, to help improve farmer economics for forest conservation and more sustainable production.
- We proactively contributed to sectoral initiatives to advance deforestation-free and sustainable palm oil production – for example, as a members of the *Palm Oil Collaboration Group*, LDC contributed to the development of the new *NDPE Social Implementation Reporting Framework*.
- LDC joined the *First Movers Coalition for Food*, launched by the *World Economic Forum* in December 2023 at COP28, bringing together leading food and agriculture companies to create aggregated market demand for sustainably-produced and low-carbon agricultural commodities. The objective is to catalyze the acceleration and adoption of environmentally friendly farming methods and green innovations, and help de-risk early investments into more sustainable food production systems.

Targets

Extend satellite monitoring to all at-risk regions for LDC global supply chains

Completion: 2024
Status: In progress

Eliminate deforestation and native vegetation conversion for agricultural purposes from LDC supply chains

Completion: 2025
Status: In progress

Waste Management

LDC remains committed to minimizing the volume of solid waste sent to landfill from our operations, through waste recycling and upcycling along LDC's value chains.

Sustainable Disposal

In our core merchandizing operations, most waste is generated during the processing and transportation of agricultural commodities. Although disposal of waste by other means than sending it to landfill presents real challenges, due mainly to the lack of nearby suppliers for waste disposal, LDC is strongly committed to reducing waste generation and disposing of it sustainably. To manage significant waste-related impacts, LDC adopts a multi-faceted approach that addresses various aspects of waste generation, handling, treatment and disposal.

Our facilities focus on environmental education, strong cleaning routines, and equipment maintenance to minimize waste generation and contamination. We encourage positive behavioral change in our employees and contractors by providing them with information on waste reduction, recycling, and proper disposal methods. We also foster collaboration with government agencies, private sector entities, non-profit organizations, and community groups to address waste management challenges collectively.

In an example of the latter approach, as a producer of cooking oil in Brazil, LDC promotes reverse logistics action through three main waste management programs developed with our partners.

Working in association with *ABIOVE* – the Brazilian Association of Vegetable Oil Industries – we support two sectoral programs, *EmCicla* (Reverse Logistics for Packaging) and *Óleo Sustentável* (Sustainable Oil). *EmCicla* promotes environmental education actions and supports waste picker cooperatives to recycle packaging. *Óleo Sustentável* promotes environmental education and the collection of used cooking oil, and encourages the recycling of this waste.

In addition to these sectoral programs, with the direct support of our *Vila Velha* brand, LDC works with partners in the *Óleo do Bem* project, which promotes the collection and correct disposal of used cooking oil in more than 11 cities in the state of São Paulo. The project has been running since 2021 and has already collected and recycled around 100,000 liters of used oil. In 2023, the initiative sent around 40,500 liters of oil for recycling, which was collected at 423 collection points across the state.

Reducing Spills

The term ‘spill’ refers to the accidental release of substances – such as oil, chemicals, or hazardous materials – into the environment. Such incidents can occur in various locations and production stages, including industrial facilities, transportation routes (such as pipelines or ships), and during storage or handling processes. Spills pose significant concerns for the environment due to their potential to cause both immediate and long-term harm.

LDC has made a substantial investment in installing critical process safety sensors, which help automate our processes and improve their control. In 2023, we implemented a tank management program where we assess the risk of spill in our operations and then apply the proper critical safety device to mitigate this risk.

As an example, in our liquid tanks – where we have regular sensors for standard operations – we installed additional safety sensors that will shutdown the operation and/or set off an alarm in the event of any imminent spill.

Thanks in large part to this investment, we are pleased to report zero spills with a high negative environmental impact from our raw materials, finished products or effluents in 2023.

Key Figures in 2023

The index we use to measure waste management shows the volume of solid waste produced and sent to landfill for every ton of feedstock crushed or processed. It is measured in kilograms of waste per metric ton of feedstock (MT/MT). In 2023, this waste management index was 0.0028 MT/MT.

The volume of waste generated by LDC in 2023 increased by 149% in absolute terms. This increase can largely be attributed to activity at two of our assets in Brazil – in Jataí, Goiás State and Matão, São Paulo State – where the execution of major engineering projects generated a significant volume of waste, compounded by the interruption of the disposal of boiler ash for composting due to regulatory requirements.

Waste Generated

Type	2022 (MT)	2023 (MT)
Non-hazardous	55,126.72	137,202.81
Hazardous	11,800.41	29,660.44
Total	**66,927.13**	**166,863.25**

Waste Diverted from Disposal

Diverted Disposal in 2023	Hazardous waste (MT)	Non – Hazardous waste (MT)
Preparation for reuse	4,445.41	11,398.20
Recycling	523.19	45,016.19
Other recovery operations	1,092.93	6,530.23
Total	**6,061.53**	**62,944.62**

Waste Directed to Disposal

Directed Disposal in 2023	Hazardous waste (MT)	Non – Hazardous waste (MT)
i. Incineration (with energy recovery)	54.75	777.53
ii. Incineration (without energy recovery)	90.95	100.98
iii. Landfill	185.66	26,633.05
iv. Other disposal operations*	23,267.55	46,746.63
Total	**23,598.91**	**74,258.19**

*Other disposal operations include chemical treatment (e.g. neutralization), biological treatment (e.g. landfarming) and physical treatment (e.g. filtration).

Water Management

Freshwater scarcity is an increasingly critical concern for communities worldwide. As a responsible business, LDC seeks to continually monitor and optimize water consumption in its operations.

We measure total water consumption in cubic meters (m^3). We also measure the intensity of our water usage by recording the ratio of water used for each metric ton of feedstock crushed or processed, which is measured in cubic meters per metric ton (m^3/MT).

To obtain detailed water usage information more reliably, efficiently and quickly, in 2023 LDC invested in developing a tool called GRI Report, as part of our SHE Digital platform, which collects monthly data from all our 150+ facilities across five continents and records instances when any significant variance is found, and the reasons behind these.

Operational Efficiency

In comparison with 2022, we had a 16% (4.4 million m^3) reduction in absolute water consumption figures and a 16% (0.38 m^3/MT) reduction in intensity usage. This improvement is a direct result of the determined effort by global operations teams to be more efficient and implement best practices, as described below.

In 2023, the introduction of new workflows, processes and equipment led to significant savings in water consumption at three major processing plants in Argentina and the US.

At our General Lagos agro-industrial complex in Argentina, the following water recovery and reuse water initiatives led to a 20% reduction in water consumption at the site:

- Cooling water from samplers and feedwater pumps was reinjected into the soft water tanks, generating an annual reduction in boiler effluent of 60,000 m^3.
- Water from the softener rinsing and backwashing process, which previously ended up as rainwater effluent, was recovered and re-used, leading to a water saving of 44,000 m^3.

At our facility in Claypool, Indiana, US, the installation of a new condensate and flash tank led to more efficient condensate recovery, aiming for closed loop water usage, which reduced consumption of freshwater in the site boiler for steam production by approximately 10%, equivalent to an annual saving of approximately 76,000 m^3.

At our Grand Junction facility in Iowa, US, a successful project to reclaim water from the yeast propagation process drove an annual freshwater saving of approximately 18,000 m^3.

Withdrawal & Consumption

Water withdrawn typically refers to the total volume of water removed or taken from its source for various purposes, including agricultural, industrial, municipal and environmental uses. At LDC, water is used for our industrial processes and the irrigation of our citrus farms. Most of our facilities use surface water and/or groundwater, which respectively represent approximately 62% and 32% of total water withdrawn in 2023.

Of the total volume of water withdrawn, 59% was used for irrigation at LDC-managed citrus farms in Brazil, to ensure fruit development during periods of low rainfall. After irrigation, much of the water returns to the environment through surface runoff, percolation in the soil or evaporation. Proper management of return water is essential to ensure sustainable agricultural practices, balancing agricultural productivity with environmental conservation, and minimizing soil erosion, nutrient runoff and pesticide contamination.

We calculate water consumption by subtracting the total volume of water discharged from the total volume of water withdrawn (see tables on the following page).

Our assets consumed 19,488,013.6 m^3 of water in 2023, which includes 16,076,100 m^3 used for irrigation at our citrus farms. Water used for irrigation is not considered wastewater because it is part of a closed-loop cycle. As such, the final figure for water consumption at LDC assets in 2023 is 3,411,913 m^3.

Water Withdrawal by Source

Source	2023 (m^3)
Groundwater	7,468,339.40
Seawater	52,383.43
Surface Water	14,001,577.65
Produced Water	0
Third-party Water	1,333,499.93
Total	**22,855,800.41**

New Target

Perform water & biodiversity risk assessments for all LDC supply chains

Completion: 2024

Water Discharge by Location

Location	2023 (m^3)
Groundwater	374,909.77
Seawater	22,624.45
Surface Water	2,970,252.61
Total	**3,367,786.83**

Pollution Load Parameters

Pollution parameter	2023 (kg/m^3)
Biochemical Oxygen Demand (BOD)	0.000025
Chemical Oxygen Demand	0.000046
Total Nitrogen (Ntotal)	0.0000006
Total Phosphorus (Ptotal)	0.0000010

Social

The Social pillar of our ESG framework outlines how LDC interacts with employees, partners, societies and communities connected with our operations and activities.

Safe Workplace

At LDC, safety is a journey of continuous improvement, as we continually strive for a zero-accident workplace across all our sites – a commitment that is detailed in our Safety, Health & Environment (SHE) policy and principles. Following record-breaking safety performance indexes in 2022, 2023 proved more challenging in terms of SHE performance.

Our Juice Platform saw increased safety incident frequency in both industrial and agricultural operations, which had a major impact on LDC's overall safety performance in 2023. Having identified safety gaps that contributed to this performance, moving forward the Platform has adopted a reinforced, two-pronged approach to safety:

Processes – getting back to basics with stronger risk assessments for work tasks and faster execution of risk mitigation actions, focusing on leading indicators rather than reactive ones.

People – reinforcing safety leadership training for supervisors, area and site managers, on how to proactively identify/neutralize hazards and engage with local teams to strengthen our safety culture at each site.

Further, it is with great regret that we report two fatal accidents at our facilities in 2023, in logistics warehouse operations. The first incident occurred in Ipatovsky, Russia, when an operator cleaning the grains warehouse fell into and was engulfed by a product pile. The other took place in Timbúes, Argentina, when a backhoe operator who was moving grains inside a warehouse was thrown from the vehicle when it overturned. Both of these tragic events were thoroughly investigated, the root causes of the accidents were identified, and corrective action was implemented and shared to other sites with potential for the same risks.

Positively, we can report a 50% reduction year on year, in the overall number of injuries across South & Southeast Asia, driven by a strong safety program supported by management teams at our facilities, demonstrating strong leadership commitment to LDC's safety values.

Record Investment & Streamlined SHE Program

In 2023, we increased our annual capital expenditure in SHE risk mitigation and measures, to a record US$81 million over the course of the year, approximately 70% of which was allotted to improving process safety toward increasingly safe operations.

LDC also decided to merge its SHE and Process Safety Management programs into a single, streamlined SHE Program, aiming to set the same standards across our facility and help identify potential safety risks. The merge drove greater clarity in the application and verification of health and safety practices in the field, and the creation of an autonomous SHE department to audit the program globally has driven safety management synergies between LDC's geographic regions, allowing us to channel specific resources to particular locations, as needed.

Occupational Health & Safety Management System

Another goal for 2023 was to initiate a new phase for our internal Occupational Health & Safety Management System, which involved assessing current processes, defining areas for improvement, setting new objectives and implementing changes to increase the efficiency, effectiveness and overall performance of the system.

Our newly created SHE audit department tracked changes and progress during implementation, assessed the performance of our amended system and gathered feedback from users. Individual site audits were carried out, tailored to the complexity and risks of each facility, including site inspections, documentation and record reviews, and interviews with site managers and operators.

This process was based on LDC's global SHE & Process Safety standards, as well as local standards and applicable legal requirements of the country or location, and was registered through our in-house SHE Digital system.

On evaluation, the audit results revealed that the changes implemented were effective, with progress in relation to environmental and health-related indicators, and we identified areas for improvement in relation to process safety and systems, mainly in relation to dissemination of information and training on internal procedures. Actions are under way to address these points in 2024 and beyond.

Global SHE Day

Our annual SHE Day brings our teams around the world together, to reflect on and reinforce our collective SHE commitments. On March 15, 2023, we celebrated SHE Day with a wide variety of activities – from presentations to drills, and from games to awards for SHE champions – to highlight our progress and continue promoting a safe, healthy and environmentally-focused culture across all our work sites.

Work-Related Injuries

The main hazards faced by our workforce are exposed equipment moving parts and inefficiencies in locking out energized equipment, which contribute to the majority of LDC's reportable incidents.

In 2023, the most relevant hazards that led to unsafe conditions were defective tools, equipment and machinery, and more than 80% of recordable incidents were due (wholly or partly) to improper functioning of equipment.

In comparison, lack of discipline and/or compliance with standard operating procedures contributed to over 25% of 2023 incidents. Actions are under way to address both unsafe conditions and actions through our Management System Protocol.

LDC Employees	2022	2023
Fatalities	1	1
Total Recordable Incidents	75	119
Total Recordable Incident Frequency Rate	0.35	0.56
Total Recordable Incident Gravity Rate	0.12	0.22
Total Recordable Incident Severity Rate	4.50	8.37
Lost Time Injuries	27	46
Total Lost Days	975	1785
Hours Worked	**42,704,073.00**	**42,649,085.00**

Permanent* Contractors	2022	2023
Fatalities	0	0
Total Recordable Incidents	16	15
Total Recordable Incident Frequency Rate	0.52	0.44
Total Recordable Incident Gravity Rate	0.36	0.26
Total Recordable Incident Severity Rate	11.58	4.76
Lost Time Injuries	11	09
Total Lost Days	355	164
Hours Worked	**5,925,550.00**	**6,891,661.00**

Temporary** Contractors	2022	2023
Fatalities	0	1
Total Recordable Incidents	40	48
Total Recordable Incident Frequency Rate	***	***
Total Recordable Incident Gravity Rate	***	***
Total Recordable Incident Severity Rate	***	***
Lost Time Injuries	27	26
Total Lost Days	**764**	**499**

* Permanent: like full-time employees, allocated full time to the facility.
** Temporary: working temporarily at the facility, during shutdowns, maintenance or construction.
*** In line with our zero-accident commitment, all incidents at our sites are reported and investigated, regardless of the employee's contractual arrangement. However, accounting for hours worked by temporary employees is a challenge for some facilities, due to inconsistent schedules, multiple assignments, paper-based systems and manual time calculation, reducing capacity to generate accurate indexes. In 2023, we focused on addressing these challenges to obtain reliable safety rates for temporary contractors at our facilities moving forward. LDC intends to start collecting the number of hours to calculate these indexes in 2024.

Safety Key Performance Indicators

Frequency

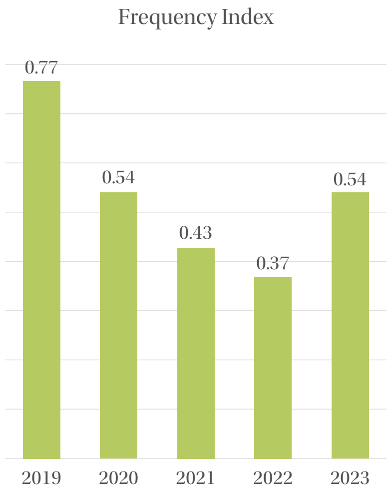
The frequency index* shows the number of industrial and logistics workplace injuries requiring medical attention, in relation to hours worked.

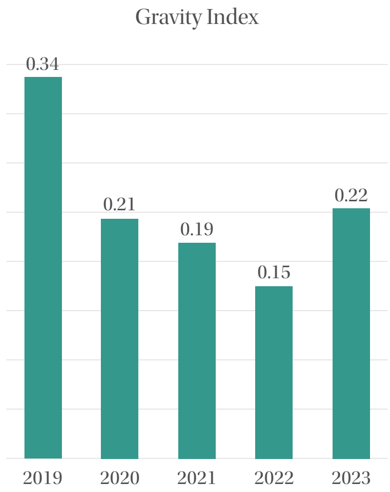
Gravity

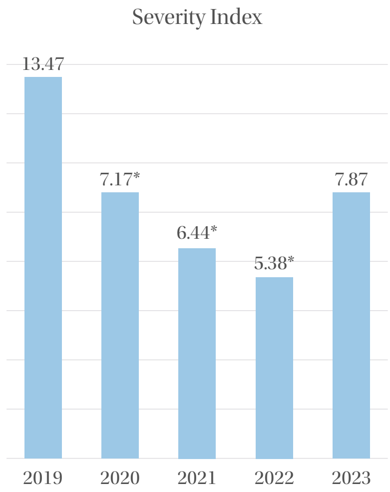
The gravity index is a subset of the frequency index*. It shows the number of industrial and logistics workplace injuries serious enough to result in time away from work, in relation to hours worked.

Severity

The severity index* shows the number of days needed away from work due to injury, in relation to hours worked, for industrial and logistics workplaces.







*After an in-depth audit in 2023, severity rates for 2020, 2021 and 2022 were slightly adjusted.

Targets

Reduce frequency of workplace accidents by 5% year on year

Completion: 2023
Status: Missed

Reduce gravity of workplace accidents by 5% year on year

Completion: 2023
Status: Missed

Reduce severity of workplace accidents by 5% year on year

Completion: 2023
Status: Missed

New Targets

Reduce frequency of workplace accidents by 5% year on year for all workers, including employees and contractors

Completion: 2024

Reduce gravity of workplace accidents by 5% year on year for all workers, including employees and contractors

Completion: 2024

Reduce severity of workplace accidents by 5% year on year for all workers, including employees and contractors

Completion: 2024

Inclusive Workplace

As a leading global business that employs over 18,000 people worldwide, LDC strives to create a diverse, equitable and inclusive workplace wherever we operate, guided by our Group Code of Conduct and Human & Labor Rights Policy, which condemn all forms of discrimination.

For LDC, our people are our greatest asset, and their wellbeing and development are key to the success and sustainability of our business.

Strengthening Inclusion in the Workplace

Understanding the importance of inclusion to support workplace diversity is the first step to creating a more inclusive and equitable culture. 2023 saw a number of actions aiming to raise awareness of how inclusion is not only a strategic driver for LDC, but also how managers, employees and HR can adopt more inclusive practices. For example, in 2023:

- The Regional Executive Committee and people managers across our South & Southeast Asia Region attended an 'Inclusive Leadership Workshop', on how to strengthen inclusion in how leaders interact, show up and support diverse teams.
- A similar workshop on 'Inclusion as a Strategic Driver' was run in North America with our Group CEO and Regional Executive Committee members, with a goal to drive leadership awareness of how a more inclusive workplace aligns with LDC's strategy and business objectives, and how to be a more inclusive leader.
- HR teams in North America, South & Southeast Asia, and Europe, Middle East & Africa (EMEA) received training on how to incorporate the principle of inclusion in all HR processes.
- To help create a world for all ages by tackling ageism, in South & West Latin America we initiated an intergenerational mentoring program that encourages participating employees of different generations to exchange skills and knowledge.
- In North Asia, we launched a group learning campaign to help employees actively learn and share, and organized knowledge-sharing sessions to strengthen cross-functional connections and collaboration.
- In South & West Latin America, employees attended an online workshop about gender diversity and sexual orientation, and how to foster an inclusive and accepting work culture, as a path to improved employee satisfaction, productivity and retention.

Internal Awareness Campaigns

Over the course of 2023, our teams around the world introduced awareness-raising initiatives to support the physical and mental wellbeing of our workforce. For example:

- Our teams in Australia and Pakistan conducted training on communicating with people who have a hearing disability, as part of our commitment to ensuring all employees have equal access to the same opportunities to thrive.
- In March, more than 180 employees in South & West Latin America attended a virtual session about impostor syndrome and how to manage it.
- Marking *World Mental Health Day* in October, employees in North America received information on mental health support resources available, while our North Asia team promoted a psychological counseling program, to help employees and their immediate family members relieve anxiety and communicate more effectively.
- And in EMEA, underlining the importance of physical health, our teams in Bulgaria ran an awareness campaign for early diagnosis of breast and prostate cancer.

Gender Parity and Parental Support

We operate a range of programs and policies to ensure gender equality in recruiting new hires, and to help female employees return to work and successfully build their career after taking leave for pregnancy and childbirth. For example:

- In 2023, LDC partnered with *Women in Agribusiness* to give a number of women leaders the opportunity to participate in virtual leadership sessions aiming to inspire and educate other women in the sector.
- In South & Southeast Asia, managers were trained on best practice to support women returning to work after maternity leave, to ensure they have the flexibility and support they need to be successful. Other DE&I-related training delivered in the Region included sessions for all employees on LDC's anti-harassment policy, gender sensitization workshops to promote a more inclusive workplace, and how to use a fair recruitment process to promote more balanced teams and increase the number of women applicants for job vacancies.
- In EMEA, enhanced maternity benefits and increased paid paternity leave were introduced across the Region, as well as facilities supporting working mothers (such as subsidized daycare facilities for support with childcare solutions).

Creating Great Places to Work

In 2023, our Regional Executive Committees continued to work to foster greater inclusivity across all levels of the organization.

As a result of these and other actions, several LDC offices around the world received external certification or recognition in 2023, for efforts to create an inclusive workplace:

- In Bulgaria, France, Indonesia and Vietnam, LDC was certified for the first time as a *Great Place to Work*, which recognizes employers who create an outstanding employee experience, while the certification was renewed for the third year in a row in India.
- *LinkedIn* recognized LDC as one of the 25 best companies in Argentina for professional development.
- In North Asia, LDC was again recognized by *51job* as one of the '100 Employer Excellence of China' award winners, and received an 'Excellence in Learning & Development 2023' award.
- In Brazil, where we celebrated LDC's 80th year in the country, and we were included in the FIA list of 'Most Incredible Places to Work' for the sixth year in a row.

Case Study: International Women's Day 2023

As part of LDC's efforts to raise awareness of DE&I in the workplace, a series of events took place across our geographies to recognize *International Women's Day* on March 8, 2023.

Some 1,640 employees across LDC attended virtual discussion panels hosted by our Group CEO, with senior managers from different regions and backgrounds invited to talk about their own career paths, and discuss four leadership strategies based on recent research from the *Center for Creative Leadership*.

At various LDC locations around the world, colleagues also gathered to swap experiences and celebrate women's contribution to LDC's success, with webinars on gender equity and inclusive leadership as drivers of business success, talks from Country CEOs, personal pledges to embrace equity, and more.

Employee Data Set

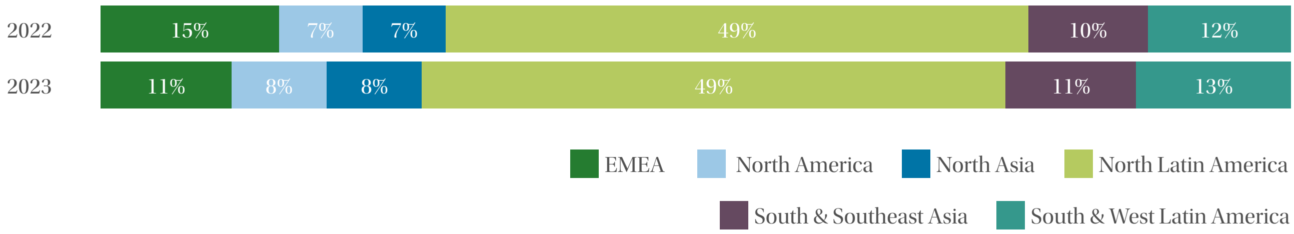
Our KPIs are based on headcount as of December 31, for the years 2023 and 2022. At the end of December 2023, LDC employed just over 15,000 employees. This number varies during the year and is therefore different from the average number of employees.

Significant fluctuations in the number of employees during the year can be observed in North Latin America, where up to 4,500 seasonal employees were hired in 2023.

This peak is driven by the citrus picking season and can vary year on year depending on the size of the crop, which differs due to the climate conditions. Historically, this population can fluctuate between 3,000 employees and 7,000 seasonal pickers depending on the need.

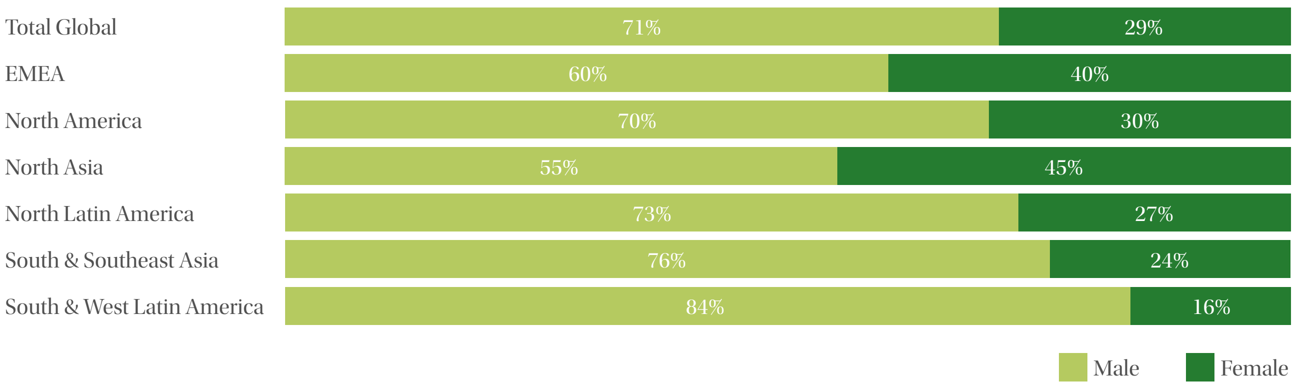
The gender ratio of employees is stable overall, compared to 2022, with 28% of female employees, and 72% of male employees. Our workforce is composed mainly by full-time workers (rounding at 100%) employed prevalently with permanent contracts (86%).

Employees by Region

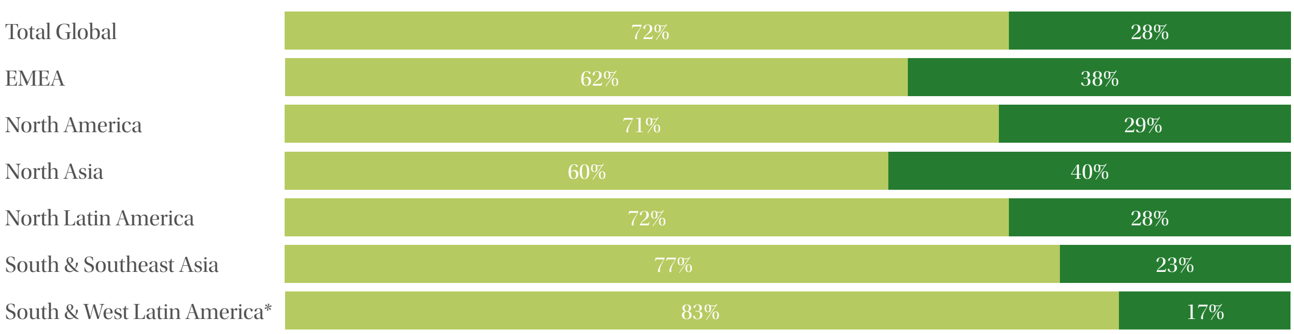


Global Gender Split

Gender by Region in 2022



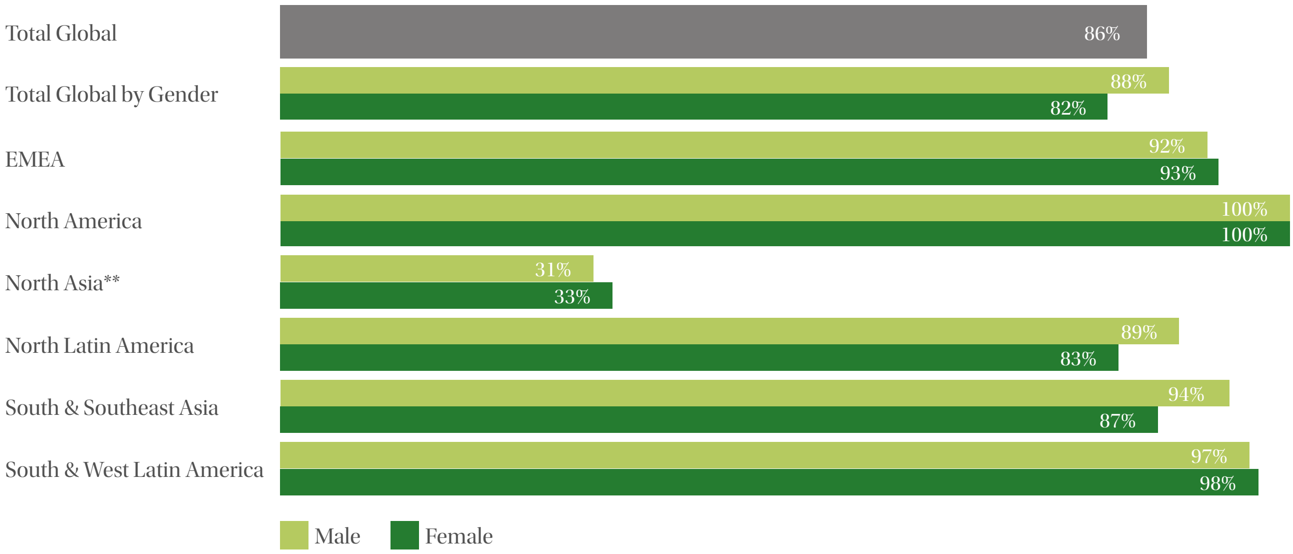
Gender by Region in 2023



* Gender disparities in the South & West Latin America region are due to the strong prevalence of industrial jobs in the Region, that are mainly delivered by male employees.

Male Female

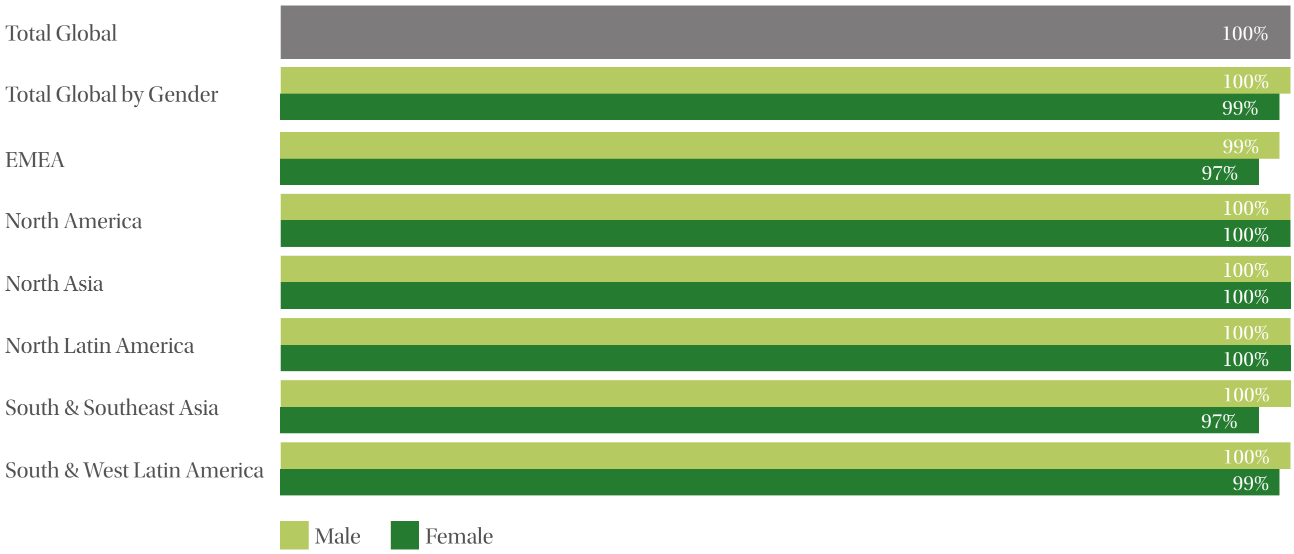
Permanent Employees by Region and Gender in 2023*



* The figures shown represent the % of permanent employees in our workforce, by gender and region. As a result, for all lines, the remaining % represents temporary employees.

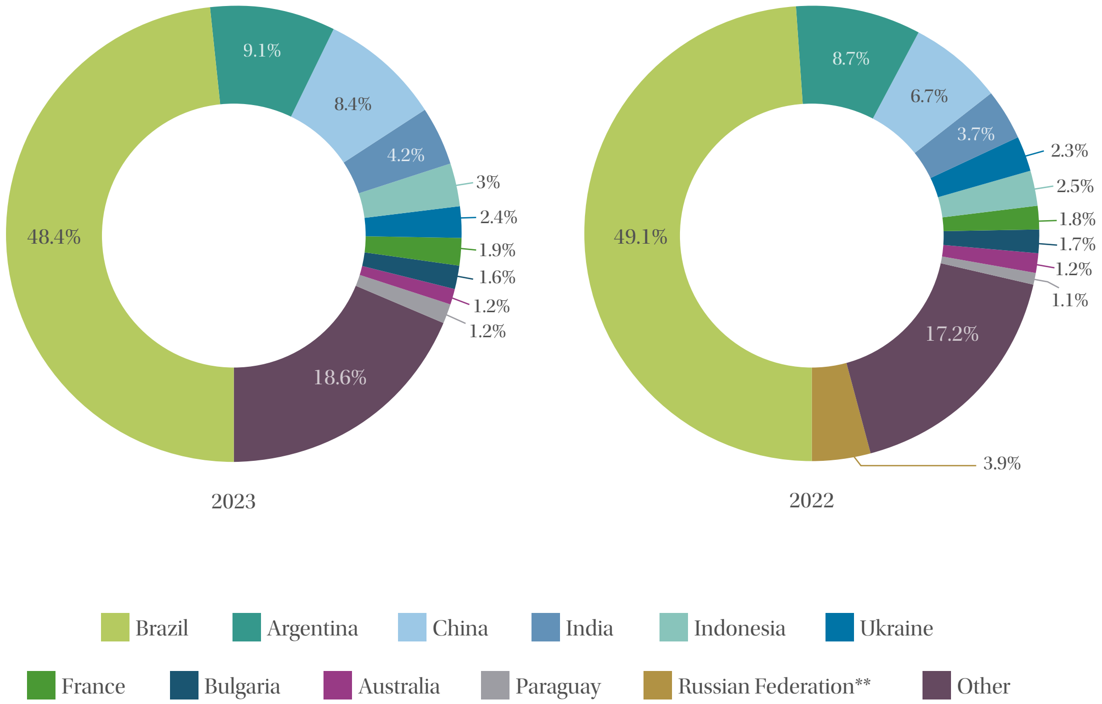
** Market practice in China means signing a contract with an employee for a three year fixed term period, and another three years fixed term. After six years the employee is considered permanent. This is why the number of temporary contracts seems higher compared with other regions, but as standard practice this does not necessarily reflect a different approach or strategy in the Region.

Full-Time Employees by Region and Gender in 2023*



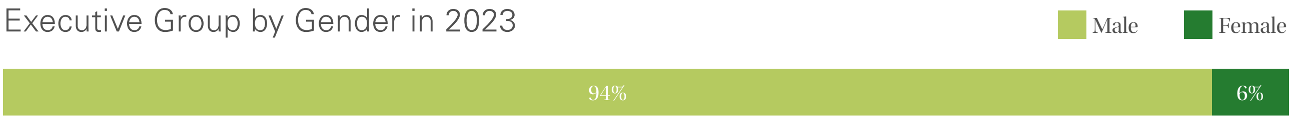
* The remaining % is made up of Part-time Employees.

Nationality (% of employees*)



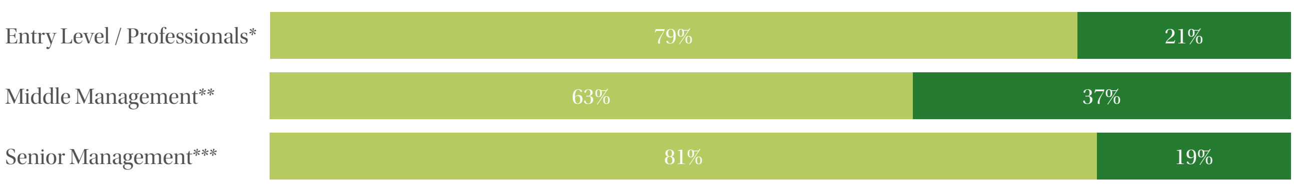
*Based on headcount as of December 31 for the years 2023 and 2022.
**As per the Financial Statements, employees of Russian entities are not included in the report scope.
Note: Nationality is not tracked in US locations.

Executive Group by Gender in 2023



Executive Group by Age Group in 2023

Employee Category by Gender in 2023

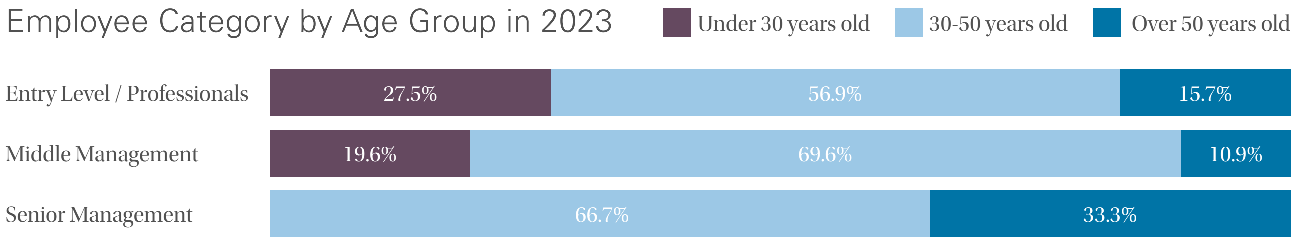


* Entry Level / Professionals: This category includes manual workers, operatives, messengers, receptionists, operators who contribute to the organization with assistance from more senior positions. It also covers basic computing and data-processing staff such as operators and skilled craftsmen or technicians.

** Middle Management: This category includes experienced professional and experts, or technical leaders and managers with in-depth understanding of the professional field. The duties and tasks encompassed in this category reflect substantial variety and complexity.

***Senior Management: This category includes employees who oversee a large, complex organization or who manage critical programs in the organization. This category includes Executive Group members.

Employee Category by Age Group in 2023



Targets

Engagement scores indicate 75% perception of equal opportunities and treatment

Completion: 2025
Status: In progress

Engagement scores indicate 70% perception of culture where innovative ideas can fail without penalty

Completion: 2025
Status: In progress

Engagement scores indicate 90% perception of acceptance as an individual

Completion: 2025
Status: In progress

Engagement scores indicate 80% perception of culture where innovative ideas can fail without penalty

Completion: 2030
Status: In progress

Engagement scores indicate 85% perception of equal opportunities and treatment

Completion: 2030
Status: In progress

Human & Labor Rights

Further to the 2022 appointment of a Group Lead for Human & Labor Rights, LDC continues to give this critical social governance topic prominent focus. In 2023, we published our Human & Labor Rights Policy and started work on a global human and labor rights risk assessment, with a view to determining LDC's most pressing issues in 2024.

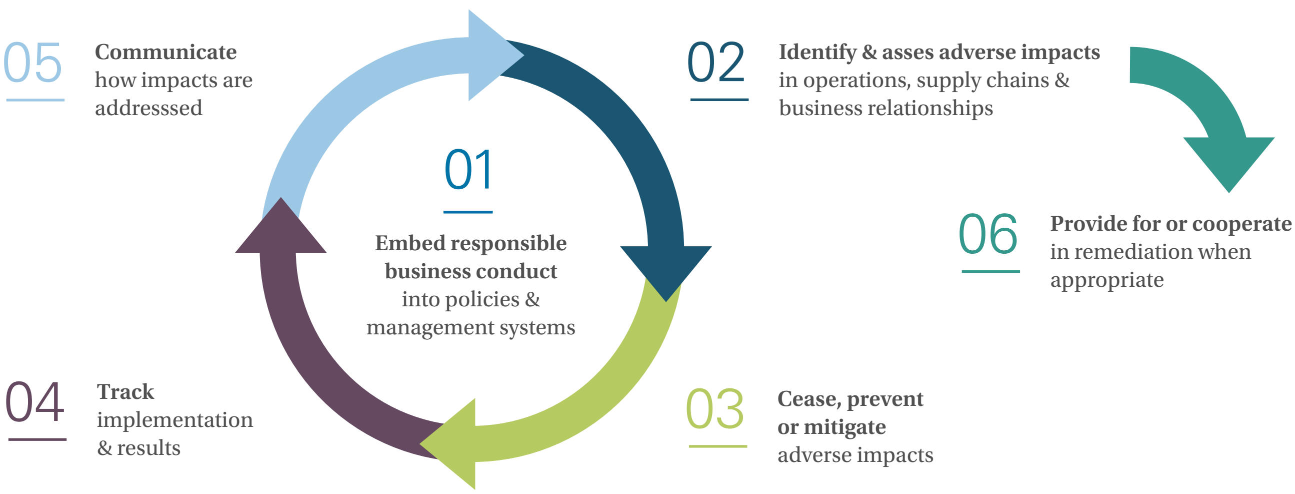
In 2023, LDC made headway on its human rights due diligence journey by developing and adopting its global Human & Labor Rights Policy and Supplier Code of Conduct, both created following the *United Nations' Guiding Principles on Business and Human Rights* and guidelines from the *Organisation for Economic Co-operation and Development* on Responsible Business Conduct and Human Rights.

LDC's new Human & Labor Rights Policy has provisions related to land and resource rights, forced or compulsory labor, freedom of association and collective bargaining, rights of indigenous people and child labor. Our commodity-specific policies, including our Code of Conduct for Coffee Suppliers, Palm Sustainability Policy and Soy Sustainability Policy, as well as LDC's Group Code of Conduct and our new Supplier Code of Conduct, also have such provisions.

In 2023, we continued to support all our relevant suppliers to comply with these policies and to support the production and sourcing of certified commodities, produced according to standards such as *Bonsucro*, *Better Cotton*, *Rainforest Alliance* and *Roundtable on Sustainable Palm Oil*, all of which require producer training on, and verification of farm practices in relation to, human rights.

LDC has also contracted *twentyfifty* to conduct a global human and labor rights risk assessment, with a view to determining LDC's most salient human and labor rights issues in 2024, as a basis to develop dedicated action plans to prevent and mitigate the most critical adverse impacts. The results of the risk assessment will also allow more exhaustive reporting on this topic from 2024.

Due Diligence Process & Supporting Measures



Target

Develop a Human & Labor Rights Policy

Completion: 2023
Status: Complete

New Targets

Conduct a gap analysis and global risk assessment

Completion: 2024

Implement a Group-wide human rights framework, and roll out human rights due diligence for suppliers across commercial platforms

Completion: 2026

Farmer Engagement

Working alongside farming communities around the world, we continued to champion the adoption of sustainable practices at the heart of the food and agricultural chain in 2023, helping to preserve the environment while improving farmers' livelihoods for the long term.

Advancing Sustainable Practices, Brazil

Since 2022, LDC has been working alongside the *Louis Dreyfus Foundation* and *VBIO* on a joint micro-farming project in Brazil, to support smallholder farmers in Goiás, Bahia and Minas Gerais States and reduce pressure on ecosystems in the Cerrado – South America's second largest biome and one of the world's most biodiverse regions.

In this project, the smallholder farmers are connected with the *Solidary Commercialization Network* – a network of local producers that works with almost 5,000 families to promote the value of local and native products produced by traditional communities, providing a platform for participation in decision-making, production planning and marketing.

Farmer groups receive training on production and commercialization of native crop species, with a focus on agro-ecological practices, assisting them to transition to organic production. The overall goal is to facilitate market access and enable farmers to extract a better premium for their goods. Being part of a cooperative provides them a channel to sell their products without intermediaries.

Eligible producers also gain organic certification, which allows them to market their production with an organic label, and consequently at a premium. The smallholders can also standardize their production and reduce costs through shared equipment, storage and logistic costs.

Our Impact in 2023

Farmers supported:	408	Indirect beneficiaries:	1,200
Of which are women:	37%	Expected income increase for participant families:	10-20%
Production groups formed:	47		

The families benefit from participatory productive planning activities; training and exchanges for sustainable farm management and organic certification; farm biodiversity enhancement through seedling planting and implementation of more resilient agricultural practices.

Fernanda Saturni
Grains & Oilseeds Sustainability Manager, Brazil

Improving Rice Production, Côte d'Ivoire

Although rice is a staple food of Côte d'Ivoire, local production is insufficient to cover national needs, and is not competitive against imported rice due to its poor quality. Since 2018, LDC has been working with *FairMatch Support* and the *Louis Dreyfus Foundation* to improve the local rice supply chain, supporting farmers to increase their productivity and revenue, and gain access to the domestic market.

Small rice producers participating in the program have registered improvements in rice productivity and quality, and farming cooperative leaders have been trained to provide technical support to other farmers, helping to increase their production while securing additional income themselves.

This project phase (2023-2025) will focuses on scaling up the intervention to 10,000 producers and 30 cooperatives, and providing technical assistance to rice cooperatives to supply services to farmers and operate as trading platforms.

The project supports both commercial small-scale rice producers, and emerging producers (subsistence farmers) focused on crop diversification strategies that include soybeans and cowpea production.

Our Impact in 2023

14 cooperatives, 160 lead farmers and 3,691 farmers assisted

72 lead women and 1,216 women provided with small equipment

12 school canteens supplied with rice, beans and vegetables, benefitting 2,749 school children

26% productivity increase for 'agripreneurs' (commercial small-scale producers)

22% productivity increase for emerging farmers (subsistence farmers)

Driving Shared Value for Maize Smallholders, Kenya

Launched in 2022 with *Solidaridad* and the *Louis Dreyfus Foundation*, this four-year project aims to improve food security, nutrition and climate resilience in Kenyan farming communities, while promoting gender inclusion in the maize value chain.

The project is focused on creating a shared maize value chain through the introduction of more effective production practices, improved market access, and gender and youth empowerment.

On plots established for training and practical demonstrations, participating farmers are trained in land preparation, soil structure, weed control, cover crops and mulching, certified seeds, crop nutrition and fertility, the use of organic manure, as well as pest and disease management.

In addition, 'gender champions' (both men and women) have been recruited and trained on gender and social inclusion, nutrition and healthy diets. These gender champions have gone on to train hundreds more farmers on economic and social empowerment activities.

Our Impact in 2023

Lead farmers trained:	55
Farmers participating:	1,561
Expected increase in maize productivity and income:	50%

Supporting Micro-farming Production, Argentina

Farmers in Charata, Argentina, lack the financial resources and training to improve their yields and diversify their production, which limits income and food security levels in a community that also lacks basic water and sanitation facilities.

Since 2020, LDC has been working with *Fundación Aquí Es* to improve incomes and living conditions in the local community, through training in agricultural production techniques, provision of equipment and education in health matters.

The aim is for smallholder farmers to learn more efficient production methods, and develop better management and financial skills, empowering them to be more independent in managing their production and yields.

The project has also started work on creating a cooperative to facilitate the purchase of production inputs and offer better market connections, with the potential to reach other smallholder farmers in the area once operational.

Our Impact in 2023

Farmers trained:	200	Expected increase in livestock production:	up to 65%
Training sessions per producing family:	12	Expected increase in horticulture production:	up to 75%
Water wells constructed:	5		

Empowering Women Smallholders, India

In 2020, the *Louis Dreyfus Foundation* and the *Centre for microFinance* embarked on a five-year program to enhance the food security and cash incomes of women smallholder farmers in India's Tonk district, located in the semi-arid eastern plains of Rajasthan.

This joint project empowers women farmers by training them in good agricultural practices, while improving their access to land and participation in decision making. Agricultural training focuses on low cost (preferably organic) methods and covers water harvesting and crop diversification. Improved production skills have led to better crop yields, and so enhanced food security and income.

The project also supports the creation of self-help groups of between 10 to 25 women, aiming to facilitate access to credit for group members through government connections and training on finance literacy.

Phase 2 of the project, which started in 2022, supports farmers across almost 100 villages through crop and livestock management training in natural farming techniques, aiming to establish vegetable gardens and increase production through improved livestock management practices including vaccination, deworming and better nutrition.

Our Impact in 2023

Self-help groups established:	84	Average expected productivity increase per farm:	35-60%
Female farmers trained:	4,604		
Average increase in farmer income:	70%		

Supporting Sunflower and Maize Farmers, South Africa

The North West province of South Africa is the country's maize belt, dominated by mid- and large-scale commercial producers. Smallholder farming communities in this region struggle with production yields due to a lack of adequate support services and access to finance.

Launched in 2021, the Abalimi Phambili (Farmers First) supports small-scale maize and sunflower farmers to increase their crop production, for both self-consumption and sale. The program provides support with inputs, credit, mechanization, information and market access, creating closer working relationships between isolated farmers and the rest of the agricultural value chain.

It includes one-on-one farm training, ongoing technical advice and business support. By increasing food production in poor rural communities, the project also aims to improve food security and contribute to healthier diets. As part of the project, an initial revolving credit fund has been set up in partnership with Africa's largest banking group, *Standard Bank*, to grant loans to 35 farmers for the purchase of agricultural inputs.

Our Impact in 2023

Farmers supported:	446
Women farmers:	120
Average productivity increase:	15%

Improving Agricultural Education, Indonesia

This new project with the *Louis Dreyfus Foundation* and *Pro-Pertanian Lestari* seeks to improve the curriculum of the technical university in Medan, Indonesia, to equip the next generation of farmers and agricultural extension specialists with the skills and knowledge they need to address challenges in their rural communities.

In 2023, alongside international and local experts, LDC supported the school in reviewing and updating the school's competence reference framework, adding elements related to good agricultural practices (GAPs) in coffee production, regenerative agriculture principles and entrepreneurship. Through training and an individual mentorship program, the school's teachers have also been supported to develop their course plans and teaching materials.

LDC's coffee experts are also working with the school to establish a coffee nursery on its grounds, to enable students to learn practical aspects of coffee production, complementing the school's theoretical program.

Our Impact in 2023

Teachers supported:	33	Students reached:	700
Revised course plans:	4	Training and mentoring sessions:	15

Empowering Communities

At LDC, we seek to create positive change in the communities in which we operate. In addition to promoting sustainable farming practices to improve the yields and livelihoods of farmers, we engage directly with local communities across the globe in projects related to health, education, food security and environmental protection.

North Asia

As we celebrated LDC's 50th anniversary in China in 2023, we launched the 'LDC Charitable Partner Program' to encourage employee participation in actions to help others. In one initiative, our teams at Zhangjiagang processing plant organized a clothes donation campaign, distributing the donated items to rural communities in the country to provide people in need with warm clothing.

Regional volunteering activities also focused on projects to protect or enhance the environment. As an example, colleagues from our Shanghai office volunteered their spare time to support the work of *Shanghai Zoo* to reinforce positive attitudes toward nature and animals among the local population.

South & Southeast Asia

At our refineries in Lampung and Balikpapan, Indonesia, we engaged with the local community in a variety of corporate social responsibility activities, from regular fogging and drainage cleaning surrounding the facilities, to medical check-ups for local residents. Other initiatives included a free dental check-up for pupils at the elementary school in Balikpapan, and the donation of cooking oil and food for the Hari Raya celebration in Lampung.

South & West Latin America

Supporting the development of young people is an important pillar of community action. To this end, LDC sponsored the agricultural training center of *Sociedad Rural de Río Negro*, an association of producers that supports the agricultural community in Young, a city in Uruguay's Río Negro department. The center offers training primarily to young people from rural areas, to help them secure an attractive professional future in agriculture. In 2023, LDC representatives also visited the center in person to share industry insights and analyses with the students.

In Argentina, we worked with *Escuela Técnica 650* – a vocational school in Arroyo Seco, Santa Fe province – to facilitate two-month internships at our General Lagos plant. Participating students gained valuable personal and professional experience as part of a global company, with experienced supervisors serving as mentors and sharing expert knowledge.

North Latin America

In Brazil, LDC held four sessions of its 'Nosso Planeta, Nossa Casa' (Our Planet, Our Home) program in public schools in São Paulo State, to raise awareness among young people about the importance of sustainable development and conscious consumption.

Through recreational activities and games, students were encouraged to reflect on attitudes and measures that help to preserve the environment, taking care of the planet that is home to us all. The actions were supported by more than 30 trained LDC volunteers, and reached 291 students in the region.

In Paranaguá, Paraná State, LDC volunteers continued with our 'Planting for Tomorrow' project, initiated in 2022 to establish a vegetable garden at the local *Professora Francisca Pessoa Mendes* municipal school. Volunteering efforts in 2023 carried out a wide range of tasks – from wall painting and land fertilization to planting and harvesting. In total, 1,143 seedlings of a variety of vegetables and medicinal plants were planted by some 35 LDC volunteers.

Europe, Middle East & Africa

In May, LDC conducted a successful silent auction for charity in the Region, raising some CHF 15,000. Some of the funds were distributed to *Fondation Foyer-Handicap*, a charity working to include people with disabilities in the work environment and upgrade their training equipment. The remainder was donated to the *Make-A-Wish* foundation, which works to realize the heartfelt wishes of children living with a serious medical condition, giving them memories to treasure.

In Ukraine, our Juice Platform donated some 50,000 liters of orange juice to an orphanage in Dnipro.

North America

In January, our Grains & Oilseeds Platform in North America donated over US$13,000 in total to nine local food banks and community programs throughout the region.

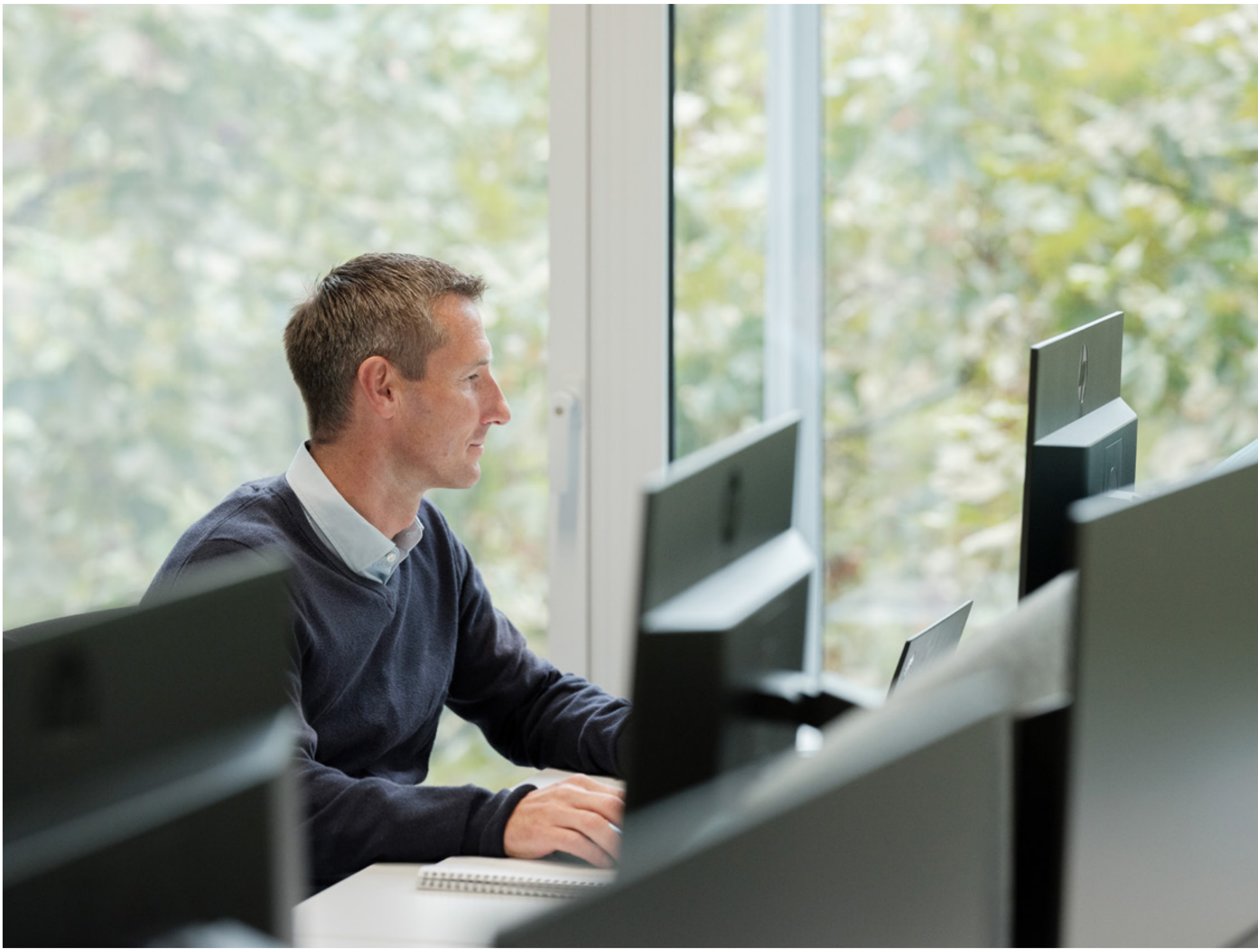
Our team in Yorkton, Saskatchewan, Canada, continued to support the *Farming for Health* program, which brings together local farmers, equipment dealers, fertilizer, seed and fuel companies to raise funds for local healthcare. Collectively, they cultivate and harvest 440 acres of wheat and canola and, with all harvest expenses covered, every penny raised directly supports the program. After a successful harvest, the committee raised close to US$279,000 in 2023.

To be able to contribute at a local level and see the difference this makes to people in our towns and communities is very important. These seemingly small gestures make a huge difference and connect us to one another. I was very pleased to be a part of it.

Jeremy Mullins
Commercial Manager – Claypool, Indiana, US

Governance

Good governance and good business go hand in hand, as a strong governance framework supporting corporate decision-making is critical to building and maintaining stakeholder trust. Our solid governance framework supports responsible business decisions, guided by our sustainability policies, protocols and codes of conduct.



Sustainability Governance

Robust sustainability governance helps our company to deploy its sustainability strategy and standards across the business, manage goal-setting, commit to transparent reporting processes, strengthen relationships with external stakeholders and partners, and ensure overall accountability.

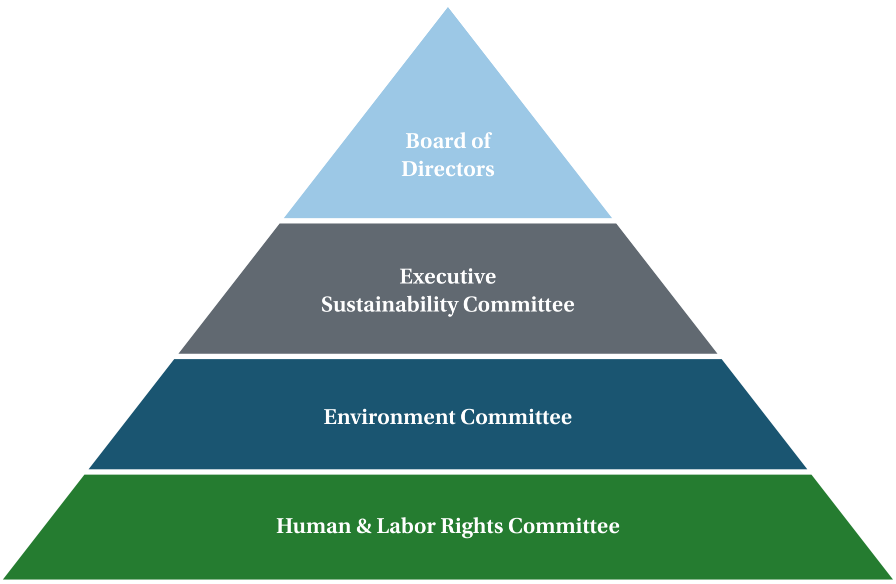
In 2022, LDC established an Executive Sustainability Committee to guide our sustainability strategy and act as a liaison between our Supervisory Board and Sustainability team. In 2023, this committee was instrumental in developments related to sustainability governance at LDC, including the development and adoption of our Human & Labor Rights Policy and of our Supplier Code of Conduct, and from 2024, will oversee progress against the sustainability strategy defined in 2023. This committee operates in addition to topic-specific executive committees: our Environment Committee and our Human & Labor Rights Committee.

We also continue to embed sustainability in our financing model, actively seeking out long-term investors and diversified funding sources that can support the Group's sustainability efforts, both financially and operationally, such as our regenerative agriculture projects.

In 2023, our EMEA team renewed and increased one of our syndicated revolving credit facilities (RCF) to US$590 million. This renewal included the implementation of new, more ambitious environmental key performance indicators (KPIs), with targets to reduce CO_2 emissions and source deforestation- and conversion-free grains and oilseeds in Brazil.

Where possible, we include sustainability-linked pricing mechanisms in LDC's credit facilities and are pleased to note that the ISS-Corporate's ESG's Second Party Opinions (SPO) have validated that the Group's ESG KPIs embedded in its new RCFs are in line with Sustainability Linked Bond Principles.

Sustainability Governance



Responsible Sourcing & Traceability

As a leading global agribusiness, we recognize our duty to promote responsible land use and production practices in our supply chains, by engaging with the farmers and producers who work at the heart of the food and agricultural chain. Equally, we understand that traceability is essential to achieving supply chains free from deforestation, native vegetation conversion and human rights abuses.

In December 2023, we adopted our global Supplier Code of Conduct, which covers both environmental and social impacts on supply chains, and is accessible via LDC's website. This code supports our suppliers' continuous improvement efforts by setting minimum sustainability standards that apply to all suppliers and entities providing goods (agricultural commodities and others) and services to the Group.

Suppliers are now required to acknowledge and undertake code of conduct compliance before entering into contracts with LDC, and are expected to communicate the code principles to their employees and subcontractors, as well as any parent, affiliate and subsidiary entities. They are also strongly encouraged to cascade the principles within their supply chains.

As a baseline for the sustainability practices we expect from our suppliers – globally and across all our platforms, this global code will facilitate the monitoring and assessment of suppliers' adherence to LDC's sustainability standards and, as such, represents a significant step forward in our efforts to continually improve our sustainability governance framework.

Our commodity-specific policies remain in place to provide additional guidance and set supply chain-specific standards, in light of different characteristics, risks and certifications. Where the global code and any commodity-specific policies overlap, the most stringent rule shall apply.

Where we identify a supply chain challenge, we will continue to first engage with the supplier in question, supporting them to bring their practices in line with LDC's standards. Only in cases where a satisfactory action plan cannot be agreed between LDC and the supplier, or where the supplier demonstrates a lack of willingness to adapt, will the commercial relationship be suspended or terminated. This is in line with our overall approach to work collaboratively to address issues and drive lasting improvements across our supply chains.

Traceability in Action

In 2023 we advanced our traceability journey by documenting the concept of a generic digital solution for traceability automation across our platforms and geographic regions. As part of this solution, we delivered a minimum viable product that systematically collects 'single point of truth' farm-related information, including geospatial data, to support upstream traceability and compliance with our due diligence practices.

All of LDC's commercial platforms have assessed their current traceability capabilities to identify the best course of action for automation and increased transparency. Some of the initiatives include:

Cotton: we ran several pilot projects on GPS mapping and functional data models, raising awareness about the importance of traceability, both for commercial purposes and sustainable growth, to drive further traceability in our cotton operations.

Soy: we created dashboards covering upstream traceability, to highlight municipalities in Brazil and Argentina where soybeans were purchased. These origination municipalities are mapped against high-risk deforestation areas, to identify and mitigate the risk of purchases from non-compliant sources.

Palm: we collaborated with suppliers to provide technical and financial support for smallholder plot mapping within their supply chains, to help these farmers maintain EU market access when the EU Deforestation Regulation is enforced.

Level of Traceability by Commodity

The level of risk in our supply chains is assessed combining the type of crop and the geographical footprint. This level of risk is critical to prioritize our traceability efforts, to deploy the right tools to ensure that we are sourcing responsibly.

As a consequence, the level of traceability varies across crops and geographies:

- Juice is the only commodity in LDC's portfolio with a fully digitalized supply chain traceability system, making 100% of Juice Platform volumes traceable to farm level.
- In Palm, we maintained our strong traceability performance in 2023, reaching 98% traceability to mill level for global volumes, and improving our traceability to plantation level for directly-sourced volumes.
- In Soy, traceability efforts are driven by a risk escalation approach, whereby granular traceability and supplier due diligence are required where deforestation risks are higher. Accordingly we require soy traceability to national, sub-national, facility or eventually farm levels, in accordance with corresponding deforestation and conversion risks. In regions where risks are higher, as defined through internal risk assessments, we strive for full traceability to farm for direct sourcing.
- Responsible sourcing is core to our Coffee Platform's strategy. In 2023, LDC expanded the traceability of its global coffee supply chain and continued to expand its network of farmers operating under third-party certification and under our own Responsible Sourcing Program.

Looking Forward

In 2024, LDC plans to automate traceability reports for specific commodities and flows exposed to higher environmental and social risks, such as palm, soy or coffee.

Regarding our own non-deforestation, non-conversion commitment, we will continue to expand upstream traceability reports in line with the following risk-based approach:

- For origins at low risk for deforestation, volumes will be traced to low-risk countries or municipalities.
- For origins at high risk for deforestation, we will extend the traceability solution to farm level.


LDC
LDC
LDC

Business Ethics & Compliance

At LDC, our commitment to ethical practices and behaviors is informed and guided by our Code of Conduct, along with various compliance and commodity-specific sustainability policies, which all employees and selected partners are required to comply with.

Spotlight on Anti-Corruption

LDC assesses corruption risks through four mechanisms:

- **Transactional** – Our policies require employees to consult the Compliance team prior to higher-risk transactions.
- **Strategy Alignment** – Compliance resources and priorities are reallocated according to LDC's strategic direction.
- **Ad-hoc Risk Assessment** – Compliance officers conduct periodic reviews of higher risk activities or locations.
- **Monitoring** – A dedicated team leverages artificial intelligence, data analytics and business intelligence to identify risks of anti-corruption policy breaches.

A central team of compliance officers monitors business operations and high-risk transactions for corruption risks, runs ad hoc risk assessments, and integrates anti-corruption controls in each internal audit.

Permanent employees with email accounts and laptops access anti-corruption compliance policies through compulsory Code of Conduct e-learning, which was completed by 6,490 permanent employees in 2023, as well as dedicated compliance subject matter training that was delivered in person to 1,802 employees in 2023.

Compliance In-person Training

Strides Against Anti-Competitive Behavior

LDC is committed to serving its suppliers and customers through vigorous competition, efficiency, innovation and customer choice, always working to comply conscientiously with antitrust and competition laws applicable to its business.

To promote a culture of fair competition and safeguard our hard-earned reputation, LDC employees must comply with complex and nuanced antitrust and competition laws applicable in the more than 100 countries in which LDC does business.

In 2023, we updated our existing policies on competition and antitrust behavior. Our renewed Antitrust Compliance Policy is intended to help all LDC employees recognize the kinds of conduct that antitrust and competition laws address, and identify when they should seek guidance from LDC's Legal department, promoting a culture of compliance.

Financial Performance

Management Discussion & Analysis


ЗЕРНО
LDC.

Financial Highlights

for the year ended December 31, 2023

Net Sales

US$50.6b

(US$59.9 billion for the year 2022)

Segment Operating Results[1]:

US$2,607m

(US$2,611 million for the year 2022)

EBITDA[2]:

US$2,222m

(US$2,347 million for the year 2022)

Return On Equity[3], Group Share:

US$16.6%

(18.7% for the year 2022)

Working Capital Usage:

US$7.3b

(US$7.3 billion as of December 31, 2022)

Total Assets:

US$22.1b

(US$21.6 billion as of December 31, 2022)

Adjusted Net Debt:

US$0.1b

(US$0.4 billion as of December 31, 2022)

[1] Gross margin plus share of profit (loss) in investments in associates and joint ventures
[2] Earnings Before Interests, Taxes and Depreciation & Amortization
[3] Beginning of period equity

Net Income, Group Share:

US$1,013m

(US$1,006 million for the year 2022)

Capital Expenditure[4]:

US$636m

(US$549 million for the year 2022)

Adjusted Leverage[5] Ratio:

0.1x

(0.2x as of December 31, 2022)

Adjusted Net Gearing[6]:

0.02

(0.07 as of December 31, 2022)

Volumes[7]:

3.5%

down year on year

Liquidity Coverage[8]:

5.2x

current portion of debt
(3.7x as of December 31, 2022)

Income Before Tax:

US$1,208m

(US$1,226 million for the year 2022)

[4] Purchase of fixed assets and additional investments, net of cash acquired
[5] Adjusted net debt to EBITDA
[6] Adjusted net debt to total stockholders' equity and non-controlling interests
[7] Volumes shipped to destination
[8] Cash and cash equivalents, other current financial assets at fair value, readily marketable inventories (RMIs) and undrawn committed bank lines

Message From Our CFO

In 2023, our ongoing efforts toward cost efficiency and process improvements helped the Group secure a stable financial performance, in a market environment marked by lower volatility, and a slowdown in global growth. With a strong balance sheet and steady cash flow generation from our core operations, we grew investments in 2023 and engaged in large projects to grow our business sustainably.

Both of our business segments contributed to LDC's strong financial performance in 2023, delivering Segment Operating Results (SOR) and EBITDA at US$2,607 million and US$2,222 million respectively. Value Chain SOR improved year on year, thanks to a solid global footprint and strong processing margins for Grains & Oilseeds and improved margins in Juice thanks to a recovery in prices and operational process improvements. Merchandizing SOR were driven by globally diversified origination capabilities for Cotton and Rice, combined with a successful hedging strategy for Sugar and Coffee.

This year again, our diversified business portfolio and global presence at both origin and destination were instrumental in consolidating our strong financial performance in a challenging context marked by the ongoing Russia-Ukraine crisis and climate extremes affecting crop size and quality in certain areas of the world, particularly Argentina. Leveraging our core strengths, we once again met our commitments to our customers while fulfilling our key role for supply chain continuity.

In an inflationary context that saw a strong rise in interest rates, we successfully controlled finance costs thanks to our efficient funding model, tailored for our operations. We leveraged long term debt raised several years ago at competitive interest rates, thanks to our *S&P Global Ratings* investment-grade rating and the flexibility of our diversified sources of funding. In addition, we closely monitored our funding needs as we also benefited from strong cash flow generated from our operations.

Our strong operating results, combined with managed cost of debt, enabled us to deliver another very satisfactory return on equity this year, at 16.6%.

In 2023, we also increased capital expenditure by 15.8%, reaching US$636 million for the year. In addition to continued investments in improvements and maintenance of our existing facilities, we began investing in significant projects for the expansion of our processing capabilities in Canada, US and China, supporting growth in core merchandizing activities as well as our downstream diversification journey, with further investments to come, including the construction of a pea protein isolate production plant at the site of our existing industrial complex in Canada, announced in February 2024. We also continued to invest in our processes and people, supporting sustainability, internal control and digital transformation efforts, as part of LDC's global growth strategy.

Our strong operational performance and cash flow generated in 2023 contributed to further deleveraging our balance sheet, with adjusted leverage ratio at 0.1x and adjusted net gearing down to 0.02 as of December 31, 2023. Our liquidity position as of December 31, 2023 increased compared to December 31, 2022, with US$11.6 billion of available liquidity, resulting in a coverage of 5.2x the current portion of debt.

In 2023, we reinforced LDC's sustainability-linked financing model, raising the ambition of our environmental commitments through new key performance indicators embedded in our Revolving Credit Facilities. These indicators were supported by a Second Party Opinion report in line with the Sustainability Linked Loan Principles, confirming the ambition and materiality of our commitments for the agri-commodities industry.

Thanks to a strong operating performance, driven by our teams' expertise and excellent delivery, LDC's Group equity reached US$6.6 billion as of December 31, 2023, the highest level in our history so far.

We are confident that our sound balance sheet structure and well-established operational capabilities will ensure our ability to address future challenges and delivery on our ambitious growth plans for LDC.

Patrick Treuer
Chief Financial Officer

Foreword

The following discussion of the Group's operating results and financial position should be read in conjunction with the Group's consolidated financial statements as of, and for the years ended December 31, 2023 and December 31, 2022, prepared in accordance with International Financial Reporting Standards (IFRS).

The results presented include certain financial performance indicators, not defined by IFRS, that are used by LDC's management to assess the Group's financial performance. A definition based on the consolidated financial statements of each of these indicators can be found in the footnotes of the following discussion. The reconciliation of EBITDA and Adjusted Net Debt with the consolidated financial statements, as of and for the years ended December 31, 2023 and December 31, 2022, are provided as an appendix at the end of the following discussion.

As announced in December 2022, the Group established the Food & Feed Solutions Platform in January 2023 and its contribution is reported under the Value Chain Segment. Consequently, the Value Chain Segment includes the Grains & Oilseeds, Food & Feed Solutions and Juice platforms, along with Freight, Global Markets and Carbon Solutions. The Merchandizing Segment comprises the Coffee, Cotton, Rice and Sugar platforms. No other change occurred between the Group's two segments.

Market volatility decreased in 2023, compared to 2022, as logistical bottlenecks eased, while the ongoing Russia-Ukraine crisis, export quotas in India, the devaluation of the Argentine peso, and concerns about the slowdown in global growth and uncertain crop size prospects continued to cause disruptions.

After high levels in 2022, prices of the main products merchandized by the Group decreased in 2023, with the exception of Robusta coffee, sugar, rice and citrus juices. The foreign exchange market was marked by a strong depreciation of the Argentine peso against US Dollar, while the Brazilian Real appreciated.

In this global context, LDC focused on fulfilling its role as a leading global merchant and processor of agricultural goods, bridging supply and demand gaps across essential food and feed value chains, from farmers to end-consumers. The Group continued to take steps to ensure efficient and reliable operations, and minimize disruptions at our facilities and in our logistic chains, always with employee safety and well-being as a priority.

The Group maintained its reinforced risk management framework, continuing to hold both regular and ad hoc meetings to examine and mitigate risks, and actively monitoring counterparty risks across all business lines in an uncertain environment. The Group also continued to follow strict compliance procedures to protect the Group, its stakeholders and assets in a global trade environment marked by sanctions.

As announced on April 3, 2023, the Group ceased grain exports from Russia and has been engaged in a sale process of its existing business and assets in Russia ("Russian business") on terms that satisfy the requirements of the Russian authorities. As of December 31, 2023, the Group performed a reassessment of control as defined by IFRS 10, and considering facts and circumstances, the Group concluded on a loss of control and deconsolidated its Russian business. As a consequence, the Group recorded a US$(60) million loss (including US$(33) million foreign currency translation adjustment recycling from OCI) in the line "Other gains and losses" of the consolidated income statement.

In 2023, the Group continued to take significant and concrete steps to advance its commitment to shaping more sustainable value chains.

We set out a new global sustainability strategy around six core priority areas, leveraging the materiality assessment conducted in 2022.

As part of our commitment to eliminate deforestation and native vegetation conversion for agricultural purposes from our supply chains by the end of 2025, we continued to strengthen in-house monitoring capabilities – across the Group and in specific supply chains, including by means of external satellite monitoring tools.

As part of the Group's decarbonization journey, LDC also announced in March 2023, a 33.6% reduction target for its Scope 1 & 2 greenhouse gas emissions by 2030, compared to its 2022 baseline year. In line with this trajectory, in 2023, the Group achieved a 4.7% reduction in Scope 1 & 2 emissions year on year.

Our Carbon Solutions team also calculated LDC's Scope 3 emissions for the first time, in relation to the year 2022, as a basis to set reduction targets for Scope 3 emissions.

In July 2023, LDC reported for the first time through the CDP Climate Change questionnaire, the world's largest reporting framework for corporate disclosure on climate change strategies, risks and opportunities, and was granted a B rating.

During 2023, the Group reinforced its sustainability governance with the adoption of its Human & Labor Rights Policy, which formalizes LDC's commitment to upholding human and labor rights in its operations and supply chains, and its global Supplier Code of Conduct, which sets minimum sustainability standards applicable to all LDC suppliers, in relation to environmental and social matters.

The Group also continued to engage and empower farming communities to adopt sustainable practices, helping to preserve the environment while improving farmers' livelihoods for the long term, through multiple projects and initiatives around the world.

Income Statement Analysis

In a global trade environment that saw persistent geopolitical, macroeconomic and environmental challenges, LDC delivered resilient results thanks to expertise and experience, diversified business portfolio, global presence and network, supported by ongoing efforts to drive process and cost optimization and efficiency.

Segment Operating Results amounted to S$2,607 million for the year ended December 31, 2023, stable compared to US$2,611 million for the year ended December 31, 2022, and EBITDA reached US$2,222 million, compared to US$2,347 million for the year ended December 31, 2022.

Income Before Tax for the year ended December 31, 2023 reached US$1,208 million, while Net Income, Group Share landed at US$1,013 million, compared to US$1,226 million and US$1,006 million respectively in 2022.

Net Sales

Net Sales amounted to US$50.6 billion for the year ended December 31, 2023, compared to US$59.9 billion in 2022, mainly reflecting lower average prices of the main commodities traded by the Group, with the exception of Robusta coffee, sugar, rice and citrus juices. Volumes shipped by the Group decreased 3.5% year on year.

- The Value Chain Segment's net sales decreased 11.4% year on year, mainly owing to the lower price environment throughout the period for grains and oilseeds. Volumes shipped by the Grains & Oilseeds Platform were almost unchanged year on year. Freight Platform net sales decreased year on year, driven by lower prices, while Juice Platform net sales increased year on year, fueled by a growth in volumes shipped combined with higher average prices.
- The Merchandizing Segment's net sales decreased by 24.9% year on year, owing mainly to lower volumes shipped by the Segment in a context of slowing global growth, combined with lower prices for cotton and Arabica coffee. After high levels in 2022, volumes shipped by the Cotton Platform decreased due to lower US production and global consumption. The decrease in volumes shipped by the Sugar Platform partially resulted from the divestment of the *Imperial Sugar* business in the US.

Segment Operating Results

Segment Operating Results remained stable at US$2,607 million for the year ended December 31, 2023, compared to US$2,611 million over the same period in 2022. LDC's performance remained resilient despite lower volumes sold and decreased volatility compared to 2022. LDC once again leveraged its global presence and market insights to capture profitable origination and sales opportunities, successfully manage risks, and meet customer demand in a persistently uncertain and complex global trade environment.

Value Chain Segment

The Segment's Operating Results amounted to US$1,910 million for the year ended December 31, 2023, compared to US$1,817 million in 2022.

The Grains & Oilseeds Platform's global footprint, and more integrated value chain management from origin to destination, supported improved financial performance in 2023, compared to an already strong 2022. High crop yields in Brazil, combined with strong demand from China, opened profitable opportunities both at origin and destination for our soy and corn businesses. Our vegetable oils business once again delivered robust results, thanks to its efficient hedging strategy in the challenging market conditions of 2023, marked by a decline in prices, lower volatility and tight supply for palm oil. Processing activities significantly contributed to enhanced Platform performance, with strong crush and crack margins – particularly in North America, and large crop yields in Brazil. The Platform's activities in Argentina were affected by record low crops for soy, corn and wheat following drought, combined with low farmer selling and reduced biofuel processing margins. LDC's recently expanded grains activities in Australia further supported the Platform's performance.

The Juice Platform delivered strong Operating Results for the year ended December 31, 2023, thanks to growth in volumes shipped combined with supportive market prices and a recovery in processing margins, from process improvements and lower energy costs. Successful revenue diversification toward higher value-added products, such as not-from-concentrate juices and citrus ingredients, was also a relevant contributor.

2023 marked the first year of operations for LDC's recently created Food & Feed Solutions Platform, with a focus on building technical capabilities and integration across relevant LDC production sites, toward the creation of two global product lines: lecithin and glycerin. Despite a market slowdown in 2023, the Platform positively contributed to the Segment's results, demonstrating the resilience of its global business model, based on a multi-origin, multi-product approach. The Platform leveraged upstream integration to acquire cost-competitive raw material and expanded its customer base in key markets.

After record high performance in 2022, the Freight Platform delivered resilient operating results in 2023, marked by a challenging geopolitical environment and a return of El Niño disruptions on dry bulk flows. The combined slowdown in global manufacturing growth and reduced port congestion in China put pressure on market rates, which were consequently down 30% year on year. The Platform's strong performance was supported by successful positioning and hedging strategies, as well as continued innovation to optimize its operational model. Committed to helping shape a low-carbon economy, LDC announced in December 2023 a commercial agreement with *bound4blue* for the manufacture and installation of four eSAILs® on LDC's chartered juice vessel, in collaboration with *Wisby Tankers AB*. This agreement is expected to reduce the vessel's annual fuel consumption and CO_2 emissions by at least 10%.

The Global Markets Platform continued to provide strong support to the Group through efficient interest rate and foreign exchange risk management across all significant currencies in LDC's business, while keeping pace with the market's constant evolution and needs.

Ongoing decarbonization efforts and initiatives continued throughout 2023, as our Carbon Solutions Platform led efforts to measure the Group's greenhouse gas emissions and set a 33.6% reduction target for its Scope 1 & 2 emissions by 2030, compared to its 2022 baseline year. The Platform's contribution to the Segment's results remained limited, as voluntary credits markets were hit by a drop in prices and liquidity due to the Russia-Ukraine crisis and a slowdown in global growth. In this changing, low-liquidity environment, the Platform pursued its work to build a portfolio of high-quality credits.

Merchandizing Segment

Segment Operating Results reached US$697 million for the year ended December 31, 2023, compared to US$794 million in 2022.

The Cotton Platform delivered good results for the year ended December 31, 2023. Volumes sold for the period were lower compared to 2022, as US production significantly decreased due to drought conditions in West Texas, while global consumption declined as higher inflation levels put pressure on global cotton demand.

Throughout the year, cotton prices were range-bound in a lower volatility market. In this challenging environment, Platform earnings were supported by contributions from logistics activities and solid merchandizing margins across multiple origins, including the US, Brazil, Australia and West Africa.

The Coffee Platform's strong operating results for the year ended December 31, 2023 were supported by improved origination margins and volumes in Brazil, partially offset by lower results in Vietnam and Indonesia year on year. Coffee price volatility was fueled by low stocks and uncertainty over global consumption, with global demand shifting toward lower grade coffees and Robustas. In this complex environment, the Platform's performance was supported by a successful hedging strategy. Our Coffee teams also continued to partner with both suppliers and customers to address increasing traceability requirements and, in March 2023, LDC's Responsible Sourcing Program Advanced was recognized as equivalent to the *Global Coffee Platform's* Coffee Sustainability Reference Code.

The Sugar Platform's reduced results year on year, are attributable to the sale of the *Imperial Sugar* business. Restated for this business' contribution, the Platform's operating results increased compared to 2022. Uncertainty over global supply fueled strong market volatility over the period, while a reduced export quota from India, unfavorable crops in Thailand and logistical bottlenecks in Brazil contributed to market tightness, fueling market volatility and increasing price trend. In this context, the Platform deployed a successful hedging strategy and diversified its revenue streams with ethanol in Brazil which supported its improved results.

The Rice Platform continued to deliver strong operating results year on year. In 2023, the Platform relied on its domestic presence in India to mitigate the negative impact from export restrictions. The Platform also leveraged its global network and reputation to diversify origins, with stronger focus on Thailand and Vietnam, combined with an increase in volumes originated from South America. Complementing its established customer centric strategy, the Platform's focus on origin diversification ensured continued service to customers.

Commercial and Administrative Expenses

Commercial and administrative expenses increased year on year, due to higher inflation and higher personnel costs, linked to business expansion downstream and additional efforts on sustainability and digital transformation.

Income Statement Analysis Continued

Net Finance Costs

Net finance costs[9] amounted to US$(266) million for the year ended December 31, 2023, down from US$(288) million in 2022, mainly due to lower funding requirements. Interest expenses were controlled, with a year-on-year increase of US$(14) million, as a result of lower Working Capital Usage and despite a higher Secured Overnight Financing Rate (SOFR) – from 1.61% on average for the SOFR 1M over 2022, to 5.00% on average over 2023 (i.e. a 338bps increase). On the other hand, the Group benefited from the rise in reference interest rates with higher income on commercial transactions, partly offsetting the negative impact on interest expenses.

Other Gains and Losses

The US$(60) million loss in 2023 is related to the deconsolidation of the Group's Russian business. In 2022, the US$(156) million loss related to Taman project impairment.

Income Before Tax

Income before tax decreased to US$1,208 million for the year ended December 31, 2023, compared to US$1,226 million for 2022.

Taxes

Taxes amounted to US$(198) million for the year ended December 31, 2023, resulting in a 16.4% effective tax rate, compared to 17.9% for 2022, mainly thanks to a favorable country mix and other non-recurring permanent differences, partially offset by negative functional currency impacts, notably in Argentina.

Net Income, Group Share

Net income, Group Share, settled at US$1,013 million for the year ended December 31, 2023, compared to US$1,006 million in 2022. Return on equity reached 16.6% for the 12-month period ended December 31, 2023, compared to 18.7% for the 12-month period ended December 31, 2022.

[9] interest income, Interest expense and Other financial income and expense.

Balance Sheet Analysis

Non-Current Assets

As of December 31, 2023, non-current assets amounted to US$5,383 million, up from US$5,085 million as of December 31, 2022:

- Fixed assets landed at US$4,275 million, compared to US$3,963 million as of December 31, 2022. The increase was mainly due to the acceleration in new projects and constructions, as well as additional lease contracts, particularly in Asia.
- Investments in associates and joint ventures increased from US$230 million as of December 31, 2022, to US$291 million as of December 31, 2023. The US$61 million increase is mainly attributable to the indirect acquisition of 50% shares in the joint venture *TEAG – Terminal de Exportação de Açúcar do Guarujá Ltda*, additional capital injection in *TES – Terminal Exportador de Santos S.A.*, and LDC's share in the entities' net income for the period.
- Non-current financial assets decreased from US$445 million as of December 31, 2022, to US$311 million as of December 31, 2023, mainly due to reclassification to current assets of derivatives and related margin deposits according to their maturities.
- Deferred income tax assets landed at US$253 million as of December 31, 2023, up from US$163 million as of December 31, 2022, mainly attributable to granted tax credits.
- Other non-current assets amounted to US$253 million as of December 31, 2023, down from US$284 million as of December 31, 2022, mainly coming from refund of tax credits.

Capital Expenditure

Maintaining its highly selective investment policy, LDC invested US$636 million during the year ended December 31, 2023, up from US$549 million for the year ended December 31, 2022, supporting its strategic ambitions while securing solid cash flows and remaining prudent in its capital deployment, as a volatile and uncertain market environment persisted. With a significant part of capital expenditure remaining discretionary as per the Group's investment policy, LDC is well-positioned to adapt to and capture emerging opportunities as they arise.

The Group invested in planned and custom maintenance, as well as enhancements, to ensure the continued operational performance and safety of its existing assets. LDC also moved forward with strategic long-term projects for the expansion of its processing capacity and diversification downstream through research and development. System developments and improvements remained a significant investment area for the Group, particularly the roll-out of its global back-office enterprise resource planning (ERP) system and the deployment of an upgraded version of its existing front-office system, common to Grains & Oilseeds, Sugar and Rice. System harmonization and enhancement is part of the Group's digitalization efforts, aiming to generate efficiency and support cost-effective business management in an increasingly complex environment.

Value Chain Segment

The Segment invested US$542 million over the year ended December 31, 2023, mostly to expand oilseeds processing capacity and support developments downstream.

In September 2023, the Grains & Oilseeds Platform completed the construction of a soybean processing facility as part of Fuling Food Industrial Park at the Port of Nansha, Guangzhou, China, in collaboration with Chinese partners.

In North America, the Platform started to invest in the expansion of its canola processing complex in Yorkton, Saskatchewan, Canada, aiming to reinforce its capacity to supply food, feed and energy customers, and initiated investments for the construction of a new soybean processing complex in Upper Sandusky, Ohio, US, with integrated crushing, vegetable oil refining and lecithin production and packaging capabilities. The new plant will also provide an option to participate in renewable energy feedstock markets and help meet growing demand for biofuels.

In addition, the Group initiated the construction of a USP grade glycerin refining and edible oil packaging plant in Lampung, Indonesia, complementing existing local refining capabilities.

Balance Sheet Analysis Continued

The Juice Platform accelerated its investments in citrus grove replanting, and also invested to enhance operational performance and optimize production costs through higher production capacity, with a focus on not-from-concentrate juices. Investments also focused on industrial asset maintenance and continuous improvements, largely in Brazil, as well as operational safety enhancements.

Merchandizing Segment

Over the year ended December 31, 2023, platforms in the Segment invested US$94 million.

The Sugar Platform acquired a 50% stake in *TEAG – Terminal de Exportação de Açúcar do Guarujá Ltda*, a joint venture, for sugar exports via the port of Santos, São Paulo State, Brazil.

The Coffee Platform continued to invest in the construction of a joint venture freeze-dried instant coffee plant in Binh Duong, Vietnam, commissioned in October 2023. The Platform also continued to invest in the expansion of LDC's coffee mill in Varginha, Minas Gerais State, Brazil.

The Group also invested in the expansion of its logistic facilities at the port of Antwerp, Belgium, managed by its subsidiary *Ilomar Holding N.V.*

Working Capital

Working capital usage (WCU) amounted to US$7.3 billion as of December 31, 2023, stable compared to December 31, 2022. While Value Chain Segment platforms increased their working capital needs as of December 31, 2023 compared to December 31, 2022, this increase was partially offset by a decrease in Merchandizing Segment working capital needs:

- The Juice Platform drove the trend for the Value Chain Segment, partially offset by a decrease in Grains & Oilseeds working capital. Juice WCU increased due to a rise in inventories, in line with higher prices environment, as well as an increase in receivables. Grains & Oilseeds working capital decreased in a context of lower prices.
- Merchandizing Segment working capital needs decreased compared to December 31, 2022, driven mostly by Sugar, as a result of lower inventory volumes, as well as a decrease in receivables.

Due to their highly liquid nature, certain agricultural inventories are treated as Readily Marketable Inventories (RMIs), which are readily convertible into cash due to widely available markets and international pricing mechanisms. LDC considers that trading inventories with a liquidity horizon of less than three months qualify as RMIs if they can be sold without discount. As of December 31, 2023, RMIs represented 95.6% of the Group's trading inventories, compared to 96.1% as of December 31, 2022.

Financing

LDC's funding model is designed to support its long-term strategy. To preserve a balanced capital structure and match financial resources with funding requirements, the Group's key guidelines are that long-term debt is primarily dedicated to support long-term investments, while short-term debt is used to support ongoing business in financing its main working capital needs.

To support its ambitious growth plan, LDC secured long-term financing through debt raised over 2021 and 2022 at very competitive interest rates. The portion of long-term financing exceeding long-lived assets is temporarily used to finance short-term assets, allowing the Group to finance its working capital needs at a competitive cost of funds.

Given the liquidity maturity profile of the Group's balance sheet, we consider that approximately two-thirds of the Group's working capital could be financed with short-term resources. In order to support the Group's growth strategy, while providing cost-efficient funding for ongoing operations, the Group's balance sheet maturity profile as at December 31, 2023 shows a significant excess of long-term sources.

LDC's operations to originate, store, transform and distribute agricultural commodities throughout the world require sizeable amounts of capital, and its funding model is flexible enough to allow the Group to adapt funding to volatile market conditions. To guarantee continued access to capital, LDC implemented a funding strategy based on the following pillars:

- Diversified sources of funds: 29.2% of long-term financing came from debt capital markets as of December 31, 2023, and 22.0% from Farm Credit System loan;

- Stable debt maturity profile: average maturity of non-current portion of long-term financing was 4.5 years as of December 31, 2023;
- Sizeable proportion of committed facilities: 43.4% of total Group facilities were committed, of which US$4.3 billion with maturities beyond one year remained undrawn as of December 31, 2023;
- Sustainability-linked facilities: US$4.5 billion facilities embedding pricing mechanisms based on reductions in environmental key performance indicators; and
- the Group's public investment grade rating (BBB/A2 with a stable outlook) by *S&P Global Ratings.*

Debt and Leverage

As of December 31, 2023, long-term debt[10] stood at US$5.0 billion, up compared to December 31, 2022. The US$0.2 billion increase comprises refinancing of LDC's Samurai loan, partially offset by US$300 million six-year bond repayment in June 2023 and the early repayment of the Brazilian export prepayment facility which was becoming current.

Short-term debt[11] decreased by US$0.1 billion, standing at US$1.9 billion as of December 31, 2023. The record low short-term drawing level as of December 31, 2023 reflected a strong operational cash flow generation over 2023 combined with a moderate working capital level. Cash and cash equivalents increased by US$0.3 billion, to US$1.5 billion as of December 31, 2023.

In line with common practice in the agribusiness sector, short-term debt should be netted against RMIs, as those inventories can be considered as quasi-cash due to their highly liquid nature. Adjusted net debt reached US$0.1 billion as of December 31, 2023, with an adjusted leverage ratio of 0.1x, a record in Group history. Adjusted net gearing stood at 0.02 as of December 31, 2023, compared to 0.07 as of December 31, 2022.

Liquidity

The Group prudently manages financial risks, ensuring sustained access to liquidity. As of December 31, 2023, the Group had US$4.3 billion of undrawn committed bank lines, all with maturities beyond one year.

Available liquidity, which comprises current financial assets, RMIs and undrawn committed bank lines, remained very strong throughout the period and stood at US$11.6 billion as of December 31, 2023, enabling the Group to cover 5.2x the current portion of its debt at this date.

Financing Arrangements

Long Term Financing

In July 2023, *Louis Dreyfus Company B.V.* refinanced and increased, one year ahead of maturity, its JPY64.9 billion Samurai loan into a new JPY101.3 billion facility (+56%) consisting of a three-year tranche (JPY49.5 billion) and a five-year tranche (increasing from JPY10.0 billion to JPY51.8 billion). This term loan strengthens existing relationships with Japanese investors, further diversifying sources of funding and increasing the level of committed facilities.

In September 2023, *Louis Dreyfus Company NA Finance One LLC* extended its Farm Credit System loan totaling US$955 million by 4 years, with new maturities in 2028, 2030 and 2033, and added a new US$200 million tranche through a Delay-Draw Term Loan available for 24 months, with a 7-year maturity.

Revolving Credit Facilities (RCFs)

The Group has six syndicated RCFs in three of its regional hubs (Singapore, Switzerland and US), as well as one with the *European Bank for Reconstruction and Development* (EBRD) for a total amount of US$4.1 billion as of December 31, 2023. The Group mitigates the risk of refinancing by maintaining geographical diversification and staggered maturity dates. To that end, each of its three regional hubs usually refinances one of its RCFs each year, one year ahead of maturity, when market conditions are deemed favorable.

In August 2023, *Louis Dreyfus Company Asia Pte. Ltd.* refinanced its US$730 million RCF one year ahead of its maturity, into a three-year US$800 million facility maturing in August 2026.

In December 2023, *Louis Dreyfus Company Suisse S.A.* refinanced and increased its US$445 million RCF into a three-year US$590 million facility maturing in December 2026, including new environmental Key Performance Indicators (KPIs). The Group replaced its previous five-year (2018-2022) environmental KPI targets with KPIs based on Scope 1 and 2 emissions reductions, as well as verified deforestation- and conversion-free Brazilian soy and corn origination volumes. These new KPIs were supported by a Second Party Opinion report in line with the Sustainability Linked Loan Principles issued by ISS-Corporates which considered the KPIs ambitious and material for the agri-commodities industry.

[10] Current and non-current portion of the long-term debt.
[11] Short-term debt plus financial advances from related parties, net of repurchase agreements and securities short positions.

Balance Sheet Analysis Continued

In October 2023, *LDC Tarim Ürünleri Ticaret Limited Şirketi* signed a US$65 million three-year RCF with the *European Bank for Reconstruction and Development* (EBRD). This new facility will be dedicated to working capital financing for operations originated from, or with destination to, Türkiye. As part of this facility, the company will be actively working to originate Better Cotton certified volumes and drive supply chain traceability from Türkiye. In parallel, and for the next three years, LDC and EBRD are jointly financing a capacity-support program focused on encouraging and supporting Turkish cotton farmers to adopt Better Cotton standards.

In December 2023, *Louis Dreyfus Company LLC* aligned its three-year US$700 million RCF, maturing in May 2026, with the new environmental KPIs of *Louis Dreyfus Company Suisse S.A.*

Consequently, as of December 31, 2023, all committed RCFs were maturing above one year, all Group RCFs are guaranteed by *Louis Dreyfus Company B.V.* and all syndicated RCFs included a sustainability-linked pricing mechanism.

EU Commercial Paper Program

Louis Dreyfus Company B.V.'s rated EU Commercial Paper Program allows the Group to benefit from access to diversified sources of short-term financing at competitive rates, with an outstanding amount of US$237 million as of December 31, 2023 (versus US$521 million as of December 31, 2022), and an average of US$499 million across maturities ranging up to 12 months in 2023.

Equity

Equity attributable to owners of the company increased from US$6,096 million as of December 31, 2022, to US$6,630 million as of December 31, 2023, with total equity of US$6,664 million at the same date.

The US$534 million increase in equity attributable to owners of the company over the year ended December 31, 2023, mainly resulted from the US$1,013 million of net income, Group Share for the period, net of the payment of a US$503 million dividend.

Risk

Identifying and quantifying risks is central to LDC's business model, and the Group has long been committed to developing appropriate organizational structures to mitigate and manage these risks.

As usual, the Group closely monitored its daily value-at-risk (VaR) and kept it significantly below 1% of its equity, with an average VaR usage of 0.26% during the year ended December 31, 2023, compared to 0.39% for the year ended December 31, 2022. VaR is only one of the risk metrics within LDC's wider risk management system.

Subsequent Events

In January 2024, LDC and *The Nature Conservancy* announced a collaboration to promote and implement regenerative agricultural and habitat conservation practices in strategic agricultural supply chains, as part of a shared goal to mitigate climate change from food and agricultural production, and improve biodiversity and ecosystem services. This five-year collaboration started with the assessment of current initiatives relating to regenerative agriculture and deforestation- and conversion-free (DCF) production, the design of incentive structures for DCF initiatives for farmers and the design of pilot projects for regenerative agriculture with the participation of various stakeholders.

As part of the Group's global growth strategy, the Group announced in February 2024 the construction of a pea protein isolate production plant dedicated to its Plant Proteins business, at the site of its existing industrial complex in Yorkton, Saskatchewan, Canada.

Reconciliation of Non-GAAP Indicators

Reconciliation With the Consolidated Financial Statements

Unless otherwise stated in the 'Notes' column of the following tables, all figures can be found either in the 'Consolidated Income Statement', the 'Consolidated Balance Sheet' or the 'Consolidated Statement of Cash Flows'.

EBITDA (year ended December 31)

In millions of US$	Note	2023	2022
Income before tax		**1,208**	**1,226**
(-) Interest income		(44)	(29)
(-) Interest expense		320	306
(-) Other financial income and expense		(10)	11
(+) Other (financial income related to commercial transactions)	2.3	59	31
(-) Depreciation and amortization		631	660
(-) Gain (loss) on sale of consolidated companies	2.4	(3)	9
(-) Gain (loss) on sale of fixed assets	2.4	1	(23)
(-) Other gains and losses		60	156
= EBITDA		**2,222**	**2,347**

Adjusted Net Debt (as of)

In millions of US$	Note	December 31, 2023	December 31, 2022
(+) Long-term debt		4,688	4,107
(+) Current portion of long-term debt		307	716
(+) Short-term debt		1,906	2,145
(+) Financial advances from related parties		45	77
(-) Repurchase agreements	5.3	(3)	(234)
(-) Securities short positions	5.3	—	(7)
(-) Financial advances to related parties		(9)	(4)
(-) Other financial assets at fair value through P&L		(522)	(356)
(+) Marketable securities held for trading	5.5	462	297
(+) Reverse repurchase agreements	5.5	40	40
(-) Cash and cash equivalents		(1,498)	(1,184)
= Net debt		**5,416**	**5,597**
(-) RMIs	3.7	(5,277)	(5,175)
= Adjusted Net Debt		**139**	**422**

Consolidated Financial Statements


LDC Juice
ATLANTIC ORCHARD
MONROVIA

Independent Auditor's Report

To the Managing Directors of
Louis Dreyfus Company B.V.

Opinion

We have audited the accompanying consolidated financial statements of Louis Dreyfus Company B.V. and its subsidiaries (the "Group"), which comprise the consolidated balance sheet as of December 31, 2023, and the related consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including the significant accounting policies and other explanatory notes.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as of December 31, 2023, and of its consolidated financial performance and consolidated cash flows for the year then ended, in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs as adopted by the European Union, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Applicable law

This report is governed by, and construed in accordance with, French law. The Courts of France shall have exclusive jurisdiction in relation to any claim, difference or dispute which may arise out of or in connection with our engagement letter or this report. Each party irrevocably waives any right it may have to object to an action being brought in any of those Courts, to claim that the action has been brought in an inconvenient forum or to claim that those Courts do not have jurisdiction.

Paris-La Défense, France, March 20, 2024

DELOITTE & ASSOCIÉS
François BUZY

Consolidated Income Statement

Year ended December 31

(in millions of US$)	Notes	2023	2022
Net sales	2.2	50,624	59,931
Cost of sales		(48,045)	(57,334)
Gross margin		**2,579**	**2,597**
Commercial and administrative expenses		(1,047)	(947)
Interest income	2.3	44	29
Interest expense	2.3	(320)	(306)
Other financial income and expense	2.3	10	(11)
Share of profit (loss) in investments in associates and joint ventures	3.3	28	14
Gain (loss) on investments and sale of fixed assets	2.4	(26)	6
Other gains and losses	2.5	(60)	(156)
Income before tax		**1,208**	**1,226**
Income taxes	2.6	(198)	(219)
Net income		**1,010**	**1,007**
Attributable to:			
Owners of the company		**1,013**	**1,006**
Non-controlling interests		(3)	1

Consolidated Statement of Comprehensive Income

Year ended December 31

(in millions of US$)	**2023**	2022
Net income	**1,010**	**1,007**
Items reclassified from other comprehensive income (OCI) to net income during the year		
Gain (loss) on cash flow and net investment hedges	(46)	5
Related tax impact	16	3
Exchange differences recycled upon sale/liquidation of investments	34	6
Investments in associates and joint ventures - share of other comprehensive income	3	(1)
Total	**7**	**13**
Items that may be reclassified subsequently from OCI to net income		
Cash flow and net investment hedges - change in fair value, gross	48	115
Related tax impact	(25)	(30)
Exchange differences arising on translation of foreign operations	(9)	(60)
Investments in associates and joint ventures - share of other comprehensive income	3	(2)
Total	**17**	**23**
Items that will not be reclassified subsequently from OCI to net income		
Pensions, gross	1	18
Related tax impact	—	(3)
Total	**1**	**15**
Changes in OCI	**25**	**51**
Total comprehensive income	**1,035**	**1,058**
Attributable to:		
Owners of the company	**1,040**	**1,061**
Non-controlling interests	(5)	(3)

Consolidated Balance Sheet

Year ended December 31

(in millions of US$)	Notes	2023	2022
Non-current assets			
Intangible assets	3.1	273	268
Property, plant and equipment	3.2	4,002	3,695
Investments in associates and joint ventures	3.3	291	230
Non-current financial assets[1]	5.4	311	445
Deferred income tax assets	2.6	253	163
Other non-current assets	3.4	253	284
Total non-current assets		**5,383**	**5,085**
Current assets			
Inventories	3.7	6,430	6,066
Biological assets	3.8	45	65
Trade and other receivables	3.9	5,897	6,426
Derivative assets[1]	4.8	1,673	1,571
Margin deposits[1]	4	528	774
Current tax assets		59	68
Financial advances to related parties	7.3	9	4
Other financial assets at fair value through profit and loss	5.5	522	356
Cash and cash equivalents	5.6	1,498	1,184
Total current assets		**16,661**	**16,514**
Assets classified as held for sale	1.5	32	14
Total assets		**22,076**	**21,613**

[1] Change in presentation performed – refer to Notes 3.5 and 5.4.

Consolidated Balance Sheet Continued

Year ended December 31

(in millions of US$)	Notes	2023	2022
Equity			
Issued capital and share premium		1,587	1,587
Retained earnings		5,151	4,641
Other reserves		(108)	(132)
Equity attributable to owners of the company		***6,630***	***6,096***
Equity attributable to non-controlling interests		*34*	*43*
Total stockholders' equity and non-controlling interests	5.1	**6,664**	**6,139**
Non-current liabilities			
Long-term debt	5.2	4,688	4,107
Retirement benefit obligations	6.1	65	68
Provisions	3.6	83	77
Deferred income tax liabilities	2.6	189	155
Other non-current liabilities[1]	3.5	332	346
Total non-current liabilities		**5,357**	**4,753**
Current liabilities			
Short-term debt	5.3	1,906	2,145
Current portion of long-term debt	5.2	307	716
Financial advances from related parties	7.3	45	77
Trade and other payables	3.10	6,177	6,381
Derivative liabilities[1]	4.8	1,399	1,215
Provisions	3.6	41	43
Current tax liabilities		180	144
Total current liabilities		**10,055**	**10,721**
Total liabilities		**15,412**	**15,474**
Total equity and liabilities		**22,076**	**21,613**

[1] Change in presentation performed - refer to Notes 3.5 and 5.4.

Consolidated Statement of Cash Flows

Year ended December 31

(in millions of US$)	Notes	2023	2022
Net income		1,010	1,007
Adjustments for items not affecting cash			
Depreciation and amortization		631	660
Biological assets' change in fair value	3.8	24	1
Income taxes	2.6	198	219
Net finance costs		286	297
Other provisions, net		79	161
Share of (profit) loss in investments in associates and joint ventures, net of dividends	3.3	(26)	(14)
(Gain) loss on investments and sale of fixed assets	2.4	26	(6)
		2,228	**2,325**
Changes in operating assets and liabilities			
Inventories and biological assets		(354)	1,429
Derivatives		(364)	(295)
Margin deposits net of margin deposit liabilities		292	530
Trade and other receivables		524	(715)
Trade and other payables		(40)	463
Interests paid		(347)	(426)
Interests received		72	40
Income tax received (paid)		(167)	(212)
Net cash from (used in) operating activities		**1,844**	**3,139**
Investing activities			
Purchase of fixed assets		(597)	(427)
Additional investments, net of cash acquired		(39)	(122)
Change in short-term securities		—	56
Proceeds from sale of fixed assets		5	80
Proceeds from sale of investments, net		9	278
Change in loans and advances made		—	(9)
Net cash from (used in) investing activities		**(622)**	**(144)**
Financing activities			
Net proceeds from (repayment of) short-term debt and related parties loans and advances	5.3	(73)	(1,971)
Proceeds from long-term financing	5.2	540	731
Repayment of long-term financing	5.2	(598)	(605)
Repayment of lease liabilities	7.1	(261)	(252)
Transactions with non-controlling interests	3.5	(7)	(33)
Dividends paid to equity owners of the company	5.1	(503)	(348)
Dividends paid to non-controlling interests		(1)	—
Net cash from (used in) financing activities		**(903)**	**(2,478)**
Exchange difference on cash		(5)	(29)
Net increase (decrease) in cash and cash equivalents		**314**	**488**
Cash and cash equivalents, at beginning of the year	5.6	1,184	696
Cash and cash equivalents, at year-end	5.6	**1,498**	**1,184**

Consolidated Statement of Changes in Equity

Year ended December 31

(in millions of US$)	Notes	Issued capital and share premium	Retained earnings	Other reserves	Equity attributable to owners of the company	Equity attributable to non-controlling interests	Total equity
Balance as of December 31, 2021		**1,587**	**3,940**	**(144)**	**5,383**	**44**	**5,427**
Net income			1,006		**1,006**	1	**1,007**
Other comprehensive income, net of tax				55	**55**	(4)	**51**
Total comprehensive income	5.1		**1,006**	**55**	**1,061**	**(3)**	**1,058**
Dividends	5.1		(348)		**(348)**	—	**(348)**
Change in the list of consolidated companies			44	(44)	**—**	2	**2**
Others			(1)	1	**—**	—	**—**
Balance as of December 31, 2022		**1,587**	**4,641**	**(132)**	**6,096**	**43**	**6,139**
Net income			1,013		**1,013**	(3)	**1,010**
Other comprehensive income, net of tax				27	**27**	(2)	**25**
Total comprehensive income	5.1		**1,013**	**27**	**1,040**	**(5)**	**1,035**
Dividends	5.1		(503)		**(503)**	(1)	**(504)**
Transactions with non-controlling interests			—	(3)	**(3)**	(3)	**(6)**
Balance as of December 31, 2023		**1,587**	**5,151**	**(108)**	**6,630**	**34**	**6,664**

Notes to the Consolidated Financial Statements

Louis Dreyfus Company B.V. ("LDC" or the "company") is a privately owned company incorporated in the Netherlands on December 28, 2004, registered at the *Chamber of Commerce* under registration number 24371219. The address of its registered office is Westblaak 92, 3012 KM Rotterdam, Netherlands. LDC is an indirect subsidiary of *Louis Dreyfus Holding B.V.* (LDH), a privately owned Dutch company controlled by the family foundation established by Robert Louis-Dreyfus.

LDC is a direct subsidiary of *Louis Dreyfus Company Holdings B.V.* (LDCH), a company incorporated in the Netherlands, which in turn is held by *Louis Dreyfus Company International Holding B.V.*, a holding company indirectly owned at 55% by LDH and at 45% by *Abu Dhabi Developmental Holding Company*.

LDC and its subsidiaries (the "Group") is a global merchant and processor of agricultural goods, operating a significant network of assets around the world. The Group's activities span the entire value chain from farm to fork, across a broad range of business lines (platforms). Since its inception in 1851, the Group's portfolio has grown and, as of December 31, 2023, included Grains & Oilseeds, Coffee, Cotton, Juice, Rice, Sugar, Freight, Global Markets, Carbon Solutions and the newly created Food & Feed Solutions Platform.

In June 2017, LDC completed the issuance of an unrated senior bond for US$300 million (six-year, 5.25% coupon), which was reimbursed in June 2023. In November 2020, LDC completed the issuance of a rated senior bond for €600 million (five-year, 2.375% coupon), completed in February 2021 by an additional €50 million through a reverse inquiry. In April 2021, LDC completed the issuance of a rated senior bond for €500 million (seven-year, 1.625% coupon). These bonds are listed on the *Luxembourg Stock Exchange* (refer to Note 5.2).

1. Accounting Policies and Consolidation Scope

1.1 Accounting Policies

The consolidated financial statements of LDC are prepared in US Dollars, which is the functional currency of the main subsidiaries of the Group.

The consolidated financial statements of LDC as of and for the year ended December 31, 2023, (the "Financial Statements") were approved by the Board of Directors of LDC on March 20, 2024.

The Financial Statements were prepared in accordance with *International Financial Reporting Standards* (IFRS) adopted by the European Union as of December 31, 2023 and IFRS as issued by the *International Accounting Standards Board* (IASB). The Group has not adopted IAS 33 "Earnings per Share" since this standard is not mandatory for companies whose ordinary shares are not publicly traded.

Accounting policies used to prepare these Financial Statements are the same as those used to prepare the consolidated financial statements as of and for the year ended December 31, 2022, except for the adoption of new amendments, standards and interpretations as of January 1, 2023, as detailed below.

New and Amended Accounting Standards and Interpretations Effective in 2023

The following amendments, applied starting from 2023, have had no material effect on the balance sheet or performance of the Group:

- IFRS 17 "Insurance Contracts" and related amendments
- Amendments to IAS 1 and IFRS Practice Statement 2 "Disclosure of Accounting Policies"
- Amendments to IAS 8 "Definition of Accounting Estimates"
- Amendment to IAS 12 "Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction"
- Amendments to IFRS 17 "Insurance Contracts: Initial Application of IFRS 17 and IFRS 9 – Comparative information"
- Amendments to IAS 12 "Income taxes: International Tax Reform – Pillar Two Model Rules". The amendments introduce a mandatory temporary exception to the recognition of deferred tax assets and liabilities arising from the jurisdictional implementation of the Pillar Two model rules and require specific disclosures that are detailed in Note 2.6.

The Group did not adopt any standard, interpretation or amendment that was issued but is not yet effective.

New and Amended Accounting Standards and Interpretations Approved by the European Union Effective in Future Periods

- Amendments to IFRS 16 "Lease liability in a Sale and Leaseback".
- Amendments to IAS 1 "Classification of Liabilities as Current or Non-current" and "Non-current Liabilities with Covenants".

The amendments will come into effect as of January 1, 2024 and are not expected to have any material impact on the Group's financial statements.

Accounting Standards and Interpretations Issued by the IASB but not yet Approved by the European Union

The following standards and interpretations issued by the IASB are not yet approved by the European Union. Their potential impact is currently under review by the Group.

- Amendments to IAS 7 and IFRS 7 "Supplier Finance Arrangements". The amendments will come into effect as of January 1, 2024 with early application permitted.
- Amendments to IAS 21 "Lack of Exchangeability". The amendments will come into effect as of January 1, 2025 with early application permitted.

1.2 Basis of Consolidation and Use of Estimates

Basis of Consolidation

In accordance with IFRS 10 "Consolidated Financial Statements", the Financial Statements include the financial statements of all entities that the Group controls directly or indirectly, regardless of the level of the Group's equity interest in the entity. An entity is controlled when the Group has power over the entity, exposure or rights to variable returns from its involvement with the entity, and the ability to affect those returns through its power over the entity. In determining whether control exists, potential voting rights must be taken into account if those rights are substantive – in other words they can be exercised on a timely basis when decisions about the relevant activities of the entity are to be taken. Commitments given by the Group to purchase non-controlling interests in Group-controlled companies are included in liabilities. Entities consolidated by the Group are referred to as "subsidiaries".

In accordance with IFRS 11 "Joint Arrangements", the Group classifies its joint arrangements (i.e. arrangements in which the Group exercises joint control with one or more other parties) either as a joint operation or a joint venture. The Group exercises joint control over a joint arrangement when decisions relating to the relevant activities of the arrangement require the unanimous consent of the Group and the other parties with whom control is shared. The Group exercises significant influence over an entity (referred to as "associates") when it has the power to participate in the financial and operating policy decisions of that entity but does not have the power to exercise control or joint control over those policies.

In accordance with IAS 28 "Investments in Associates and Joint Ventures", the equity method is used to account for joint ventures and associates. In the case of a joint operation, the Group recognizes the assets and liabilities of the operation in proportion to its rights and obligations relating to those assets and liabilities.

All consolidated subsidiaries and companies carried at equity prepared their accounts as of December 31, 2023 in accordance with the accounting policies and methods applied by the Group.

Intercompany transactions and balances are eliminated in consolidation.

A change in the ownership interest in a subsidiary, without loss of control, is accounted for as an equity transaction.
In the event that the Group loses control over a subsidiary, the Group:

- Derecognizes the assets (including goodwill) and liabilities of the subsidiary;
- Derecognizes the carrying amount of any non-controlling interests;
- Recognizes the fair value of the consideration received;
- Recognizes the fair value of any investment retained;
- Recognizes any benefit or deficit in the income statement; and
- Reclassifies components previously recognized in other comprehensive income to the income statement or retained earnings, as appropriate.

Notes Continued

Use of Estimates

The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

The Group engages in price risk management activities, principally for trading purposes. Activities for trading purposes are accounted for using the mark-to-market method. In the absence of quoted prices, market prices used to value these transactions reflect management's best estimate considering various factors including the closing exchange and over-the-counter quotations, parity differentials, time value and price volatility underlying the commitments. Values reflect the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction at the measurement date under current market conditions.

Goodwill is tested annually for impairment in accordance with the valuation methodology described below. The recoverable amounts of cash-generating units have been determined based on value in use calculations, which require the use of estimates.

Cash-generating units are defined at the lowest level of independent cash flows generated by the corresponding assets measured. Applying this methodology, the Group identified ten main independent cash-generating units corresponding to its commodity platforms. The value in use calculations are based on pre-tax cash flow projections set on business plans prepared by the management and approved by the Board of Directors, covering a seven-year period and potentially an extrapolation of the cash flows beyond the seven-year plan to cover a full life cycle, and a terminal value using a perpetual growth rate. The recoverable amount is the sum of the discounted cash flows and the discounted terminal residual value. The discount rate used is based on the weighted average cost of capital of the Group before tax.

Biological assets (except bearer plants) are carried at fair value, estimated using discounted expected future cash flows, less costs to sell. This calculation includes estimates of productivity, quality, market price, labor costs, and changes in interest rates. Market prices are derived from prices available on quoted active markets for products related to the biological assets valued. Biological assets are grouped by location to better integrate significant attributes like maturity, quality, labor cost need and yield, in the determination of their fair value. Comparisons are made on an ongoing basis to adjust estimates from past harvests and changes in market prices. Projections are made in US Dollars with a finite projection period, based on the remaining useful life of each group of biological assets identified.

Deferred tax assets are recognized for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based on the likely timing and level of future taxable profits together with future tax planning strategies.

The Group uses estimates to determine the fair value of certain items such as non-current financial assets at fair value through profit and loss.

Foreign Currencies

Financial statements of foreign operations are translated from the functional currency into US Dollars using exchange rates in effect at period end for assets and liabilities, and average exchange rates during the period for income, expenses and cash flows. However, for certain material transactions, a specific exchange rate is used when considered relevant. Related translation adjustments are reported as a separate component of equity. A proportionate share of translation adjustments relating to a foreign investment is recognized through the consolidated income statement when this investment is fully or partially sold.

When the functional currency of an entity is not the local currency, its local financial statements are first converted using historical exchange rates for non-monetary items such as non-trading inventories, properties and depreciation, and related translation adjustments are included in the current year's operations.

Exchange differences arising on monetary items that form an integral part of the net investment in foreign subsidiaries are recognized in other comprehensive income, under "Exchange differences arising on translation of foreign operations", for their net-of-tax amount.

Exchange differences on monetary items such as receivables and payables denominated in a foreign currency are recorded in the income for the year.

On a regular basis, the Group reviews the functional currencies used in measuring foreign operations to assess the impact of recent evolutions of its activities and the environment in which it operates.

Income and expenses are analyzed by function in the consolidated income statement. Cost of sales includes depreciation and employment costs relating to processing plants and warehouses. It also includes net unrealized gain or loss on open purchase contracts and inventories of the commodity and freight trading activities, as well as the change in fair value of biological assets. Commercial and administrative expenses include the cost of commercial and administrative employees and depreciation of office buildings and equipment.

Assets and liabilities are presented separately between current and non-current. For each asset and liability, this classification is based on the expected recoverability or settlement date, respectively before or after 12 months from the balance sheet date. Cash flows from operating activities are reported using the indirect method: net income is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments, and items of income or expense associated with investing or financing cash flows.

1.3 Russia-Ukraine Crisis

The Group is closely monitoring the complex situation of the Russia Ukraine crisis, operating in compliance with international sanctions, laws and regulations.

As of December 31, 2023, the Financial Statements were prepared considering the ability of LDC's subsidiaries in Ukraine to continue as a going concern. Management considers that control over current and non-current assets located in Ukraine is maintained.

In Ukraine, all property, plant and equipment held are in condition to run, and management has no intention to discontinue the business in the foreseeable future. Additionally, subsidiaries in Ukraine can access financing to meet their short-term financial obligations, and cash is not restricted.

As of December 31, 2023, in relation to its operations in Ukraine, the Group held total assets of US$211 million and total liabilities of US$126 million, including US$(58) million impairment and provisions. Estimates and assumptions made by management take into account the consequences of the crisis, notably logistics constraints and associated costs, as well as performance risks.

Trading inventories in Ukraine are valued in accordance with the accounting policies described in Note 3.7. The liquidity of inventories located in Ukraine has been assumed beyond three months.

As announced on April 3, 2023, the Group ceased grain exports from Russia and has been engaged in a sale process of its existing business and assets in Russia ("Russian business") on terms that satisfy the requirements of the Russian authorities. As of December 31, 2023, the Group performed a reassessment of control as defined by IFRS 10, and considering facts and circumstances, the Group concluded on a loss of control and deconsolidated its Russian business. As a consequence, the Group recorded a US$(60) million loss (including US$(33) million foreign currency translation adjustment recycling from OCI) in the line "Other gains and losses" of the consolidated income statement (refer to Note 2.5).

Notes Continued

1.4 Change in the List of Consolidated Companies

Apart from Russian business deconsolidation described in the Note 1.3, no other significant change to the list of consolidated companies occurred during the year ended December 31, 2023.

On November 27, 2022, the Group completed the sale of *Imperial Sugar Company* business to *U.S. Sugar,* one of the largest fully integrated sugarcane producers and refiners in the US. The final selling price of this transaction amounted to US$287 million. The loss derived from the sale amounted to US$(44) million recorded in prior years in accordance with IFRS 5.

On October 31, 2022, the Group acquired 100% of *Emerald Grain Pty. Ltd.* (Emerald Grain) from *Longriver Farms Pty. Ltd.* for a final purchase price of AUD163 million (US$105 million equivalent). Emerald Grain is a leading grain handling business in Australia, with an integrated grain storage system across seven upcountry storage and handling facilities in the states of Victoria and New South Wales, and an export terminal at the Port of Melbourne. In accordance with IFRS 3 (revised), the Group recognized a US$10 million goodwill. The final purchase price allocation is as follows:

(in millions of US$)	Book value at date of acquisition under local GAAP	Fair value under IFRS
Property, plant and equipment	62	69
Deferred income tax assets	—	3
Non-Current Assets	**62**	**72**
Current Assets	**131**	**131**
Total Assets	**193**	**203**
Long-term debt	17	17
Deferred income tax liabilities	6	—
Other non-current liabilities	1	1
Non-Current Liabilities	**24**	**18**
Current Liabilities	**90**	**90**
Total Liabilities	**114**	**108**
Net Equity	**79**	**95**
Consideration transferred		105
Goodwill		**10**

1.5 Assets Classified as Held for Sale and Liabilities Associated With Held for Sale Assets and Discontinued Operations

The Group classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. The criteria for held for sale classification is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

As of December 31, 2022, the US$7 million investment in joint venture *Epko Oil Seed Crushing Pty. Ltd.* (sunflower seed and maize germ crushing plant in South Africa) was classified as held for sale (50% ownership). On May 2, 2023, the Group finalized the sale of its investment to *NWK Limited*.

As of December 31, 2023, assets classified as held for sale relate mainly to Kowalski corn processing assets in Brazil.

Notes Continued

2. Segment Information and Income Statement

2.1 Segment Information

The Group operates its global business under two segments: Value Chain and Merchandizing.

Each reportable segment is responsible for the farming, origination, processing, refining, storage, transport and distribution of its products (where applicable).

The Value Chain Segment includes the Grains & Oilseeds, Food & Feed Solutions and Juice platforms, along with Freight, Global Markets and Carbon Solutions, the latter three of which are key facilitators of all Group businesses. The Merchandizing Segment comprises the Coffee, Cotton, Rice and Sugar platforms.

The Group assesses the financial performance of its segments with reference to Segment Operating Results, which correspond to Net sales, less Cost of sales (Gross margin in the consolidated income statement) plus Share of profit (loss) in investments in associates and joint ventures.

Inter-segment transactions, where applicable, are not material and generally performed at arm's length.

Segment information on the income statement and capital expenditure for the years ended December 31, 2023 and December 31, 2022 is as follows:

	2023		
(in millions of US$)	Value Chain	Merchandizing	Total
Net sales	**36,837**	**13,787**	**50,624**
Depreciation included in gross margin	(513)	(39)	**(552)**
Share of profit (loss) in investments in associates and joint ventures	20	8	**28**
Segment operating results	**1,910**	**697**	**2,607**
Commercial and administrative expenses			**(1,047)**
Net finance costs			**(266)**
Others			**(86)**
Income taxes			**(198)**
Non-controlling interests			**3**
Net income attributable to owners of the company			**1,013**
Capital expenditure	**542**	**94**	**636**

	2022		
(in millions of US$)	Value Chain	Merchandizing	Total
Net sales	**41,573**	**18,358**	**59,931**
Depreciation included in gross margin	(544)	(36)	**(580)**
Share of profit (loss) in investments in associates and joint ventures	12	2	**14**
Segment operating results	**1,817**	**794**	**2,611**
Commercial and administrative expenses			**(947)**
Net finance costs			**(288)**
Others			**(150)**
Income taxes			**(219)**
Non-controlling interests			**(1)**
Net income attributable to owners of the company			**1,006**
Capital expenditure	**473**	**76**	**549**

Capital expenditure corresponds to the sum of the "Purchase of fixed assets" and "Additional investments, net of cash acquired" lines of the consolidated statement of cash flows.

Information related to segment assets and liabilities as of December 31, 2023 and December 31, 2022 is as follows:

	2023		
(in millions of US$)	Value Chain	Merchandizing	**Total**
Fixed assets (intangible assets and property, plant and equipment)	3,846	429	**4,275**
Investments in associates and joint ventures	225	66	**291**
Inventories	3,644	2,786	**6,430**
Biological assets	45	—	**45**
Trade and other receivables	3,839	2,058	**5,897**
Derivative assets (current and non-current)	961	703	**1,664**
Margin deposits	289	141	**430**
Marketable securities held for trading	462	—	**462**
Reverse repurchase agreement loan	40	—	**40**
Assets classified as held for sale	29	3	**32**
Segment assets	**13,380**	**6,186**	**19,566**
Trade and other payables	(4,359)	(1,444)	**(5,803)**
Derivative liabilities (current and non-current)	(825)	(476)	**(1,301)**
Repurchase agreements	(3)	—	**(3)**
Segment liabilities	**(5,187)**	**(1,920)**	**(7,107)**
Other assets			**2,510**
Other liabilities			**(8,305)**
Total net assets	**8,193**	**4,266**	**6,664**

	2022		
(in millions of US$)	Value Chain	Merchandizing	**Total**
Fixed assets (intangible assets and property, plant and equipment)	3,592	371	**3,963**
Investments in associates and joint ventures	196	34	**230**
Inventories	3,453	2,613	**6,066**
Biological assets	65	—	**65**
Trade and other receivables	4,106	2,320	**6,426**
Derivative assets (current and non-current)	928	630	**1,558**
Margin deposits	544	230	**774**
Marketable securities held for trading	297	—	**297**
Reverse repurchase agreement loan	40	—	**40**
Assets classified as held for sale	8	6	**14**
Segment assets	**13,229**	**6,204**	**19,433**
Trade and other payables	(4,439)	(1,590)	**(6,029)**
Derivative liabilities (current and non-current)	(875)	(340)	**(1,215)**
Repurchase agreements	(234)	—	**(234)**
Securities short positions	(7)	—	**(7)**
Segment liabilities	**(5,555)**	**(1,930)**	**(7,485)**
Other assets			**2,180**
Other liabilities			**(7,989)**
Total net assets	**7,674**	**4,274**	**6,139**

Marketable securities held for trading and reverse repurchase agreement loan are included in the line "Other financial assets at fair value through profit and loss" of the consolidated balance sheet (refer to Note 5.5). Repurchase agreements and securities short positions are included in the line "Short-term debt" (refer to Note 5.3).

Notes Continued

As of December 31, 2023 (and December 31, 2022), the tables do not include the following items as they were not segmented:

- US$374 million (US$352 million) of trade and other payables;
- US$32 million (US$61 million) of derivative assets (current and non-current) and US$240 million (US$235 million) of derivative liabilities (current and non-current) designated as hedging instruments in a hedge accounting relationship linked to Financing; and
- US$233 million (US$233 million) of margin deposits (current and non-current) related to the above derivatives.

Net sales by geographical area, based on the country of incorporation of the counterparty, were broken down as follows for the years ended December 31, 2023 and December 31, 2022:

(in millions of US$)	**2023**	2022
North Asia	12,604	12,928
South & Southeast Asia	11,322	14,294
North Latin America	1,609	2,034
South & West Latin America	3,916	4,417
North America	7,016	9,074
Europe, Middle East & Africa	14,157	17,184
Of which Europe & Black Sea	*8,378*	*10,658*
Of which Middle East & Africa	*5,779*	*6,526*
Net sales	**50,624**	**59,931**

Net sales to the Netherlands are not material.

The Group's fixed assets were located in the following geographic regions as of December 31, 2023 and December 31, 2022:

(in millions of US$)	**2023**	2022
North Asia	353	237
South & Southeast Asia	546	442
North Latin America	1,202	1,160
South & West Latin America	625	604
North America	1,030	986
Europe, Middle East & Africa	519	534
Fixed assets	**4,275**	**3,963**

Fixed assets in the Netherlands are not material.

2.2 Net Sales

Revenue is derived principally from the sale of commodities and consumable products, and commodity-related services such as freight, storage and other services rendered. Revenue is recognized when the performance obligations have been satisfied, which is once the control of goods and/or services has been transferred from the Group to the buyer.

Revenue related to the sale of commodities is recognized when the product is delivered to the destination specified by the customer, which is typically, depending on the incoterm, the vessel on which it is shipped, the destination port or identified premises and the buyer has gained control, being the ability to direct the use of and obtain substantially all of the remaining benefits from the assets.

Revenue is measured based on consideration specified in the contract with a customer and excludes amounts collected on behalf of third parties.

In certain cases, the commodity sales price is determined on a provisional basis at the date of the sale, generally corresponding to the date of the bill of lading, as the final selling price is subject to movements in market prices up to the date of final pricing. Revenue on provisional sales price is recognized based on the estimated fair value of the total consideration receivable (by reference to forward market prices). The revenue adjustment mechanism embedded within provisionally priced sales arrangements has the character of a commodity derivative. Accordingly, the fair value of the final sales price adjustment is re-estimated continuously and changes in fair value are recognized as an adjustment to revenue.

"Net sales" include also the mark-to-market on physical forward sales contracts that do not meet the own use exemption.

When the Group enters into logistic arrangements with a third party in order to meet its logistic needs, the related sales and purchases are both presented in "Cost of sales". Similarly, arrangements with other trading companies, most commonly known in the commodity market as "paper transactions", are presented in "Cost of sales". When the Group agrees to offset a purchase and a sale contracts with a counterparty before delivery, also known as "wash out", the transactions are presented in "Cost of sales".

Revenue derived from time charters freight contracts is recognized over time as the barge or ocean-going vessel moves towards its destination. Storage and other commodity-related services are recognized over time as the service is rendered.

If the Group acts in the capacity as an agent rather than as the principal in a transaction, the margin only is recognized within "Net sales".

Net sales for the years ended December 31, 2023 and December 31, 2022 consist of the following:

	2023			2022		
(in millions of US$)	Value Chain	Merchandizing	**Total**	Value Chain	Merchandizing	**Total**
Sale of commodities and consumable products	35,393	13,593	**48,986**	39,647	18,218	**57,865**
Freight, storage and other services	1,257	137	**1,394**	1,664	123	**1,787**
Others	187	57	**244**	262	17	**279**
Net sales	**36,837**	**13,787**	**50,624**	**41,573**	**18,358**	**59,931**

2.3 Net Finance Costs

Net finance costs for the years ended December 31, 2023 and December 31, 2022 are as follows:

(in millions of US$)	**2023**	2022
Interest income	44	29
Interest expense	(320)	(306)
Other financial income and expense	10	(11)
Interest expense on leases	*(29)*	*(24)*
Foreign exchange	*(22)*	*193*
Net gain (loss) on derivatives	*2*	*(211)*
Other (mainly related to commercial transactions)	*59*	*31*
Net finance costs	**(266)**	**(288)**

Notes Continued

The "Foreign exchange" and "Net gain (loss) on derivatives" lines need to be read jointly. For the years ended December 31, 2023, and December 31, 2022, foreign exchange is mainly attributable to Euro appreciation and Japanese Yen depreciation, impacting Euro-denominated bonds and Japanese Yen-denominated debt. These impacts are offset in the "Net gain (loss) on derivatives" line due to the forex hedges and cross-currency swaps in place (refer to Note 4.8).

2.4 Gain (Loss) on Investments and Sale of Fixed Assets

Gain (loss) on investments and sale of fixed assets for the years ended December 31, 2023 and December 31, 2022 are as follows:

(in millions of US$)	**2023**	2022
Gain (loss) on sale of consolidated companies	3	(9)
Gain (loss) on other financial assets at fair value through profit and loss	(28)	(8)
Gain (loss) on sale of fixed assets	(1)	23
Gain (loss) on investments and sale of fixed assets	**(26)**	**6**

Gain (Loss) on Sale of Consolidated Companies

In 2022, the Group recognized a US$(4) million loss related to the completion of the sale of *Imperial Sugar Company* business, with an additional impact of US$3 million recognized in 2023 (refer to Note 1.4).

Gain (Loss) on Other Financial Assets at Fair Value Through Profit and Loss

In 2023, the Group recognized a US$(28) million fair value loss on the investments held by *Louis Dreyfus Company Ventures B.V.* (a US$(1) million fair value loss in 2022). In 2022, the remaining losses were mainly recognized on listed investments due to decrease in share price.

Gain (Loss) on Sale of Fixed Assets

In 2022, the Group sold its ethanol plant in Norfolk, Nebraska, US and certain related assets and liabilities for US$73 million, which led to a US$22 million gain on sale (refer to Note 3.2).

2.5 Other Gains and Losses

In 2023, the US$(60) million loss recognized in other gains and losses is related to the loss of control over the Russian business (refer to Note 1.3).

In 2022, the loss was linked to the development and construction of a deep-sea terminal for agricultural commodities in the Taman peninsula in southern Russia (the "Project") for which LDC entered into a joint venture agreement in 2012. LDC granted loans to the joint venture partner *Infragos Consortium B.V.,* whose rights and obligations had been transferred to *Infracis Group Limited.*

During 2022, the Russia-Ukraine crisis brought significant uncertainties on the Project's economics and the discount rate significantly increased in light of the business environment. As of December 31, 2022, an impairment test of the project was run based on financial projections over the lifetime of the terminal. Material assumptions included construction costs and timing, elevation fees, elevated volume, inflation, foreign exchange and discount rate. As a consequence, a US$156 million impairment was recognized in the line "Other gains and losses" of the consolidated income statement for the year ended December 31, 2022.

2.6 Income Taxes

Income taxes consist of current and deferred income taxes. Current taxes represent income taxes expected to be payable based on enacted or substantively enacted tax rates at the period end applied to the expected current year taxable income, and any adjustment to income taxes payable in respect of previous years.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to offset the amounts and when the entity intends either to settle on a net basis or to realize the asset and settle the liability simultaneously. Generally, the entity will have a legally enforceable right to offset the amounts when they relate to income taxes levied by the same taxation authority which permits the entity to make or receive a single net payment.

Deferred taxes are recognized for temporary differences between the carrying amounts of assets and liabilities in the balance sheet and the corresponding tax bases used in the computation of taxable income using the most recent established tax rates or substantively enacted income tax rates which are expected to be effective at the time of the reversal of the underlying temporary difference. The Group recognizes future tax benefits to the extent that the realization of such benefits is probable. The carrying amount of deferred tax assets is reviewed at each balance sheet date.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and current tax liabilities.

Income taxes are recognized as an expense or income in the consolidated income statement, except when they relate to items that are recognized outside the consolidated income statement (whether in other comprehensive income or directly in equity) or when they arise from the initial accounting for a business combination.

The global tax exposure of the Group is subject to complexity and uncertainty which may lead to uncertain tax treatments and the corresponding recognition and measurement of current and deferred taxes. The judgements and estimates made to separately recognize and measure the effect of each uncertain tax treatment are re-assessed whenever circumstances change or when there is new information that affects those judgements. Global tax exposure is determined taking into account the uncertainty that the tax authority may not accept the Group's proposed treatment of tax positions.

Income taxes in the consolidated income statement for the years ended December 31, 2023 and December 31, 2022 are as follows:

(in millions of US$)	**2023**	2022
Current year income taxes	(276)	(283)
Adjustments with respect to prior year income taxes	17	6
Current income taxes	**(259)**	**(277)**
Current year deferred income taxes	197	47
Change in valuation allowance for deferred tax assets	(123)	18
Adjustments with respect to prior year deferred income taxes	(17)	(7)
Change in tax rate	4	—
Deferred income taxes	**61**	**58**
Income taxes	**(198)**	**(219)**

The reported tax expense differs from the computed theoretical income tax provision using the Netherlands' income tax rate of 25.8% for the years ended December 31, 2023 and December 31, 2022, for the following reasons:

(in millions of US$)	**2023**	2022
Theoretical income tax	**(312)**	**(316)**
Differences in income tax rates	66	104
Effect of change in tax rate	5	—
Difference between local currency and functional currency	(46)	14
Change in valuation allowance for deferred tax assets	(9)	18
Permanent differences on share of profit (loss) in investments in associates and joint ventures	9	6
Adjustments on prior years and tax reserves	3	(23)
Withholding tax on dividends	(8)	(9)
Other permanent differences	94	(13)
Income taxes	**(198)**	**(219)**

Notes Continued

The differences in income tax rates relate to subsidiaries taxed at different rates than the Netherlands' rate.

The difference between local currency and functional currency impact is booked in non-US entities whose functional currency is the US Dollar while being taxed based on their local respective currencies. In 2023 and 2022, such impact mainly regarded Group entities in Argentina. As of December 31, 2023, this line includes US$1 million which relate to revaluation in respect of movements in currency values of deferred tax assets and liabilities, excluding non-monetary balance sheet items (US$1 million as of December 31, 2022).

In 2023, the change in valuation allowance for deferred tax assets is attributable to several countries mostly in Africa. In 2022, the change in valuation allowance for deferred tax assets was mostly attributable to a reversal of valuation allowance in Switzerland.

In 2023, the other permanent differences are mostly attributable to non-taxable indirect tax incentives in Brazil and tax credits granted in other jurisdictions.

Consolidated deferred income tax assets (liabilities) as of December 31, 2023 and December 31, 2022 are as follows:

(in millions of US$)	**2023**	2022
Deferred income tax assets	253	163
Deferred income tax liabilities	(189)	(155)
Deferred tax net	**64**	**8**

Changes in net deferred income tax assets (liabilities) for the years ended December 31, 2023 and December 31, 2022 are as follows:

	2023						
(in millions of US$)	**Opening balance**	Recognized in net income	Recognized in equity	Foreign currency translation adjustment	Loss of control of subsidiaries	Other	**Closing balance**
Net tax benefits from carry forward losses	**133**	(7)	—	—	—	(6)	**120**
Tax benefits from carry forward losses	***186***	*180*	—	*(1)*	*(3)*	*(6)*	***356***
Valuation allowance on carry forward losses	***(53)***	*(187)*	—	*1*	*3*	—	***(236)***
Unrealized exchange gains and losses	**92**	(69)	—	—	—	—	**23**
Non-monetary balance sheet items - difference between tax and functional currencies	**(177)**	(6)	—	—	—	—	**(183)**
Owned fixed assets (other temporary differences)	**(141)**	(2)	—	—	—	1	**(142)**
Other temporary differences	**111**	267	(9)	—	—	(3)	**366**
Valuation allowance for other deferred tax assets	**(10)**	(110)	—	—	—	—	**(120)**
Deferred tax net	**8**	**73**	**(9)**	**—**	**—**	**(8)**	**64**

The increase in tax benefits from carry forward losses is mainly attributable to the non-taxable indirect tax incentives in Brazil related to previous years as reflected on submitted amended returns. The Brazilian tax benefits from carry forward losses are partially impaired through valuation allowance in line with projections performed by the Group.

The increase in other temporary differences and valuation allowance for other deferred tax assets are mainly attributable to tax credits granted to some Group entities which were partially impaired through valuation allowance in line with projections performed by the Group.

	2022					
(in millions of US$)	**Opening balance**	Recognized in net income	Recognized in equity	Foreign currency translation adjustment	Other	**Closing balance**
Net tax benefits from carry forward losses	**191**	(56)	—	—	(2)	**133**
Tax benefits from carry forward losses	***276***	*(86)*	—	*(2)*	*(2)*	***186***
Valuation allowance on carry forward losses	***(85)***	*30*	—	*2*	—	***(53)***
Unrealized exchange gains and losses	**141**	(49)	—	—	—	**92**
Non-monetary balance sheet items - difference between tax and functional currencies	**(251)**	74	—	—	—	**(177)**
Owned fixed assets (other temporary differences)	**(171)**	30	—	—	—	**(141)**
Other temporary differences	**71**	72	(30)	—	(2)	**111**
Valuation allowance for other deferred tax assets	**(3)**	(7)	—	—	—	**(10)**
Deferred tax net	**(22)**	**64**	**(30)**	**—**	**(4)**	**8**

Recognized and unrecognized tax benefits from carry forward losses for the years ended December 31, 2023 and December 31, 2022 expire as follows:

	2023			2022		
(in millions of US$)	Recognized	Unrecognized	**Total**	Recognized	Unrecognized	**Total**
Losses expiring in less than 1 year	—	1	**1**	—	1	**1**
Losses expiring in 2-3 years	28	15	**43**	11	4	**15**
Losses expiring in 4-5 years	27	6	**33**	44	1	**45**
Losses expiring in more than 5 years	11	10	**21**	27	3	**30**
Losses which do not expire	54	204	**258**	51	44	**95**
Tax benefits from carry forward losses	**120**	**236**	**356**	**133**	**53**	**186**

The Group applies the mandatory temporary exception to the recognition of deferred tax assets and liabilities arising from the jurisdictional implementation of the Pillar Two model rules, as provided in the amendments to IAS 12 issued in May 2023.

Pillar Two legislation has been enacted, or substantively enacted, in certain jurisdictions where the Group operates. The legislation will be effective for the Group's financial year beginning January 1, 2024.

The Group has performed an assessment based on the most recent country-by-country reporting, to identify potential exposure to top up taxes for the year ending December 31, 2024. Based on the assessment, the Pillar Two effective tax rates in most of the jurisdictions in which the Group operates are above 15%. However, there are a limited number of jurisdictions where the transitional safe harbor relief does not apply and the Pillar Two effective tax rate is below 15%. The Group does not expect material impact linked to Pillar Two income taxes in those jurisdictions.

Notes Continued

3. Operating Balance Sheet Items

3.1 Intangible Assets

Goodwill

The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Group.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, measured at fair value at acquisition date, and the amount recognized for non-controlling interests over the net identifiable assets acquired and liabilities assumed. For each business combination, the Group measures the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets.

When the difference between the cost of acquisition and the fair value of net assets acquired is negative it is immediately recognized through the consolidated income statement.

The fair values of assets and liabilities and the resulting goodwill are finalized within 12 months of the acquisition.

Goodwill is not amortized. Goodwill is tested for impairment, when circumstances indicate that the carrying value may be impaired, and at the minimum, annually. Impairment is determined for goodwill by assessing the recoverable amount of the cash-generating units, to which the goodwill relates. Where the recoverable amount of the cash-generating units is less than their carrying amount, an impairment loss is recognized.

At the time of impairment testing a cash-generating unit to which goodwill has been allocated, there may be an indication of an impairment of an asset within the unit containing the goodwill. In such circumstances, the entity tests such asset individually for impairment first, and recognizes any impairment loss for that asset before testing for impairment of the cash-generating unit containing the goodwill. Impairment of such goodwill is included in the "Cost of sales" line of the consolidated income statement.

Goodwill relating to the acquisition of shares in an equity investment is presented in the "Investments in associates and joint ventures" line of the consolidated balance sheet.

Other Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses. Other intangible assets of the Group mainly include trademarks and customer relationships, licenses and internally generated software.

The useful life of acquired trademarks is assessed to be qualified as finite or indefinite. Trademarks with an indefinite useful life are not amortized but reviewed for impairment annually by comparing their recoverable amount with their carrying amount. The recoverable amount is determined using the royalty relief method.
Intangible assets with finite life are amortized over periods ranging from one to ten years.

Amortization and impairment are recorded in the consolidated income statement according to the nature of assets:

- "Cost of sales" line for industrial assets linked to production and farming;
- "Commercial and administrative expenses" line for assets linked to commercial and trading and to general and/or administrative activities.

As of December 31, 2023 and December 31, 2022, intangible assets consist of the following:

	2023			2022		
(in millions of US$)	Gross value	Accumulated amortization/ impairment	**Net value**	Gross value	Accumulated amortization/ impairment	**Net value**
Goodwill	67	(36)	**31**	69	(36)	**33**
Trademarks and customer relationships	24	(17)	**7**	24	(16)	**8**
Other intangible assets	721	(486)	**235**	651	(424)	**227**
Intangible assets	**812**	**(539)**	**273**	**744**	**(476)**	**268**

As of December 31, 2023, the Group tested the value of goodwill allocated to its cash-generating units as described in Note 1.2, using a perpetual growth rate of 2% and an annual discount rate (weighted average cost of capital of the Group before tax) of 9.8%. A 1% increase in the discount rate and a 0.5% decrease in the perpetual growth rate would not, jointly, cause the recoverable amount of the cash-generating units to fall below their carrying value.

Changes in the net value of intangible assets for the years ended December 31, 2023 and December 31, 2022 are as follows:

	2023				2022
(in millions of US$)	Goodwill	Trademarks and customer relationships	Other intangible assets	**Total**	**Total**
Balance as of January 1	**33**	**8**	**227**	**268**	**290**
Acquisitions and additions	—	—	65	**65**	61
Acquisitions through business combinations	1	—	—	**1**	9
Loss of control of subsidiaries	(1)	—	(1)	**(2)**	—
Amortization	—	—	(62)	**(62)**	(58)
Impairment losses	—	(1)	—	**(1)**	(34)
Foreign currency translation adjustment	(2)	—	2	**—**	(5)
Other reclassifications	—	—	4	**4**	5
Closing balance	**31**	**7**	**235**	**273**	**268**

Acquisitions and Additions

During the years ended December 31, 2023 and December 31, 2022, acquisitions and additions mainly consisted of the ongoing upgrade of the Group's existing main front office system, alongside capital expenditure related to the new global back-office enterprise resource planning (ERP) system.

Acquisitions Through Business Combinations

As of December 31, 2022, the Group acquired Emerald Grain in Australia, generating a US$9 million goodwill. In 2023, additional US$1 million was recognized according final purchase price allocation (refer to Note 1.4).

Impairment Losses

During the year ended December 31, 2022, the Group decided to no longer use certain trademarks and consequently took a US$(31) million impairment representing the full write-off of these assets.

Foreign Currency Translation Adjustment

During the year ended December 31, 2022, the foreign currency translation adjustment is mainly related to the depreciation of the Euro against the US Dollar.

Notes Continued

3.2 Property, Plant and Equipment

Property, Plant and Equipment (Except Bearer Plants)

Property, plant and equipment are recorded at cost less accumulated depreciation and accumulated impairment losses. Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset, incurred during the construction period, are capitalized as part of the cost of that asset. When relevant, property, plant and equipment costs include initial estimate of decommissioning and site restoration costs. Tangible assets under construction are capitalized as a separate component of property, plant and equipment. Upon completion, the cost of construction is transferred to the appropriate category.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are recorded through the consolidated income statement during the financial period in which they are incurred.

Depreciation and Impairment

Depreciation of property, plant and equipment (except bearer plants) is calculated based on the carrying amount, net of residual value, principally using the straight-line method over the estimated useful lives of the assets. Items of property, plant and equipment are depreciated from the date that they are installed and are ready for use. Tangible assets under construction are not depreciated.

The estimated useful lives for the current and comparative years of significant items of property, plant and equipment are as follows:

- Buildings: 15 to 40 years;
- Machinery and equipment: 5 to 25 years;
- Other tangible assets: 1 to 20 years.

Where the carrying amount of an asset exceeds its recoverable amount, the carrying amount of the asset shall be reduced to its recoverable amount. Such reduction is an impairment loss. The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but up to the limit of the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years.

Depreciation and impairment are recorded in the consolidated income statement according to the nature of assets:

- "Cost of sales" line for industrial assets linked to production and farming;
- "Commercial and administrative expenses" line for assets linked to commercial and trading, and to general and/or administrative activities.

Gains or losses on disposal of an item of property, plant and equipment are recorded in the consolidated income statement under the specific line "Gain (loss) on investments and sale of fixed assets".

Bearer Plants

Orange trees are bearer plants recorded at cost less accumulated depreciation and accumulated impairment losses.

Borrowing costs that are directly attributable to the acquisition, construction or production of a bearer plant, incurred during the immature period, are capitalized as part of the cost of that asset.

The depreciation of bearer plants is based on the unit of production method over the estimated useful lives of the assets, since the management considers this is the method that best reflects the expected pattern of consumption of the future economic benefits embodied in the bearer plant. Orange groves are considered immature during the first three years. The useful life of mature orange trees is around 17 years.

As of December 31, 2023 and December 31, 2022, property, plant and equipment consist of the following:

		2023			2022		
(in millions of US$)	Notes	Gross value	Accumulated depreciation	Net value	Gross value	Accumulated depreciation	Net value
Owned assets		6,112	(2,795)	**3,317**	5,802	(2,666)	**3,136**
Right-of-use assets	7.1	1,365	(680)	**685**	1,053	(494)	**559**
Property, plant and equipment		**7,477**	**(3,475)**	**4,002**	**6,855**	**(3,160)**	**3,695**

The following tables provide information on owned assets only.

As of December 31, 2023 and December 31, 2022, consolidated owned assets consist of the following:

	2023			2022		
(in millions of US$)	Gross value	Accumulated depreciation	Net value	Gross value	Accumulated depreciation	Net value
Land	185	(1)	**184**	212	(19)	**193**
Buildings	2,170	(929)	**1,241**	2,111	(883)	**1,228**
Machinery and equipment	2,934	(1,575)	**1,359**	2,736	(1,495)	**1,241**
Bearer plants	226	(113)	**113**	213	(98)	**115**
Other tangible assets	233	(177)	**56**	219	(171)	**48**
Tangible assets under construction	364	—	**364**	311	—	**311**
Property, plant and equipment	**6,112**	**(2,795)**	**3,317**	**5,802**	**(2,666)**	**3,136**

Changes in net value of property, plant and equipment for the years ended December 31, 2023 and December 31, 2022 are as follows:

	2023							2022
(in millions of US$)	Land	Buildings	Machinery and equipment	Bearer plants	Other tangible assets	Tangible assets under construction	Total	Total
Balance as of January 1	**193**	**1,228**	**1,241**	**115**	**48**	**311**	**3,136**	**3,100**
Additions	11	9	11	19	6	477	**533**	352
Disposals	(4)	(1)	(1)	—	—	—	**(6)**	(47)
Acquisitions through business combinations	—	—	2	—	—	—	**2**	51
Loss of control of subsidiaries	—	(14)	(3)	—	—	—	**(17)**	—
Depreciation	—	(85)	(139)	(20)	(18)	—	**(262)**	(249)
Impairment losses	(8)	(10)	(10)	(1)	—	—	**(29)**	(47)
Foreign currency translation adjustment	—	(5)	—	—	—	(1)	**(6)**	(16)
Reclassification to held for sale assets	(9)	(11)	(9)	—	—	—	**(29)**	(1)
Other reclassifications	1	130	267	—	20	(423)	**(5)**	(7)
Closing balance	**184**	**1,241**	**1,359**	**113**	**56**	**364**	**3,317**	**3,136**

Additions

During the year ended December 31, 2023, the Group completed the investment in its soybean processing facility as part of Fuling Food Industrial Park at the Port of Nansha, Guangzhou, China, and its joint venture freeze-dried instant coffee plant in Binh Duong, Vietnam, that were commissioned at the end of the year. The Group continued to invest in its oilseeds processing complex in Claypool, Indiana, US, its coffee mill in Varginha, Minas Gerais State, Brazil, its canola processing plant in Yorkton, Saskatchewan, Canada. Investments were also performed for the construction of a soybean processing plant in Upper Sandusky, Ohio, US, the expansion of its logistic assets at the port of Antwerp, Belgium and the construction of a pharmaceutical grade glycerin refining and edible oil packaging plant in Lampung, Indonesia, complementing existing local refining capabilities. Globally, the Group continued to improve its existing assets, such as its citrus farms and processing plants in Brazil, and its grains and oilseeds complex in General Lagos, Santa Fe, Argentina.

Notes Continued

During the year ended December 31, 2022, the Group completed the investment in its soy lecithin plant in Claypool, Indiana, US, inaugurated in August 2022. The Group continued to invest in its coffee mill in Varginha, Minas Gerais State, Brazil and in its canola processing plant in Yorkton, Saskatchewan, Canada. Investments were also performed for the construction of a soybean processing facility as part of Fuling Food Industrial Park at the Port of Nansha, Guangzhou, China, and a joint venture freeze-dried instant coffee plant in Binh Duong, Vietnam. Globally, the Group continued to improve its existing assets, such as its citrus farms and processing plants in Brazil, its cotton warehouses, and its grains and oilseeds complex in General Lagos, Santa Fe, Argentina.

Disposals

During the year ended December 31, 2022, the Group sold its ethanol plant in Norfolk, Nebraska, US, with a net book value of US$43 million (refer to Note 2.4).

Acquisitions Through Business Combinations

During the year ended December 31, 2022, the Group acquired a port facility in Melbourne, and various storage facilities in Coolamon, The Rock, Elmore, Ardlethan and Nullawil, through the acquisition of Emerald Grain in Australia. In 2023, additional US$2 million were recognized according final purchase price allocation (refer to Note 1.4).

Loss of Control of Subsidiaries

As of December 31, 2023, following the loss of control over its Russian business, the Group deconsolidated its port facility in Azov, Russia, and silos in Russia for a net book value of US$17 million (refer to Note 1.3).

Impairment Losses

During the year ended December 31, 2023, the Group recognized a US$(27) million impairment on Kowalski corn processing assets in Brazil in accordance with IFRS 5.

Foreign Currency Translation Adjustment

During the year ended December 31, 2023, the foreign currency translation adjustment is mainly related to the depreciation of the Chinese Yuan against the US Dollar.
During the year ended December 31, 2022, the foreign currency translation adjustment is mainly related to the depreciation of the Chinese Yuan and the Euro against the US Dollar.

Reclassification to Held for Sale Assets

As of December 31, 2023, the Group classified as held for sale the Kowalski corn processing assets in Brazil.

3.3 Investments in Associates and Joint Ventures

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding between 20% and 50% of the voting rights.

Joint ventures are a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

Investments in associates and joint ventures are accounted for using the equity method and are initially recognized at cost. The carrying amount of the investment is adjusted to recognize:

- Changes in the Group's share of net assets of the associate or joint venture since the acquisition date; and
- Impairment losses in the value of the investments, if any.

Any goodwill arising from purchases of interests in associates or joint ventures is included in their carrying amount.

Changes in investments in associates and joint ventures for the years ended December 31, 2023 and December 31, 2022 are as follows:

(in millions of US$)	**2023**	2022
Balance as of January 1	**230**	**227**
Acquisitions and additional investments	31	8
Reclassification to held for sale assets	—	(7)
Share of profit (loss)	28	15
Impairment	—	(8)
Dividends	(2)	—
Change in other reserves	3	(2)
Reclassification	1	(3)
Closing balance	**291**	**230**
Of which:		
Investments in associates	*25*	*19*
Investments in joint ventures	*266*	*211*

Acquisitions and Additional Investments

In 2023, the Group acquired a 50% share in the joint venture *TEAG – Terminal de Exportação de Açucar do Guarujá Ltda*, a port terminal concession in Brazil, equally co-owned with *Cargill*, for a US$22 million consideration. Additionally, the Group performed a US$6 million capital injection in the joint venture *TES – Terminal Exportador de Santos S.A.* (concession in Santos port terminal in Brazil), in which an investment of US$6 million was also made in 2022. In 2022, the Group also performed an investment of US$2 million in *Covantis S.A.*

Reclassification to Held for Sale Assets

In 2022, the Group classified as held for sale its investment in joint venture *Epko Oil Seed Crushing Pty. Ltd.* (sunflower seed and maize germ crushing plant) (refer to Note 1.5).

Impairment

In 2022, US$(7) million impairment was booked on *Cisagri Holland Cooperatief U.A.* joint venture in the line "Other gains and losses" of the consolidated income statement as part of the impairment recognized on Taman project as described in Note 2.5.

Notes Continued

Investments in associates and joint ventures are detailed as follows:

Investment	Country	Activity	2023 Ownership	2023 Net value	2022 Ownership	2022 Net value
Amaggi Louis Dreyfus Zen-Noh Grãos S.A.	Brazil	Grain and soy storage and processing	33%	54	33%	29
Amaggi Louis Dreyfus Zen-Noh Terminais Portuários S.A.	Brazil	Logistic facilities	33%	20	33%	18
Complejo Agro Industrial Angostura S.A.	Paraguay	Soy crushing plant and facilities	33%	43	33%	40
Namoi Cotton Alliance	Australia	Cotton packing and marketing	49%	20	49%	15
TEG - Terminal Exportador Do Guarujá Ltda.	Brazil	Logistic facilities	40%	27	40%	28
TES - Terminal Exportador De Santos S.A.[1]	Brazil	Logistic facilities	60%	48	60%	49
TEAG - Terminal de Exportação de Açúcar do Guarujá Ltda.	Brazil	Logistic facilities	50%	24	—%	—
Total main joint ventures				***236***		***179***
Other joint ventures				30		32
Total joint ventures				***266***		***211***
Total associates				***25***		***19***
Investments in associates and joint ventures				**291**		**230**

1. The governance rules of *TES - Terminal Exportador de Santos S.A.* meet the definition of a joint control; this investment therefore qualifies as a joint venture.

Share of profit (loss) in investments in associates and joint ventures for the years ended December 31, 2023 and December 31, 2022 is as follows:

(in millions of US$)	2023	2022
Main joint ventures	26	10
Others	2	4
Share of profit (loss) in investments in associates and joint ventures	**28**	**14**

A summary of the aggregated financial information of the companies listed above is as follows as of and for the years ended December 31, 2023 and December 31, 2022:

	2023		
Balance sheet (in millions of US$)	Logistic facilities	Others	**Total main joint ventures**
Non-current assets	578	256	834
Current assets	93	775	868
Total assets	**671**	**1,031**	**1,702**
Non-current liabilities	337	43	380
Current liabilities	79	658	737
Total liabilities	**416**	**701**	**1,117**
Net equity	**255**	**330**	**585**
Equity - owners of the company share	**119**	**117**	**236**

	2022		
Balance sheet (in millions of US$)	Logistic facilities	Others	**Total main joint ventures**
Non-current assets	474	232	706
Current assets	54	559	613
Total assets	**528**	**791**	**1,319**
Non-current liabilities	270	58	328
Current liabilities	53	495	548
Total liabilities	**323**	**553**	**876**
Net equity	**205**	**238**	**443**
Equity - owners of the company share	**95**	**84**	**179**

	2023		
Income statement (in millions of US$)	Logistic facilities	Others	**Total main joint ventures**
Revenue	128	2,197	2,325
Net income	(7)	92	85
Share of profit (loss) in investments in associates and joint ventures	**(6)**	**32**	**26**

	2022		
Income statement (in millions of US$)	Logistic facilities	Others	**Total main joint ventures**
Revenue	107	1,788	1,895
Net income	8	18	26
Share of profit (loss) in investments in associates and joint ventures	**4**	**6**	**10**

Notes Continued

3.4 Other Non-Current Assets

As of December 31, 2023 and December 31, 2022, other non-current assets consist of the following:

(in millions of US$)	**2023**	2022
Tax credits	231	247
Long-term advances to suppliers	19	33
Others	3	4
Other non-current assets	**253**	**284**

Tax credits mainly include income tax and VAT credits in Brazil. The decrease in Other non-current assets in 2023 is mainly linked to the refund of income tax credits in Indonesia and Brazil and the reclassification to current assets of advances to suppliers, partially compensated by an increase in tax credits due to the appreciation of the Brazilian Real.

3.5 Other Non-Current Liabilities

As of December 31, 2023 and December 31, 2022, other non-current liabilities consist of the following:

(in millions of US$)	**2023**	2022
Derivative liabilities at fair value through OCI	142	235
Others	6	6
Non-current financial liabilities	**148**	**241**
Staff and tax payables	181	102
Others	3	3
Non-current non-financial liabilities	**184**	**105**
Other non-current liabilities	**332**	**346**

Derivative liabilities at fair value through OCI correspond to non-current derivatives with maturities above 12 months, designated as hedging instrument in a hedge accounting relationship (refer to Note 4.8). The 2022 change in presentation consisted in reclassification from the line "Derivative liabilities".

3.6 Provisions

Provisions are recognized when:

- The Group has a present obligation (legal or constructive) as a result of past events;
- It is probable that an outflow of resources will be required to settle the obligation; and
- A reliable estimate can be made.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

As of December 31, 2023 and December 31, 2022, provisions consist of the following:

(in millions of US$)	**2023**	2022
Current provisions	41	43
Non-current provisions	83	77
Provisions	**124**	**120**

Changes in provisions for the years ended December 31, 2023 and December 31, 2022 are as follows:

(in millions of US$)			2023			2022
Provisions for:	Tax risks	Social risks	Litigation	Other	**Total**	**Total**
Balance as of January 1	**15**	**12**	**46**	**47**	**120**	**101**
Allowance	6	5	12	6	**29**	49
Reversal of used portion	(3)	(4)	—	(6)	**(13)**	(22)
Reversal of unused portion	(1)	(2)	—	(9)	**(12)**	(5)
Others	(1)	—	—	1	**—**	(3)
Closing balance	**16**	**11**	**58**	**39**	**124**	**120**

Tax and social provisions consist of various claims and lawsuits against the Group, primarily related to employment terminations, labor accidents and allegations of non-compliance with tax regulations, mainly linked to VAT. These claims are subject to court decisions or tax interpretations within multiple jurisdictions, and timing and amounts are uncertain. However, the recognized provision reflects Management's best estimate of the most likely outcome. Regarding certain legal claims in Brazil, the Group was required to establish escrow deposits which, as of December 31, 2023, amounted to US$44 million (US$41 million as of December 31, 2022) and are disclosed under the line "Deposits and Others" within non-current financial assets (refer to Note 5.4).

Provisions for litigation include contractual obligation for trade disputes with customers, suppliers and other counterparties.

As of December 31, 2023, other provisions include a US$31 million provision for decommissioning of leased land (US$30 million as of December 31, 2022) and US$2 million for onerous contracts (US$5 million as of December 31, 2022).

3.7 Inventories

Trading Inventories

Trading inventories are valued at fair value less costs to sell according the commodity broker-trader defined in IAS 2. Changes in fair value are recognized in the consolidated income statement in "Cost of sales".

Other Inventories

Other inventories are valued at the lower of cost or net realizable value, especially for certain entities or businesses for which the trading model is not applicable. Cost of goods sold are presented in the line "Cost of sales" of the consolidated income statement.

As of December 31, 2023 and December 31, 2022, inventories consist of the following:

(in millions of US$)	**2023**	2022
Trading inventories	5,521	5,384
Finished goods	691	476
Raw materials	225	222
Inventories (gross value)	**6,437**	**6,082**
Depreciation of non-trading inventories	(7)	(16)
Inventories (net value)	**6,430**	**6,066**

Trading inventories with a liquidity horizon of less than three months amounted to US$5,277 million as of December 31, 2023 (US$5,175 million as of December 31, 2022).

Notes Continued

3.8 Biological Assets

Bearer plants are accounted for as property, plant and equipment, while the produce growing on the bearer plant is a biological asset.

Biological assets are carried at fair value less estimated costs to sell, based on discounted expected future cash flows from these assets. Changes in fair value are recognized in the consolidated income statement in "Cost of sales".

The Group owns biological assets located in Brazil, consisting of oranges growing until point of harvest. As of December 31, 2023, the Group owns 38 mature orange groves (39 as of December 31, 2022), which generally sustain around 17 years of orange production.

Changes in biological assets for the years ended December 31, 2023 and December 31, 2022 are as follows:

(in millions of US$)	**2023**	2022
Balance as of January 1	**65**	**58**
Acquisitions and capitalized expenditure	83	72
Decrease due to harvest	(79)	(64)
Change in fair value	(24)	(1)
Closing balance	**45**	**65**

The valuation model used to determine the carrying value of biological assets was developed by an external valuation firm and is classified as Level 3 in the fair value hierarchy defined in Note 4.9.

Expected future cash flows are determined based on the expected volume yields in the number of boxes and the price for an orange box is derived from available market prices. This price is net of picking, handling and freight costs, among others, considered based on internal assumptions, to determine the net value less cost to sell. This amount is subsequently discounted to present value. The following assumptions have a significant impact on the valuation of the Group's biological assets:

	2023	2022
Number of trees (in thousands)	13,603	11,663
Expected yields (in number of boxes)	13,651	23,772
Price of a box of oranges (in US$)	11.30	7.11
Discount rate	7.02%	7.04%

Changes in assumptions would increase (decrease) the estimated fair value of the biological assets if:

- Expected yields in number of boxes were higher (lower);
- Estimated price of a box of oranges were higher (lower);
- Estimated costs for harvesting and transportation were lower (higher);
- The discount rate were lower (higher).

3.9 Trade and Other Receivables

"Trade receivables" are initially recognized at the transaction amount (unless a significant finance component is included) of the consideration receivable and carried at amortized cost, less provision for impairment. The Group applies IFRS 9's simplified approach to measure expected credit losses on trade receivables. This method allows the Group to recognize lifetime expected credit losses on receivables without the need to identify significant increases in credit risk. Expected credit losses are estimated by reference to past default experience and a credit rating, adjusted as appropriate for current and forecasted future economic conditions.

As of December 31, 2023 and December 31, 2022, trade and other receivables consist of the following:

	2023			2022		
(in millions of US$)	Gross value	Provision	**Net value**	Gross value	Provision	**Net value**
Trade receivables	3,406	(336)	**3,070**	3,807	(282)	**3,525**
Accrued receivables	1,502	—	**1,502**	1,521	—	**1,521**
Prepayments	304	(2)	**302**	303	(1)	**302**
Other receivables	55	(8)	**47**	67	(3)	**64**
Financial assets at amortized cost	**5,267**	**(346)**	**4,921**	**5,698**	**(286)**	**5,412**
Advances to suppliers	236	(9)	**227**	225	(12)	**213**
Staff and tax receivables	643	(16)	**627**	712	(20)	**692**
Prepaid expenses	95	—	**95**	86	—	**86**
Others	27	—	**27**	23	—	**23**
Non-financial assets	**1,001**	**(25)**	**976**	**1,046**	**(32)**	**1,014**
Trade and other receivables	**6,268**	**(371)**	**5,897**	**6,744**	**(318)**	**6,426**

Changes in the provision on trade and other receivables are as follows:

(in millions of US$)	**2023**	2022
Balance as of January 1	**(318)**	**(284)**
Increase in provision	(72)	(89)
Receivables written off as uncollectible	10	14
Unused amount reversed	37	37
Change in the list of consolidated companies	—	1
Reclassification from provision on derivative assets	(25)	—
Other reclassifications	(3)	2
Foreign currency translation adjustment	—	1
Closing balance	**(371)**	**(318)**

Notes Continued

Increase in Provision

During the year ended December 31, 2023, the increase in provision mainly corresponded to default risk on various customers for US$65 million (US$78 million as of December 31, 2022) for their estimated non-recoverable portions, provisions on other receivables for US$5 million (US$2 million as of December 31, 2022) and to provisions on VAT for US$1 million (US$6 million as of December 31, 2022).

Receivables Written Off as Uncollectible

During the year ended December 31, 2023, the amount of receivables written off corresponded to provisions for trade receivables. During the year ended December 31, 2022 the amount of receivables written off corresponded to provisions for trade receivables for US$11 million and to provisions on other receivables for US$3 million.

Unused Amount Reversed

The unused amount of provisions recovered during the year ended December 31, 2023 mainly consisted of provisions on trade receivables for US$27 million, provisions on advances to suppliers for US$6 million and to provisions on VAT for US$3 million (respectively US$24 million, US$2 million and US$8 million during the year ended December 31, 2022).

Reclassification From Provision on Derivative Assets

As of December 31, 2023, the US$25 million reclassification is related to contracts on cotton that were washed out during the year and invoiced to customers. The corresponding provisions were maintained, as the risk of default remains.

The following table details the counterparty exposure broken down by past due date of receivables as of December 31, 2023 and December 31, 2022:

	2023			2022		
(in millions of US$)	Gross value	Provision	**Net value**	Gross value	Provision	**Net value**
Not due	4,600	(26)	**4,574**	5,008	(23)	**4,985**
Due since < 3 months	1,016	(22)	**994**	1,131	(25)	**1,106**
Due since 3-6 months	107	(25)	**82**	88	(25)	**63**
Due since 6 months-1 year	75	(26)	**49**	94	(25)	**69**
Due since > 1 year	348	(272)	**76**	314	(220)	**94**
Closing balance	**6,146**	**(371)**	**5,775**	**6,635**	**(318)**	**6,317**
Including:						
Trade receivables	*3,406*	*(336)*	***3,070***	*3,807*	*(282)*	***3,525***
Accrued receivables	*1,502*	*—*	***1,502***	*1,521*	*—*	***1,521***
Prepayments	*304*	*(2)*	***302***	*303*	*(1)*	***302***
Other receivables	*55*	*(8)*	***47***	*67*	*(3)*	***64***
Advances to suppliers	*236*	*(9)*	***227***	*225*	*(12)*	***213***
Staff and tax receivables	*643*	*(16)*	***627***	*712*	*(20)*	***692***

3.10 Trade and Other Payables

As of December 31, 2023 and December 31, 2022, trade and other payables consist of the following:

(in millions of US$)	**2023**	2022
Trade payables	2,575	2,710
Accrued payables	2,417	2,465
Prepayments received	270	319
Margin deposits	36	67
Payables on purchase of fixed assets and investments	44	10
Other payables	99	116
Financial liabilities at amortized cost	**5,441**	**5,687**
Advances received	75	37
Staff and tax payables	605	594
Deferred income	54	22
Others	2	41
Non-financial liabilities	**736**	**694**
Trade and other payables	**6,177**	**6,381**

4. Financial Instruments and Risk Management

Financial instruments are subject to various risks, including market value fluctuations, foreign currency, counterparty credit and liquidity risks. In addition to managing market and foreign currency risk, the Group implemented a robust monitoring of counterparty credit and ensured the availability of sufficient cash in order to reduce its liquidity risk. At each financial period end, the Group has a policy of accruing its receivables and unrealized gains with counterparties deemed at risk.

4.1 Market Risk

Market risk is the risk that the fair value or future cash flows of assets and liabilities held by the Group including financial instruments, physical commodities, industrial and biological assets will fluctuate due to changes in market variables such as spot and forward commodity prices, price spreads, volatility and foreign exchange rates.

The Group classifies exposures to market risk into either trading or non-trading activities. The Group manages market risk for trading activities by diversifying exposures, controlling position natures, sizes and maturities, performing stress testing, and monitoring risk limits under the supervision of the Market Risk function and the Macro Committee. Limits are established for the level of acceptable risk at corporate level and allocated at platform and profit center levels. Compliance with the limits is reported daily to the management. Limits and their allocations are approved by the Board of Directors and reported to the Audit Committee at least on a quarterly basis.

Limits are based on a daily measure of market risk exposure referred to as value at risk (VaR). The VaR that the Group measures is a model-based estimate grounded upon various assumptions such as the log-normality of price returns, and on conventions such as the use of exponentially weighted historical data in order to put more emphasis on the latest market information.

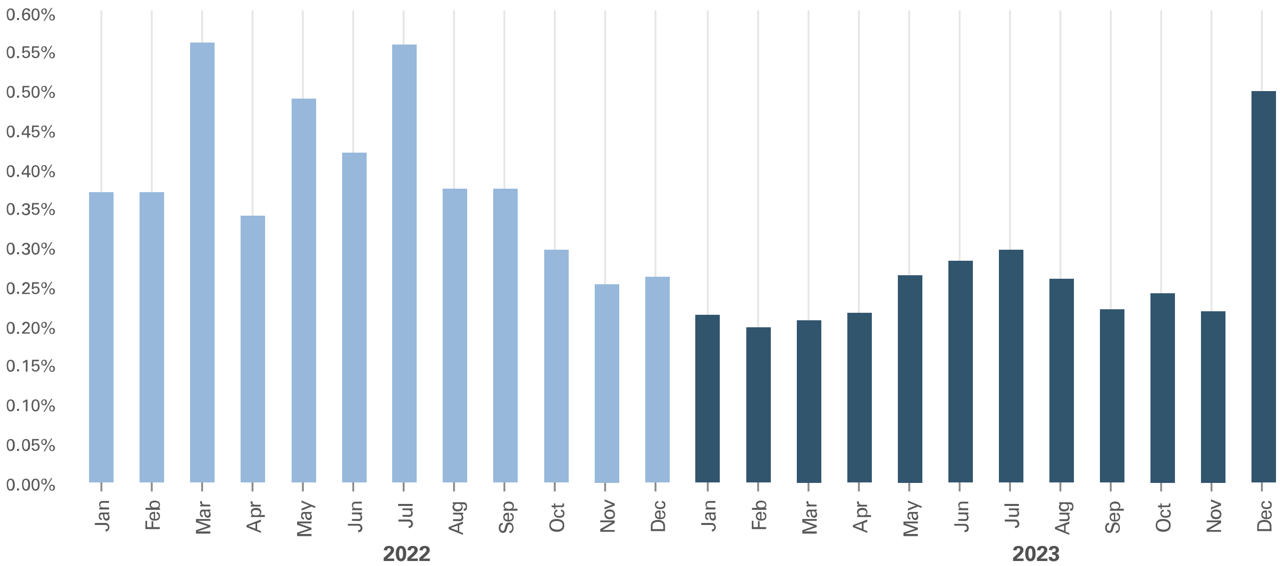
The VaR computed therefore represents an estimate, expressed at a statistical confidence level of 95%, of the potential loss that is not expected to be exceeded should the current market risk position remain unchanged for one day. The use of a 95% confidence level means that, within a one-day horizon, losses exceeding the VaR figure are not expected to occur statistically more than once every 20 trading days.

The VaR may be under- or over-estimated due to the assumptions placed on risk factors, and historical correlations and volatility in market prices, and the probability of large market moves may be underestimated per the normal distribution and due also to significant market, weather, geopolitical or other events.

Notes Continued

The monthly average of value at risk (VaR) as a percentage of Group equity corresponds to the average over a month of the VaR computed daily as a percentage of Group equity at the beginning of each quarter. It consists of the following:

Average VaR as a Percentage of Group Equity



During the years ended December 31, 2023 and December 31, 2022, the monthly average Group VaR for trading activities was less than 1% of Group equity. Annual average VaR for the Group reached 0.26% in 2023, compared to 0.39% in 2022.

VaR is only one of the risk metrics within a wider risk management system applied within the Group.

4.2 Foreign Currency Risk

The Group operates on a global scale and is exposed to changes in foreign currency exchange for its monetary assets and liabilities arising from transactions in a currency different from the functional currency of each entity. Such transactions include capital expenditure, purchases linked to industrial operations, administrative expenditure and other operating payables or receivables in local currency, among others. The Group is also party to some financing arrangements in foreign currencies different from the functional currency of the borrowing entity.

The Group manages its exposure to foreign currency transactions by setting natural hedge structures and by entering into foreign exchange derivative contracts to hedge its exposure back to each entity's own functional currency (refer to Note 4.8).

As of December 31, 2023 and December 31, 2022, the net exposure to foreign currency transactions before hedge for current monetary items (excluding the current portion of long-term debt) represents 11% and 2% of net equity position respectively, and is denominated in the following currencies:

(in millions of US$)	**2023**	2022
Brazilian Real	137	(31)
Euro	118	144
Indian Rupee	(89)	(172)
US Dollar	470	344
Argentine Peso	199	(130)
Other currencies	(115)	(26)
Net exposure	**720**	**129**

The Group is also exposed to currency translation risk from its investments in foreign operations, particularly in Australia, China and countries in the Eurozone.

4.3 Counterparty Risk

The Group trades diversified commodities and commodity-related products. Accordingly, a substantial portion of the Group's trade receivables is toward users of those commodities and other commodity trading companies. Margin deposits generally consist of deposits with commodity exchanges and brokers which hold such deposits in a custodial capacity. The Group's counterparty risk exposure from derivative financial instruments is limited to the current fair value of contracts with a positive fair value.

Performance risk on an open contract measures the risk of non-performance by the counterparty and is composed of:

- The mark-to-market exposure to date (if any) reflecting the cost to the Group if the contract is not fulfilled and has to be replaced in the open market under prevailing market conditions; and
- The potential future mark-to-market exposure reflecting the fact that the market price can move from the day of exposure calculation to the delivery date/payment date versus the current market price.

The Group has implemented risk management procedures to monitor its exposures and minimize counterparty risk. These procedures include counterparty exposure limit approvals, and where appropriate, may require a combination of margin requirements, master netting arrangements, letters of credit and other guarantees.

4.4 Political and Country Risk

In its cross-border operations, the Group is exposed to country risk associated with a country's overall political, economic, financial, regulatory and commercial situations. The Group does not seek to retain political and country risks and endeavors to mitigate them via major financial institutions or reputable insurance companies where appropriate. The trade finance, insurance and credit risk departments' work jointly in order to identify solutions to mitigate political and country risk.

4.5 Liquidity Risk

Liquidity risk is the risk that the Group may encounter difficulties in meeting its payment obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Management of the liquidity profile is designed to ensure that the Group has access to the funds necessary to cover maturing liabilities. The available liquidity for the Group includes cash and cash equivalents, other financial assets at fair value through P&L, financial advances to related parties, readily marketable inventories and undrawn committed bank lines. As of December 31, 2023, the Group had available undrawn committed bank lines amounting to US$4.3 billion, all with maturities beyond one year (US$4.2 billion as of December 31, 2022 with US$4.0 billion maturity beyond one year).

The maturity analysis of the Group's financial liabilities based on the contractual terms as of December 31, 2023 and December 31, 2022 is as follows:

	2023				
(in millions of US$)	Less than 1 year	1 - 3 years	3 - 5 years	More than 5 years	**Total**
Long-term financing (current and non-current)	88	1,733	1,714	803	**4,338**
Short-term debt	1,906	—	—	—	**1,906**
Expected future interest payments on long-term financing and short-term debt	230	298	203	210	**941**
Lease liability (undiscounted)	246	259	103	203	**811**
Other non-current financial liabilities	—	4	2	—	**6**
Financial advances from related parties	45	—	—	—	**45**
Trade and other payables	6,177	—	—	—	**6,177**
Derivative liabilities (current and non-current)	1,399	79	63	—	**1,541**
	10,091	**2,373**	**2,085**	**1,216**	**15,765**

Notes Continued

(in millions of US$)	2022 Less than 1 year	1 - 3 years	3 - 5 years	More than 5 years	**Total**
Long-term financing (current and non-current)	526	1,814	1,164	811	**4,315**
Short-term debt	2,145	—	—	—	**2,145**
Expected future interest payments on long-term financing and short-term debt	183	296	153	60	**692**
Lease liability (undiscounted)	208	192	78	158	**636**
Other non-current financial liabilities	—	2	2	2	**6**
Financial advances from related parties	77	—	—	—	**77**
Trade and other payables	6,381	—	—	—	**6,381**
Derivative liabilities (current and non-current)	1,215	130	9	96	**1,450**
	10,735	**2,434**	**1,406**	**1,127**	**15,702**

Non-current derivative liabilities are mostly covered by margin deposits assets.

4.6 Interest Rate Risk

The Group is exposed to fluctuation in interest rates on its long term financing and short term debt. Interest rate risk arising from floating rate on long-term financing is mainly managed using interest rate swaps with the same critical terms as the underlying interest rate exposures. Short-term debt, primarily based on Secured Overnight Financing Rate (SOFR) rates, is predominantly used to finance working capital needs. Consequently, prevailing market interest rates are continuously factored into transactional pricing and terms.

Based on the level of financial debt exposed to floating interest rate at the end of the period, an increase/decrease of 50 basis points in interest rates, all other variables being held constant, would decrease/increase the Group's interest expense as of December 31, 2023 by US$17 million (US$16 million as of December 31, 2022).

4.7 Categories of Financial Assets and Liabilities

Classification and measurement of financial assets depend on the business model and the instruments' contractual cash flow characteristics. Upon initial recognition, financial assets are carried at amortized cost, fair value through other comprehensive income (OCI), or fair value through profit and loss.

The main financial assets of the Group (excluding derivatives) are presented within the following consolidated balance sheet lines:

- Non-current financial assets
- Trade and other receivables
- Other financial assets at fair value through profit and loss
- Cash and cash equivalents

Financial liabilities are measured at amortized cost or fair value through profit and loss. The main financial liabilities of the Group (excluding derivatives) comprise long-term debt, short-term debt, financial advances from related parties and trade payables. All these financial liabilities are recorded at amortized cost using the effective interest method.

Financial assets and liabilities are recorded in the consolidated balance sheet as current if they mature within one year following the closing date of the financial statements and non-current if they mature after one year, apart from derivatives held for trading, which are all classified as current.

Derivatives are measured at fair value through profit and loss, except for those considered as hedging instruments in a cash flow or net investment hedge relationship, in which case the change in fair value is recognized in OCI.

Margin deposits consist of cash with brokers and exchanges to meet initial and variation margins requirements in respect of futures positions on commodities exchanges.

As of December 31, 2023, the different categories of financial assets and liabilities are as follows:

(in millions of US$)	Notes	Assets at fair value through profit and loss	Derivatives at fair value through OCI - hedge accounting	Assets at amortized cost	Total
Non-current financial assets	5.4	78	23	210	**311**
Total non-current financial assets		**78**	**23**	**210**	**311**
Financial advances to related parties	7.3	—	—	9	**9**
Trade and other receivables	3.9	—	—	4,921	**4,921**
Derivative assets	4.8	1,634	39	—	**1,673**
Margin deposits		—	—	528	**528**
Other financial assets at fair value through profit and loss	5.5	522	—	—	**522**
Cash and cash equivalents	5.6	902	—	596	**1,498**
Total current financial assets		**3,058**	**39**	**6,054**	**9,151**
Total financial assets		**3,136**	**62**	**6,264**	**9,462**

(in millions of US$)	Notes	Liabilities at fair value through profit and loss	Derivatives at fair value through OCI - hedge accounting	Liabilities at amortized cost	Total
Long-term debt	5.2	—	—	4,688	**4,688**
Other non-current financial liabilities	3.5	—	142	6	**148**
Total non-current financial liabilities		**—**	**142**	**4,694**	**4,836**
Short-term debt	5.3	—	—	1,906	**1,906**
Current portion of long-term debt	5.2	—	—	307	**307**
Financial advances from related parties	7.3	—	—	45	**45**
Trade and other payables (excluding margin deposit liabilities)	3.10	—	—	5,405	**5,405**
Margin deposit liabilities	3.10	—	—	36	**36**
Derivative liabilities	4.8	1,298	101	—	**1,399**
Total current financial liabilities		**1,298**	**101**	**7,699**	**9,098**
Total financial liabilities		**1,298**	**243**	**12,393**	**13,934**

Notes Continued

As of December 31, 2022, the different categories of financial assets and liabilities were as follows:

(in millions of US$)	Notes	Assets at fair value through profit and loss	Derivatives at fair value through OCI - hedge accounting	Assets at amortized cost	Total
Non-current financial assets	5.4	89	48	308	**445**
Total non-current financial assets		**89**	**48**	**308**	**445**
Financial advances to related parties	7.3	—	—	4	**4**
Trade and other receivables	3.9	—	—	5,412	**5,412**
Derivative assets	4.8	1,543	28	—	**1,571**
Margin deposits		—	—	774	**774**
Other financial assets at fair value through profit and loss	5.5	356	—	—	**356**
Cash and cash equivalents	5.6	500	—	684	**1,184**
Total current financial assets		**2,399**	**28**	**6,874**	**9,301**
Total financial assets		**2,488**	**76**	**7,182**	**9,746**

(in millions of US$)	Notes	Liabilities at fair value through profit and loss	Derivatives at fair value through OCI - hedge accounting	Liabilities at amortized cost	Total
Long-term debt	5.2	—	—	4,107	**4,107**
Other non-current financial liabilities	3.5	—	235	6	**241**
Total non-current financial liabilities		**—**	**235**	**4,113**	**4,348**
Short-term debt	5.3	—	—	2,145	**2,145**
Current portion of long-term debt	5.2	—	—	716	**716**
Financial advances from related parties	7.3	—	—	77	**77**
Trade and other payables (excluding margin deposit liabilities)	3.10	—	—	5,620	**5,620**
Margin deposit liabilities	3.10	—	—	67	**67**
Derivative liabilities	4.8	1,206	9	—	**1,215**
Total current financial liabilities		**1,206**	**9**	**8,625**	**9,840**
Total financial liabilities		**1,206**	**244**	**12,738**	**14,188**

4.8 Classification of Derivative Financial Instruments

Derivatives

The Group uses futures and option contracts mostly to hedge trading inventories and open commitments in commodities and securities. Futures and option contracts are recognized at fair value, and the resulting unrealized gains and losses are recognized within the gross margin. Undelivered commodities purchase and sale commitments and swap/supply arrangements are recognized at fair value, and the resulting unrealized gain or loss is recognized within the gross margin. Foreign exchange hedge contracts are recognized at fair value, and the resulting unrealized gains and losses are recognized in the consolidated income statement in "Other financial income and expense" line for the foreign exchange exposure on funding and in "Cost of sales" line for the foreign exchange gains and losses related to working capital.

Hedge Accounting

The Group designates certain derivatives as hedging instruments in respect of foreign currency risk, price risk component and interest rate risk. These hedging instruments are classified either as fair value hedges, cash flow hedges, or net investments hedges in foreign operations.

At the inception of the hedge relationship, the Group documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk, which is when the hedging relationships meet all of the following hedge requirements:

- The hedging relationship must only concern eligible hedging instruments and hedged items;
- The effect of credit risk does not dominate the value changes that result from that economic relationship; and
- The hedging relationship must meet hedge effectiveness requirements, particularly in respect of a hedging ratio.

The hedging relationship ends when it ceases to satisfy the above criteria. This includes situations in which the hedging instrument expires or is sold, terminated or exercised, or when the risk management objectives initially documented are no longer met. If a hedging relationship ceases to meet the hedge effectiveness requirement relating to the hedge ratio but the risk management objective for that designated hedging relationship remains the same, the Group adjusts the hedge ratio of the hedging relationship (i.e. rebalances the hedge) so that it meets the qualifying criteria again.

The Group designates the full change in fair value of a forward contract (i.e. including the forward elements) as the hedging instrument for all of its hedging relationships involving forward contracts.

The ineffective portion of a hedge, if any, is recognized in the consolidated income statement.

Only derivatives external to the Group, and internal derivatives that are matched with similar transactions external to the Group, qualify for hedge accounting.

Fair Value Hedges

Hedging instruments are classified as fair value hedges when hedging the exposure to changes in the fair value of a recognized asset or liability or an unrecognized firm commitment. The change in fair value of the hedging instrument is recognized in the line of the consolidated income statement that is impacted by the underlying hedged item. The change in fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognized in the consolidated income statement.

Notes Continued

Cash Flow Hedges

Hedging instruments are classified as cash flow hedges when hedging exposure to variability in cash flows that is either attributable to a particular risk associated with a recognized asset or liability or a highly probable forecasted transaction or the foreign currency risk in an unrecognized firm commitment. The effective portion of the gain or loss on the hedging instrument is recognized directly in other reserves, while any ineffective portion is recognized immediately in the consolidated income statement. When hedged cash flows materialize, the amounts previously recognized in equity are either recycled to the consolidated income statement in the same way as for the hedged item, or treated as an adjustment to the value of the asset acquired.

Net Investment Hedges

Hedges of net investments in foreign operations are accounted for in a similar way to cash flow hedges. The effective portion of the gain or loss on the hedging instrument is recognized directly in other reserves while any ineffective portion is recognized immediately in the consolidated income statement. The amounts previously recognized in equity are transferred to the consolidated income statement when the Group ceases to exercise control over the investment in foreign operations (either through a sale or a liquidation).

As of December 31, 2023 and December 31, 2022, derivative financial instruments are as follows:

	2023		2022	
(in millions of US$)	Assets	Liabilities	Assets	Liabilities
Forward purchase and sale agreements	1,249	822	1,239	758
Forward foreign exchange contracts	190	301	206	254
Futures	218	151	132	180
Options	68	24	53	12
Swaps	1	—	—	2
Provision on derivative assets	(92)	—	(87)	—
Derivatives at fair value through profit and loss	**1,634**	**1,298**	**1,543**	**1,206**
Forward foreign exchange contracts	33	3	23	9
Swaps	29	240	53	235
Derivatives at fair value through OCI - hedge accounting	**62**	**243**	**76**	**244**
Total derivatives	**1,696**	**1,541**	**1,619**	**1,450**
Of which:				
Current derivatives	*1,673*	*1,399*	*1,571*	*1,215*
Non-current derivatives	*23*	*142*	*48*	*235*

In the normal course of operations, the Group enters into various derivative financial instruments involving future settlement. These transactions include futures, forward purchase and sale agreements, and option contracts that are executed either on regulated exchanges or in the over-the-counter (OTC) market.

Futures contracts are exchange-traded contractual commitments either to receive or deliver a standard amount or value of a commodity or financial instrument at a specified future date and price. Futures exchanges typically require the parties to provide as security "initial margins" and additional cash deposits for "variation margins", based upon market value fluctuations. OTC contracts, which may or may not require the payment of initial margins or variation margins, involve parties who have agreed to either exchange cash payments or deliver/receive the underlying commodity or financial instrument. Option contracts are contractual agreements that give the purchaser the right, but not the obligation, to purchase or sell a financial instrument or commodity at a predetermined price.

As of December 31, 2023, the Group recognized a provision on derivative assets of US$92 million on performance risk to offset unrealized gains on forward agreements identified as being at risk. As of December 31, 2022, this provision was US$87 million.

Derivatives at Fair Value Through Other Comprehensive Income (OCI) - Hedge Accounting

Forward foreign exchange contracts mainly relate to the hedge of foreign currency risk of future capital expenditure, production costs and commercial and administrative expenses in Brazilian Reais, and to a lesser extent in Euros and Swiss Francs. The contracts also relate to the hedge of foreign currency risk of a long-term financing line (principal and interests) in Brazilian Reais.

As of December 31, 2023, contracts in Brazilian Reais represent a total US$668 million nominal value and are effective until 2035, with an average fixed exchange rate of 5.26 Brazilian Reais to the US Dollar (a total US$542 million nominal value effective until 2035, with an average fixed exchange rate of 5.55, as of December 31, 2022).

The Group entered into interest-rate swap contracts in North America to hedge against LIBOR (in 2022) or Secured Overnight Financing Rate (SOFR) fluctuations on the floating rate exposure of its debt. As of December 31, 2023, these operations represent a total US$525 million nominal value effective until 2026, with an average three-month SOFR rate fixed at 0.91% per year (a total US$800 million nominal value effective until 2026, with an average three-month LIBOR rate fixed at 1.84% or SOFR rate fixed at 0.76% per year, as of December 31, 2022).

The Group entered into cross-currency swap contracts in order to hedge the currency and interest exposure of the following main long-term financing agreements:

- Japanese Yen-denominated debt: as of December 31, 2023, these operations represent a total US$700 million nominal value effective until 2028, with an average Tokyo Overnight Average (TONA) rate fixed at 4.16% per year (a total US$587 million nominal value effective until 2026, with an average TONA rate fixed at 2.11% per year, as of December 31, 2022).
- Japanese Yen-denominated private placements: as of December 31, 2023 and December 31, 2022, these operations represent a total US$160 million nominal value effective until 2027.
- Chinese Yuan-denominated internal financing: as of December 31, 2023 and December 31, 2022, these operations represent a total US$153 million nominal value effective until 2028.
- A €650 million rated senior bond issued in November 2020 and February 2021, and a €500 million rated senior bond issued in April 2021, effective respectively until 2025 and 2028.

The hedge on exposure linked to future interest payments on these long-term financing agreements is booked at fair value through OCI. The hedge on exposure related to the principal and accrued interests is booked in profit and loss, impacting "Other financial income and expense" and "Interest expenses" lines of the consolidated income statement (refer to Note 2.3).

Notes Continued

4.9 Fair Value Hierarchy

The Group uses the following hierarchy to determine and disclose the fair value of assets and liabilities broken down by valuation technique:

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;
- Level 2: techniques that use inputs that have a significant effect on the recorded fair value that are based on observable, either directly or indirectly, market data; and
- Level 3: techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

As of December 31, 2023 and December 31, 2022, the following table shows an analysis of financial assets and liabilities recorded at fair value by level of the fair value hierarchy:

	2023				2022			
(in millions of US$)	Level 1	Level 2	Level 3	**Total**	Level 1	Level 2	Level 3	**Total**
Trading inventories	—	5,367	154	**5,521**	3	5,269	112	**5,384**
Derivative assets (current and non-current)	259	1,389	48	**1,696**	152	1,443	24	**1,619**
Forward purchase and sale agreements	*—*	*1,201*	*48*	***1,249***	*—*	*1,215*	*24*	***1,239***
Forward foreign exchange contracts	*—*	*223*	*—*	***223***	*—*	*229*	*—*	***229***
Futures	*218*	*—*	*—*	***218***	*123*	*9*	*—*	***132***
Options	*41*	*27*	*—*	***68***	*29*	*24*	*—*	***53***
Swaps	*—*	*30*	*—*	***30***	*—*	*53*	*—*	***53***
Provision on derivative assets	*—*	*(92)*	*—*	***(92)***	*—*	*(87)*	*—*	***(87)***
Other financial assets at fair value through profit and loss (current and non-current)	425	107	68	**600**	323	44	78	**445**
Cash equivalents	—	902	—	**902**	—	500	—	**500**
Total assets	**684**	**7,765**	**270**	**8,719**	**478**	**7,256**	**214**	**7,948**
Derivative liabilities (current and non-current)	144	1,367	30	**1,541**	181	1,262	7	**1,450**
Forward purchase and sale agreements	*—*	*792*	*30*	***822***	*—*	*751*	*7*	***758***
Forward foreign exchange contracts	*—*	*304*	*—*	***304***	*—*	*263*	*—*	***263***
Futures	*143*	*8*	*—*	***151***	*180*	*—*	*—*	***180***
Options	*1*	*23*	*—*	***24***	*1*	*11*	*—*	***12***
Swaps	*—*	*240*	*—*	***240***	*—*	*237*	*—*	***237***
Total liabilities	**144**	**1,367**	**30**	**1,541**	**181**	**1,262**	**7**	**1,450**

Trading inventories are valued at fair value based on observable prices (if and when available) such as commodity futures exchange quotations, broker or dealer quotations, or market transactions in either listed or OTC markets, and adjusted for differences in local markets and quality, since the exchange quoted price represents contracts with standardized terms for commodity, quantity, future delivery period, delivery location, and commodity quality or grade. When a substantial portion of observable inputs is used to estimate the fair value of the trading inventory, it is classified as Level 2. When unobservable inputs have a significant impact on the measurement of fair value, the trading inventory is classified as Level 3.

Fair value for the forward purchase and sale agreements is estimated based on exchange-quoted price adjusted for differences in local markets. These differences are generally determined using inputs from broker or dealer quotations or market transactions in either listed or OTC markets. When observable inputs are available for the full term of the contract, it is classified as Level 2. When unobservable inputs have a significant impact on the measurement of the fair value, the contract is classified as Level 3.

Other financial assets at fair value through profit and loss mainly include investments in equity instruments and bonds classified as Level 1 if they are listed, Level 2 if they are valued in the OTC market or adjusted based on observable market data and Level 3 if other valuation technique is used.

There was no transfer between levels during the year ended December 31, 2023.

4.10 Offsetting of Financial Assets and Liabilities

The Group reports financial assets and liabilities on a net basis in the consolidated balance sheet when, and only when, there is a legally enforceable right to set off the recognized amounts and there is intention to either settle on a net basis or realize the asset and settle the liability simultaneously.

Master netting agreements enforceable only on the occurrence of future events such as a default on bank loans or other credit events do not provide a basis for offsetting.

The following tables disclose the carrying amounts of recognized financial instruments that are under master netting agreements and subject to offsetting, those that are under master netting agreements but not set off in the balance sheet, those that are not under any master netting agreements and not set off in the balance sheet, and lastly the theoretical set off resulting in deducting amounts under master netting agreement not set off and collaterals from amounts presented in the balance sheet.

As of December 31, 2023, the offsetting of financial assets and liabilities was as follows:

	Amounts under netting agreements set off in the balance sheet			Amounts not set off in the balance sheet				
(in millions of US$)	Gross amount of financial assets	Gross amount of financial liabilities	**Net amount recognized in the balance sheet**	Under netting greements and margin deposit	Not under netting agreements	**Total presented in the balance sheet**	Amounts under netting agreements not set off in the balance sheet and margin deposit - theoretical set off adjustment	**Total net amount**
Derivative assets (current and non-current)	584	(358)	**226**	107	1,363	**1,696**	(75)	**1,621**
Derivative liabilities (current and non-current)	(40)	68	**28**	105	1,408	**1,541**	(335)	**1,206**
Margin deposit assets (current and non-current)				663		**663**	(276)	**387**
Margin deposit liabilities				36		**36**	(16)	**20**
	624	**(426)**	**198**	**629**	**(45)**	**782**	**—**	**782**

As of December 31, 2022, the offsetting of financial assets and liabilities was as follows:

	Amounts under netting agreements set off in the balance sheet			Amounts not set off in the balance sheet				
(in millions of US$)	Gross amount of financial assets	Gross amount of financial liabilities	**Net amount recognized in the balance sheet**	Under netting agreements and margin deposit	Not under netting agreements	**Total presented in the balance sheet**	Amounts under netting agreements not set off in the balance sheet and margin deposit - theoretical set off adjustment	**Total net amount**
Derivative assets (current and non-current)	312	(174)	**138**	72	1,409	**1,619**	197	**1,816**
Derivative liabilities (current and non-current)	(188)	281	**93**	24	1,333	**1,450**	(468)	**982**
Margin deposit assets (current and non-current)				1,007		**1,007**	(719)	**288**
Margin deposit liabilities				67		**67**	(54)	**13**
	500	**(455)**	**45**	**988**	**76**	**1,109**	**—**	**1,109**

Notes Continued

5. Equity and Financing

5.1 Equity

(in millions of US$)	**2023**	2022
Issued capital	1	1
Share premium	1,586	1,586
Retained earnings	5,151	4,641
Other reserves	(108)	(132)
Equity attributable to owners of the company	**6,630**	**6,096**
Non-controlling interests	34	43
Total stockholders' equity and non-controlling interests	**6,664**	**6,139**

Stockholders' equity and non-controlling interests disclosed in the Financial Statements correspond to the equity used by Management when assessing performance.

Capital

When managing capital, the Group's objectives are to safeguard its ability to continue as a going concern so that it can provide returns to shareholders, bring benefits to its other partners and optimize the structure of capital in order to reduce its cost. In 2023, the Group's overall strategy remains unchanged from 2022.

As of December 31, 2023 and December 31, 2022, the capital of LDC is composed of 100,000,000 shares with a €0.01 nominal value each, that are issued and fully paid.

During the year ended December 31, 2023, LDC distributed US$503 million as dividends to LDCH, corresponding to a dividend payment of US$5.03 per share.

During the year ended December 31, 2022, LDC distributed US$348 million as dividends to LDCH, corresponding to a dividend payment of US$3.48 per share.

Other Reserves

As of December 31, 2023 and December 31, 2022, Other reserves relate to Other Comprehensive Income (OCI).

OCI is composed of cash flow and net investment hedges, pensions' reserves and foreign currency translation adjustment as described below.

Cash flow and net investment hedges reserves correspond to the effective portion of the gain or loss on the hedging instrument as described in Note 4.8.

Pensions' reserves correspond to the re-measurement gains and losses arising from defined benefit pension plans in accordance with IAS 19 Employee Benefits as described in Note 6.1.

Foreign currency translation adjustment are used to record exchange differences arising from the translation of the financial statements of the Group's foreign operations whose functional currencies are different from the US Dollar.

Changes in OCI for the years ended December 31, 2023 and December 31, 2022 are as follows:

(in millions of US$)	Cash flow and net investment hedges	Pensions' reserves	Foreign currency translation adjustment	**Total**
Balance as of January 1, 2023 - owners of the company share	**38**	**3**	**(173)**	**(132)**
of which:				
Pre-tax	45	4	(182)	**(133)**
Tax	(7)	(1)	—	**(8)**
Non-controlling share	—	—	(9)	**(9)**
Current year gains (losses)	24	1	(5)	**20**
Reclassification to profit and loss	(30)	—	37	**7**
Transaction with non-controlling interests	—	—	(3)	**(3)**
OCI for the year - owners of the company share	**(6)**	**1**	**29**	**24**
of which:				
Pre-tax	3	1	35	**39**
Tax	(9)	—	—	**(9)**
Non-controlling share	—	—	6	**6**
Balance as of December 31, 2023 - owners of the company share	**32**	**4**	**(144)**	**(108)**
of which:				
Pre-tax	48	5	(147)	**(94)**
Tax	(16)	(1)	—	**(17)**
Non-controlling share	—	—	(3)	**(3)**

(in millions of US$)	Cash flow and net investment hedges	Pensions' reserves	Foreign currency translation adjustment	**Total**
Balance as of January 1, 2022 - owners of the company share	**(57)**	**32**	**(119)**	**(144)**
of which:				
Pre-tax	(77)	42	(124)	**(159)**
Tax	20	(10)	—	**10**
Non-controlling share	—	—	(5)	**(5)**
Current year gains (losses)	86	15	(59)	**42**
Reclassification to profit and loss	8	—	5	**13**
Change in the list of consolidated companies	—	(44)	—	**(44)**
Others	1	—	—	**1**
OCI for the year - owners of the company share	**95**	**(29)**	**(54)**	**12**
of which:				
Pre-tax	122	(38)	(58)	**26**
Tax	(27)	9	—	**(18)**
Non-controlling share	—	—	(4)	**(4)**
Balance as of December 31, 2022 - owners of the company share	**38**	**3**	**(173)**	**(132)**
of which:				
Pre-tax	45	4	(182)	**(133)**
Tax	(7)	(1)	—	**(8)**
Non-controlling share	—	—	(9)	**(9)**

Notes Continued

5.2 Long-Term Debt

As of December 31, 2023 and December 31, 2022, long-term debt consists of the following:

(in millions of US$)	Notes	2023	2022
Non-current portion of long-term financing		4,250	3,789
Non-current portion of lease liabilities	7.1	438	318
Non-current portion of long-term debt		**4,688**	**4,107**
Current portion of long-term financing		88	526
Current portion of lease liabilities	7.1	219	190
Current portion of long-term debt		**307**	**716**
Total long-term debt		**4,995**	**4,823**

The tables below only refer to long-term financing.

As of December 31, 2023 and December 31, 2022, long-term financing by currency after hedge is analyzed as follows:

	2023				2022			
(in millions of US$)	Debt capital markets	Revolving credit facilities	Term loans from banks	**Total**	Debt capital markets	Revolving credit facilities	Term loans from banks	**Total**
US Dollar	1,267	(12)	2,639	**3,894**	1,522	(12)	2,305	**3,815**
Euro	—	—	341	**341**	—	—	315	**315**
Australian Dollar	—	—	—	**—**	—	—	132	**132**
Chinese Yuan	—	—	88	**88**	—	—	38	**38**
Other currencies	—	15	—	**15**	—	15	—	**15**
Total long-term financing	**1,267**	**3**	**3,068**	**4,338**	**1,522**	**3**	**2,790**	**4,315**

Certain portions of this financing, aggregating US$171 million as of December 31, 2023 and US$121 million as of December 31, 2022, are secured by mortgages on assets.

Certain senior debt and bank loans contain covenants that require maintenance of levels of working capital, net worth, debt to equity ratios, dividend restrictions and limit of indebtedness. As of December 31, 2023, the Group complied with all the covenants included in its loan agreements with banks.

The following is a comparative summary of outstanding long-term financing, current and non-current portions:

(in millions of US$)	Nature of the rate after hedge	Interest rate after hedge	2023 Less than 1 year	1 - 3 years	3 - 5 years	More than 5 years	Total
Eurobond 25	Fixed rate	3.56%	—	717	—	—	**717**
Eurobond 28	Fixed rate	3.29%	—	—	550	—	**550**
Other LT financing	Fixed rate	2.03% ~ 6.00%	1	553	645	394	**1,593**
Other LT financing	Floating rate	Rate over SOFR	51	217	406	311	**985**
Other LT financing	Floating rate	Rate over EURIBOR	—	215	89	—	**304**
Other LT financing	Floating rate	Rate over TJLP	7	11	10	31	**59**
Other LT financing	Floating rate	Other variable rates	29	20	14	67	**130**
Total long-term financing			**88**	**1,733**	**1,714**	**803**	**4,338**

(in millions of US$)	Nature of the rate after hedge	Interest rate after hedge	2022 Less than 1 year	1 - 3 years	3 - 5 years	More than 5 years	Total
USD RegS bond 23	Fixed rate	5.25%	300	—	—	—	**300**
Eurobond 25	Fixed rate	3.56%	—	692	—	—	**692**
Eurobond 28	Fixed rate	3.29%	—	—	—	530	**530**
Other LT financing	Fixed rate	0.11% ~ 6.25%	—	713	785	145	**1,643**
Other LT financing	Floating rate	Rate over LIBOR	76	226	5	14	**321**
Other LT financing	Floating rate	Rate over SOFR	—	127	118	63	**308**
Other LT financing	Floating rate	Rate over EURIBOR	—	48	245	—	**293**
Other LT financing	Floating rate	Rate over TJLP	3	7	7	26	**43**
Other LT financing	Floating rate	Other variable rates	147	1	4	33	**185**
Total long-term financing			**526**	**1,814**	**1,164**	**811**	**4,315**

The unrated senior bond issued in 2017 for US$300 million (six-year maturity, 5.25% coupon) was reimbursed in June 2023.

As of December 31, 2023, the main difference between the fair value of long-term financing and its historical value amounts to US$(51) million and relates to the listed senior bonds for which fair value is US$1,216 million, compared to US$1,267 million net book value.

Changes in long-term financing for the years ended December 31, 2023 and December 31, 2022 are as follows:

(in millions of US$)	**2023**	2022
Balance as of January 1	**4,315**	**4,274**
Proceeds from long-term financing	540	731
Repayment of long-term financing	(598)	(605)
Foreign exchange	18	(149)
Change in the list of consolidated companies	—	48
Capitalized interests	16	—
Others	47	16
Closing balance	**4,338**	**4,315**

Change in the List of Consolidated Companies

In 2022, US$48 million long-term financing (current portion) was incorporated in the Group following the acquisition of Emerald Grain (refer to Note 1.4).

Notes Continued

5.3 Short-Term Debt

The Group finances most of its short-term requirements through bank loans, acceptances and commercial paper.
The underlying agreements require certain companies to maintain minimum levels of net worth and to meet various liquidity tests.

As of December 31, 2023 and December 31, 2022, short-term debt consists of the following:

	2023				
(in millions of US$)	Bank loans	Commercial paper	Bank overdrafts	Repurchase agreements	**Total**
US Dollar	1,034	103	129	3	**1,269**
Euro	7	134	29	—	**170**
Indonesian Rupiah	114	—	—	—	**114**
Pakistani Rupee	—	—	82	—	**82**
Chinese Yuan	80	—	—	—	**80**
Australian Dollar	66	—	—	—	**66**
Canadian Dollar	—	—	63	—	**63**
South African Rand	—	—	6	—	**6**
Other currencies	35	—	21	—	**56**
Total short-term debt	**1,336**	**237**	**330**	**3**	**1,906**

	2022					
(in millions of US$)	Bank loans	Commercial paper	Bank overdrafts	Repurchase agreements	Securities short positions	**Total**
US Dollar	1,038	212	115	32	7	**1,404**
Euro	5	309	31	—	—	**345**
Argentine Peso	—	—	—	202	—	**202**
Indonesian Rupiah	91	—	—	—	—	**91**
South African Rand	—	—	47	—	—	**47**
Australian Dollar	20	—	—	—	—	**20**
Pakistani Rupee	—	—	19	—	—	**19**
Other currencies	8	—	9	—	—	**17**
Total short-term debt	**1,162**	**521**	**221**	**234**	**7**	**2,145**

The Group enters into repurchase agreements, which are arrangements involving the sale of securities at a specified price with an irrevocable commitment to repurchase the same or similar securities at a fixed price on a specified future date or with an open maturity.

Certain portions of this financing, aggregating US$8 million as of December 31, 2023, are secured by mortgages on assets.

As of December 31, 2023 and December 31, 2022, there is no significant difference between the historical value and fair value of short-term debt.

Changes in short-term debt for the years ended December 31, 2023 and December 31, 2022 are as follows:

(in millions of US$)	**2023**	2022
Balance as of January 1	**2,145**	**3,922**
Net proceeds from (repayment of) short-term debt	(236)	(1,753)
Foreign exchange	(7)	(12)
Change in the list of consolidated companies	—	(12)
Others	4	—
Closing balance	**1,906**	**2,145**

Net Proceeds From (Repayment of) Short-Term Debt

This line included changes in repurchase agreements and securities short positions (US$(238) million in 2023 and US$74 million in 2022), reported as changes in derivatives in the consolidated statement of cash flows. This line excluded changes in related parties' advances (US$(75) million in 2023 and US$(144) million in 2022), reported as "Net proceeds from (repayments of) short-term debt and related parties' loans and advances" in the consolidated statement of cash flows.

5.4 Non-Current Financial Assets

Non-current financial assets mainly include:

- Non-current financial assets measured at amortized cost using the effective interest method such as long-term loans and deposits which meet SPPI (Solely Payments of Principal and Interests) test requirements under IFRS 9;
- Non-current derivatives with maturity above 12 months designated as hedging instrument in a hedge accounting relationship measured at fair value through other comprehensive income (OCI); and
- Investments in equity instruments not held for trading purposes that the Group intends to keep during more than 12 months after the closing date of the period. Those investments are measured at fair value through profit and loss. The Group did not elect for the irrevocable option to measure any investment in equity instruments at fair value through OCI with no recycling through the consolidated income statement.

As of December 31, 2023 and December 31, 2022, non-current financial assets consist of the following:

(in millions of US$)	**2023**	2022
Deposits and others at amortized cost	210	308
Including margin deposits	*135*	*233*
Derivative assets at fair value through OCI	23	48
Investments in equity instruments at fair value through profit and loss	78	89
Non-current financial assets	**311**	**445**

Derivative assets at fair value through OCI correspond to non-current derivatives with maturity above 12 months designated as hedging instrument in a hedge accounting relationship (refer to Note 4.8). The 2022 change in presentation consisted in the following reclassifications:

- the above mentioned derivatives from the line "Derivative assets", and
- margin deposits related to non-current derivative liabilities from the line "Margin deposits".

Notes Continued

5.5 Other Financial Assets at Fair Value Through Profit and Loss

Other financial assets at fair value through profit and loss include short-term securities with an initial maturity greater than three months and bonds relating to the financial trading activity as well as other financial assets designated upon recognition at fair value through profit and loss. It also includes investments in non-consolidated equity instruments on which the Group does not exercise significant influence, joint control or control.

As of December 31, 2023 and December 31, 2022, other financial assets at fair value through profit and loss consist of the following:

(in millions of US$)	**2023**	2022
Marketable securities held for trading	462	297
Short-term securities	9	—
Reverse repurchase agreement loan	40	40
Investments in equity instruments	11	19
Other financial assets at fair value through profit and loss	**522**	**356**

As of December 31, 2023, short-term securities relate to cash deposits pledged as collaterals.

In 2022, marketable securities held for trading are mainly related to Repurchase Agreements reported within "Short-term debt" (refer to Note 5.3).

5.6 Cash and Cash Equivalents

Cash and cash equivalents include highly liquid investments with a maturity of three months or less at the time of the acquisition. Treasury bills, money market funds, commercial paper, bank certificates of deposit and marketable securities having insignificant risk of change in value qualify under this definition. Short-term securities classified as "Cash equivalents" are recorded at fair value through profit and loss with changes in fair value recognized in the "Interest income" line of the consolidated income statement. Changes in bank overdrafts that form part of the financing activities are presented as an increase (decrease) in short-term debt in the consolidated statement of cash flows.

As of December 31, 2023 and December 31, 2022, cash and cash equivalents are as follows:

(in millions of US$)	**2023**	2022
Cash equivalents	902	500
Cash	596	684
Cash and cash equivalents	**1,498**	**1,184**

Cash equivalents include US$91 million of securities or cash deposits pledged as collaterals as of December 31, 2023 (US$16 million as of December 31, 2022).

As of December 31, 2023 and December 31, 2022, there is no material difference between the historical value and fair value of cash and cash equivalents.

6. Employees

6.1 Employee Benefits

Short-Term Employee Benefits

Short-term employee benefits include wages, salaries, social security contributions, compensated absences, profit-sharing and bonuses and are expected to be fully settled within 12 months after the end of the reporting period. Short-term employee benefit obligations are measured on an undiscounted basis and are recognized in the income statement as the related service is provided. A liability is recognized for the amount expected to be paid under short-term cash bonus plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employees and the obligation can be estimated reliably.

Pensions and Post-Retirement Benefits

Defined contribution plans are funded by contributions paid by employees and Group companies to the organizations responsible for managing the plans. The Group's obligations are limited to the payment of such contributions which include total social contributions incurred by the Group in order to secure for its employees the entitlement to defined contribution pension schemes. It covers contributions made compulsory by law as well as those resulting from supplementary collectively agreed, contractual and voluntary schemes.

Defined benefit plans consist of either funded or unfunded plans. Obligations under these plans are generally determined by independent actuaries using the projected unit credit method.

The Group measures and recognizes post-employment benefits in accordance with IAS 19:

- Contributions to defined contribution plans are recognized as an expense;
- Defined benefit plans are measured using actuarial valuations.

The Group uses the projected unit credit method as the actuarial method for measuring its post-employment benefit obligations, on the basis of the national or company-wide collective agreements effective within each entity.

Factors used in calculating the obligation include length of service, life expectancy, salary inflation, staff turnover and macroeconomic assumptions specific to countries in which the Group operates (such as inflation rate and discount rate).

Actuarial gains and losses relating to defined benefit plans (pensions and other post-employment benefits), arising from the effects of changes in actuarial assumptions and experience adjustments, are recognized net of deferred taxes in other comprehensive income.

The liability recognized in the balance sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of each plan.

If the value of plan assets exceeds the obligation under the plan, the net amount is recognized as a non-current asset. Overfunded plans are recognized as assets only if they represent future economic benefits that will be available to the Group through future refunds from the plan or reductions in future contributions to the plan.

Other Long-Term Benefits

The Group's net obligation in respect of long-term benefits, other than post-employment plans, is the amount of future benefits that employees have earned in return for their service in the current and prior periods. They include mainly bonuses that are not expected to be settled wholly before 12 months after the end of the reporting period. They are recognized in the income statement as part of the "Commercial and administrative expenses". The corresponding debt is included within the lines "Other non-current liabilities" and "Trade and other payables" of the consolidated balance sheet, respectively for its non-current and current parts.

Notes Continued

Short-Term Employee Benefits

In 2023, personnel expenses reached US$1,012 million (US$948 million in 2022).

Defined Benefit Plans

The Group maintains pension plans in various countries, as prescribed by local laws and customs. The obligations of the Group to pay benefits upon retirement are provided for on an estimated annual basis. The estimates reflect assumptions as to future salary increases, employee turnover and mortality rates. The most significant retirement plans that require funding are in the United States of America (US).

As of December 31, 2023 and December 31, 2022, retirement benefit obligations are as follows:

	2023			2022		
(in millions of US$)	US	Other	**Total**	US	Other	**Total**
Long-term pension benefit	32	12	**44**	35	12	**47**
Post-retirement benefit	11	10	**21**	13	8	**21**
Retirement benefit obligations	**43**	**22**	**65**	**48**	**20**	**68**
Net plan asset[1]	**—**	**(2)**	**(2)**	**—**	**(1)**	**(1)**

1. Reported in “Trade and other receivables”.

US

The Group has various defined benefit pension plans in the US covering substantially all employees, which provide benefits based on years of service and compensation during defined years of employment. The funding policy is to contribute amounts sufficient to meet the minimum funding requirements. The Group also has unfunded post-retirement plans in the US that cover substantially all salaried employees. These plans provide medical, dental and life insurance benefits.

In 2022, the Group completed the sale of *Imperial Sugar Company* (ISC), which resulted in the settlement of certain defined benefit pension plans and other compensation plans. Post-retirement healthcare and life insurance benefits to former employees of ISC remain recognized as retirement benefit obligations in the consolidated balance sheet.

As of December 31, 2023 and December 31, 2022, movement in pension and post-retirement benefits liabilities recognized over the year is as follows:

	2023			
	Defined benefit pension plans			
(in millions of US$)	Present value of defined benefit obligation	Fair value of plan assets	Net liability for defined benefit pension plans	Post-retirement benefit
Balance as of January 1	**110**	**(75)**	**35**	**13**
Administrative expenses	—	1	1	—
Interest cost/(income)	5	(4)	1	1
Total net expenses	**5**	**(3)**	**2**	**1**
Return on plan assets excluding interest income	—	(7)	(7)	—
Effect of change from participant experience	1	—	1	(1)
Effect of change in financial assumptions	2	—	2	—
Total actuarial (gains)/losses in OCI	**3**	**(7)**	**(4)**	**(1)**
Contributions	—	(1)	(1)	(2)
Benefit payments	(10)	10	—	—
Net cashflow (outflow)/inflow	**(10)**	**9**	**(1)**	**(2)**
Closing balance	**108**	**(76)**	**32**	**11**

	2022				
	Defined benefit pension plans				
(in millions of US$)	Present value of defined benefit obligation	Fair value of plan assets	Reclass. to held for sale liabilities	Net liability for defined benefit pension plans - after HFS	Post-retirement benefit
Balance as of January 1	**377**	**(322)**	**(19)**	**36**	**18**
Administrative expenses	—	2	—	2	—
Interest cost/(income)	9	(8)	—	1	—
Settlement	2	—	—	2	—
Total net expenses	**11**	**(6)**	**—**	**5**	**—**
Return on plan assets excluding interest income	—	68	—	68	—
Effect of change in demographic assumptions	(1)	—	—	(1)	—
Effect of change from participant experience	1	—	—	1	—
Effect of change in financial assumptions	(74)	—	—	(74)	(2)
Total actuarial (gains)/losses in OCI	**(74)**	**68**	**—**	**(6)**	**(2)**
Contributions	—	(9)	—	(9)	(3)
Benefit payments	(19)	19	—	—	—
Annuity purchase	(16)	16	—	—	—
Net cashflow (outflow)/inflow	**(35)**	**26**	**—**	**(9)**	**(3)**
Change in the list of consolidated companies	(169)	159	19	9	—
Closing balance	**110**	**(75)**	**—**	**35**	**13**

The discount rate is 4.88% as of December 31, 2023 (4.99% as of December 31, 2022).

Notes Continued

The plan assets are detailed as follows:

(in millions of US$)	**2023**	2022
Large US Equity	(29)	(21)
Small/Mid US Equity	(3)	(2)
International Equity	(10)	(8)
Bond	(34)	(44)
Total plan assets	**(76)**	**(75)**

All plan assets are stated at fair value and consist of pooled accounts valued at cumulative net asset value ("NAV") based on the closing market value of the units bought or sold as of the valuation date. Plan assets are classified under Level 2 of the valuation hierarchy.

The Group maintains a diversified investment portfolio principally invested in equities and fixed-income securities. The investment policy and objectives of these plans include providing a total return that exceeds inflation, while minimizing principal risk to meet or exceed the benefit obligations for its participants. Assets of these plans are reviewed on a periodic basis to ensure asset performance is within policy guidelines.

Other

Other long-term pension benefit plans are mainly in the United Kingdom and Switzerland. Pension benefits liabilities recognized in the consolidated balance sheet are as follows as of December 31, 2023 and December 31, 2022:

	2023			
(in millions of US$)	United Kingdom	Switzerland	Others	**Total**
Present value of obligations	74	73	7	**154**
Fair value of plan assets	(69)	(73)	—	**(142)**
Liability in the balance sheet	**5**	**—**	**7**	**12**

	2022			
(in millions of US$)	United Kingdom	Switzerland	Others	**Total**
Present value of obligations	72	57	5	**134**
Fair value of plan assets	(65)	(59)	—	**(124)**
Asset ceiling	—	2	—	**2**
Liability in the balance sheet	**7**	**—**	**5**	**12**

6.2 Number of Employees

The average number of employees for the years ended December 31, 2023 and December 31, 2022 is as follows:

	2023	2022
Managers and traders	1,834	1,739
Supervisors	1,674	1,551
Employees	4,738	4,365
Workers	7,362	7,278
Seasonal workers	2,818	2,734
Number of employees	**18,426**	**17,667**

7. Leases and Other Information

7.1 Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. The contract is a lease if it conveys the right to control the use of an identified asset for a period of time (lease term) in exchange for consideration, meaning the right to obtain substantially all economic benefits and the right to direct the use of such asset over the lease period.

The lease term is defined as the non-cancellable period for which a lessee has the right to use an underlying asset. The term shall include both option to extend the lease or option to terminate the lease if the lessee is reasonably certain to exercise those options, considering business continuity among others. When determining the lease term, Management reviewed existing renewal and termination options taking into account economic factors.

Lessor

The Group acts as a sub-lessor only in short-term leases of vessels, which are classified as operating leases. The corresponding lease payments received are recognized as income in "Gross margin" over the lease term.

Lessee

As a lessee, the Group is mainly involved in leases of lands, warehouses, production lines, harvesting machinery, tractors, railcars, office spaces, vessels and cars.

At commencement date, the Group recognizes a right-of-use asset and a lease liability. In the consolidated balance sheet, the Group presents right-of-use assets in "Property, plant and equipment" and lease liabilities in "Long-term debt" for the non-current part and "Current portion of long-term debt" for the current one.

The **right-of-use asset** is initially measured at cost, which corresponds to the initial amount of the lease liability adjusted for (i) any lease payment made at or before commencement date, (ii) any initial direct costs incurred by the lessee, (iii) an estimate of any obligatory costs to be incurred in dismantling and/or restoring the underlying asset or its site as per the contractual terms of the lease and (iv) less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those used for the underlying asset (i.e. property, plant and equipment). In addition, the right-of-use asset is reduced by impairment losses, if any, and adjusted for remeasurements of the lease liability. The depreciation cost is recognized either through the "Cost of sales" or the "Commercial and administrative expenses" lines of the consolidated income statement, depending on the nature of the lease.

The **lease liability** is initially measured at the present value of future lease payments at the commencement date, discounted using the implicit interest rate in the lease or the lessee's incremental borrowing rate (when the previous one is not easily determined). Generally, the Group uses its incremental borrowing rate as the discount rate. By simplification, the incremental borrowing rate is calculated for each monetary zone using the risk-free rate applicable in the zone, plus the Group's risk premium for the local currency.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments, including in-substance fixed payments;
- Variable lease payments depending on an index or rate;
- Residual value guarantees;
- Exercise price of a purchase option and penalties due to early termination option (if expected to be exercised).

The lease liability is subsequently measured at amortized cost using the effective interest method. Its carrying amount is increased to reflect interest on the liability, reduced to reflect lease payments and remeasured to reflect reassessment or lease modification. The "Interest expense on leases" is recognized through the "Other financial income and expense" line of the consolidated income statement. The lease payments are reported in the line "Repayment of lease liabilities" of the consolidated statement of cash flows.

Some contracts contain both lease and non-lease components. The Group elects not to separate non-lease components from lease components except for vessel chartering contracts, for which the running costs are excluded from the lease in order to determine a bareboat equivalent lease component.

Low Value Assets and Short-Term Leases

The Group does not recognize right-of-use assets and lease liabilities for short-term leases (lease term of 12 months or less) and leases of individually low-value assets. The lease payments associated with these leases are recorded as an expense on a straight-line basis over the lease term through the "Cost of sales" or the "Commercial and administrative expenses" lines of the consolidated income statement depending on the nature of the lease.

Notes Continued

Right-of-use assets are included within property, plant and equipment. Changes in the net value of right-of-use assets for the years ended December 31, 2023 and December 31, 2022 are as follows:

	2023						2022
(in millions of US$)	Land	Buildings and offices	Machinery and equipment	Vessels	Other tangible assets	**Total**	**Total**
Balance as of January 1	**124**	**130**	**93**	**210**	**2**	**559**	**599**
New leases and additions	35	42	80	264	3	**424**	286
Early terminations, disposals and decreases	(9)	(5)	—	(5)	—	**(19)**	(71)
Acquisitions through business combinations	—	—	—	—	—	**—**	18
Depreciation and impairment	(12)	(33)	(36)	(194)	(2)	**(277)**	(264)
Foreign currency translation adjustment	(1)	—	(1)	—	—	**(2)**	(9)
Closing balance	**137**	**134**	**136**	**275**	**3**	**685**	**559**

New Leases and Additions

In 2023, new leases and additions include US$37 million right-of-use of an oilseeds crushing plant in Zhangjiagang, Jiangsu, China, US$21 million right-of-use of railroad cars, US$34 million right-of-use linked to agricultural partnerships in Brazil, US$18 million right-of-use of Cotton warehouses in the US and US$264 million right-of-use of vessels, including new long-term time charter contracts and remeasurement of some contracts resulting from a change in index.

In 2022, new leases and additions include US$26 million right-of-use of railroad cars, US$10 million right-of-use of juice extractors and US$192 million right-of-use of vessels, including new long-term time charter contracts and remeasurement of some contracts resulting from a change in index.

Early Terminations, Disposals and Decreases

In 2023, early terminations, disposals and decreases of vessels are mainly related to the remeasurement of contracts resulting from a change in index. The remaining decrease is mainly due to early terminations of agricultural partnerships in Brazil.

Acquisitions Through Business Combinations

In 2022, the Group acquired US$18 million right-of-use related to port area in Melbourne, Australia, through the acquisition of Emerald Grain (refer to note 1.4).

Lease liabilities are included within long-term debt and current portion of long-term debt.

Changes in lease liabilities for the years ended December 31, 2023 and December 31, 2022 are as follows:

	2023			2022		
(in millions of US$)	Non-current portion	Current portion	**Total**	Non-current portion	Current portion	**Total**
Balance as of January 1	**318**	**190**	**508**	**335**	**193**	**528**
New leases and additions	245	179	**424**	129	157	**286**
Payments	—	(261)	**(261)**	—	(252)	**(252)**
Early terminations, disposals and decreases	(8)	(11)	**(19)**	(27)	(44)	**(71)**
Acquisitions through business combinations	—	—	**—**	17	1	**18**
Reclassification	(119)	119	**—**	(132)	132	**—**
Foreign exchange	2	1	**3**	—	2	**2**
Foreign currency translation adjustment	—	—	**—**	(4)	1	**(3)**
Others	—	2	**2**	—	—	**—**
Closing balance	**438**	**219**	**657**	**318**	**190**	**508**

The amounts recognized in the consolidated income statement for the years ended December 31, 2023 and December 31, 2022 are as follows:

(in millions of US$)	**2023**	2022
Variable lease expenses	(5)	(9)
Short-term lease expenses	(464)	(794)
Low-value asset lease expenses	—	—
Income from sub-leasing	203	324

The decrease in short-term lease expenses and income from sub-leasing are related to freight activity in a context of decreasing prices.

For the year ended December 31, 2023, the total cash outflow for leases amounts to US$(730) million (US$(1,055) million as of December 31, 2022).

The Group is committed to lease oilseeds refinery and bottle oil lines inside the crushing plant in Zhangjiagang, Jiangsu, China, for 10 years that was commissioned in the second half of 2023. The delivery of those lines is expected in the first half of 2024, and the estimated annual consideration is CNY18 million.

7.2 Commitments and Contingencies

Commitments

Commodity contracts presented in commitments are purchase or sale contracts entered into and which continue to be held for the purpose of the receipt or delivery of the non-financial item in accordance with the entity's expected purchase, sale or usage requirements (including amount and timing of payments). Purchase contractual agreements are contracts to purchase goods or services, including orange boxes and fuel. Sale contractual agreements are contracts to sell goods, including hulls and glycerin, frozen concentrate or not-from-concentrate juice, juice by-products and apple juice.

Advance market commitments comprise bid and performance bonds in a tender. A bid bond ensures that on acceptance of a bid by the customer, the contractor will proceed with the contract and will replace the bid bond with a performance bond. A performance bond is issued to one party of a contract as a guarantee against the failure of the other party to meet obligations specified in the contract.

A letter of credit is a commitment issued by a bank on behalf of the Group to guarantee a payment that must be made to a third party as the result of an import/export transaction.

Capex commitment is the amount the Group has committed to spend on fixed assets in the future.

Guarantees and collaterals received aim at insuring advances to suppliers and trade receivables of the Group..

Notes Continued

As of December 31, 2023 and December 31, 2022, the Group has commitments to purchase or sell non-trading commodities that consist of the following:

(in millions of US$)	Quantities' unit	2023 Quantities	2023 **Estimated amount**	2023 Maturity	2022 Quantities	2022 Estimated amount
Commitments to purchase						
Orange boxes[1]	Million boxes	31	**159**	2029	40	198
Fuel	MMBtus[2]	3	**11**	2024	1	5
Glycerin	Ktons	2	**1**	2024	—	—
			171			**203**
Commitments to sell						
Glycerin	Ktons	27	**20**	2025	22	45
Frozen concentrate orange juice	Ktons	110	**451**	2026	108	227
Not-from-concentrate citrus juice	KCmeters[3]	293	**167**	2025	357	150
Juice by-products	Ktons	21	**38**	2025	19	32
Apple juice	Ktons	22	**37**	2025	20	35
Others	Ktons	23	**9**	2025	31	7
			722			**496**

1. Of which US$15million may fall in the following year.
2. Million British thermal units.
3. Thousand cubic meters

In addition, the Group has the following commitments:

(in millions of US$)	2023 **Estimated amount**	2022 Estimated amount
Commitments given		
Letters of credit	48	78
Bid and performance bonds	140	160
Capex commitments	288	147
Guarantees given	290	265
Other commitments	24	31
	790	**681**
Commitments received		
Guarantees and collaterals received	301	395
	301	**395**

As of December 31, 2023, capex commitments are mainly related to investments in export terminals, in the expansion of the canola processing plant and the construction of a pea protein isolate production plant, both in Yorkton, Saskatchewan, Canada and in the construction of a soybean processing plant in Upper Sandusky, Ohio, US, which are under construction.

Contingencies

Audits from local tax authorities are carried out regularly and may dispute positions taken by the Group, in particular those regarding the allocation of income among various tax jurisdictions, value added taxes or export taxes. In accordance with its accounting policies, the Group may decide to record provisions when tax-related risks are considered probable to generate a payment to tax authorities.

During past years, *LDC Argentina S.A.* received several tax assessments challenging transfer prices used to price exports for different years between 2005 and 2012. As of December 31, 2023, these tax assessments amounted to US$6 million, decreasing by US$20 million compared to December 31, 2022, due to the Argentine peso depreciation. *LDC Argentina S.A.* could receive additional tax notifications for subsequent years.

In addition, *LDC Argentina S.A.* has received several tax assessments challenging certain custom duties related to Paraguayan soybean imports totaling US$81 million for the years from 2007 to 2009. Other large exporters and processors of cereal grains and other agricultural commodities have received similar tax assessments in this country.

As of December 31, 2023, *LDC Argentina S.A.* has reviewed the evaluation of all its tax positions. Based on Argentine tax law as well as advice from its legal counsel, *LDC Argentina S.A.* still considers that its tax positions are suitable but cannot predict the ultimate outcome of these ongoing or future examinations.

Louis Dreyfus Company LLC (LDC LLC) and certain of its affiliates (including LDC) were named as defendants in a consolidated action in US federal court in New York, alleging manipulation and artificial inflation of the ICE Cotton No. 2 futures contracts for May 2011 and July 2011 in violation of the US Commodity Exchange Act and antitrust laws (the Class Action"). The defendants filed an answer denying the claims in the Class Action. The court denied defendants' motions for summary judgment on the claims in the Class Action, as well as the major part of defendants' motions to exclude the testimony of certain of the plaintiffs' experts. The court granted the plaintiffs' motion for class certification in the Class Action. Subsequently, two class members who opted out of the Class Action filed a separate action against the same defendants and asserted individual claims substantially similar to those in the Class Action. The defendants filed an answer denying the claims in this separate action. No trial date has been scheduled in the actions. These matters are in pre-trial proceedings and the company cannot predict their ultimate outcome.

LDC LLC and one of its subsidiaries were named as defendants in lawsuits pending in various US state and federal courts arising out of *Syngenta A.G.* and its affiliates' (Syngenta) marketing and distribution of genetically modified corn seed (containing the MIR 162 trait) in the US. The LDC companies and other grain companies were named as defendants in numerous individual and purported class action suits filed by farmers and other parties in several US state and federal courts beginning in the fourth quarter of 2015, alleging that the LDC companies and other grain companies were negligent in failing, among other things, to screen for genetically modified corn. Those actions (other than the action filed in federal and state courts in Illinois) were consolidated for pre-trial proceedings in a multidistrict litigation (MDL) proceeding in federal court. In 2016 and 2017, the MDL court and the federal and state courts in Illinois granted motions to dismiss the claims against the LDC companies and the other grain companies in all cases where LDC companies were named as defendants. Although named as a defendant in the above-described cases, LDC was only required to respond to the complaint in one of the cases and was dismissed on the same grounds as LDC LLC.

In December 2018, approximately 170 new cases were filed in Illinois state court by farmers and other parties naming LDC LLC, one of its subsidiaries and LDC, as defendants and making similar allegations as in the cases described above. In January 2020, these cases against the LDC defendants were dismissed by the court. Plaintiffs in the Illinois state court cases appealed the dismissal of those cases to the Illinois appellate court, which affirmed the dismissal of the cases in June 2023. Plaintiffs failed to file for further review and the dismissal of the cases is final.

There are various claims and ongoing regulatory investigations asserted against and by the Group that, in the opinion of counsel, based on a review of the present stages of such claims in the aggregate, should not have a material effect on the Group's financial position or future operating results.

As of February 2022, the Russia-Ukraine crisis resulted in impossibility to export from Ukraine for several months. As a consequence, the Group incurred significant additional costs and damages. In the face of its insurers refusal to admit cover under the relevant policies, the Group decided, in November 2023, to pursue its claim before the *Tribunal de Commerce of Paris*. Whilst the Group believes the claim is well founded, the outcome of this claim cannot be predicted at this stage.

Notes Continued

7.3 Related Parties Transactions

Transactions with related parties for the years ended December 31, 2023 and December 31, 2022 are reflected as follows:

Income statement (in millions of US$)	**2023**	2022
Sales	117	117
Cost of goods sold	(1,043)	(918)
Commercial and administrative expenses	(1)	—
Finance costs, net	(2)	(4)

As of December 31, 2023 and December 31, 2022, outstanding balances with related parties are as follows:

Balance sheet (in millions of US$)	**2023**	2022
Financial advances to related parties	9	4
Trade and other receivables	23	13
Margin deposits	9	—
Derivatives assets	16	14
Total assets	**57**	**31**
Other non-current liabilities	2	—
Financial advances from related parties	45	77
Trade and other payables	48	33
Derivatives liabilities	27	3
Total liabilities	**122**	**113**

As of December 31, 2023, "Financial advances from related parties" comprises shareholder loans for US$33 million (US$71 million as of December 31, 2022).

Key management personnel compensation during the years ended December 31, 2023 and December 31, 2022 was as follows:

(in millions of US$)	**2023**	2022
Short-term benefits	58	44
Post-employment benefits	2	1
Other long-term benefits	50	38
Key management personnel compensation	**110**	**83**

7.4 Subsequent Events

There is no subsequent event that could affect the Financial Statements.

7.5 List of Main Subsidiaries

As of December 31, 2023 and December 31, 2022, the main consolidated subsidiaries of LDC are the following:

		2023		2022	
Company	Country	% of control	% of ownership	% of control	% of ownership
LDC Argentina S.A.	Argentina	100.00	100.00	100.00	100.00
Louis Dreyfus Company Emerald Australia Pty Ltd[1]	Australia	100.00	100.00	100.00	100.00
Louis Dreyfus Company Funding Australia Pty Ltd	Australia	100.00	100.00	—	—
Louis Dreyfus Company Grains Australia Pty Ltd[1]	Australia	100.00	100.00	100.00	100.00
LDC Enterprises Australia Pty. Ltd.	Australia	100.00	100.00	100.00	100.00
Namoi Cotton Marketing Alliance	Australia	85.00	85.00	85.00	85.00
Ilomar Holding N.V.	Belgium	100.00	100.00	100.00	100.00
Louis Dreyfus Company Brasil S.A.	Brazil	100.00	100.00	100.00	100.00
Louis Dreyfus Company Sucos S.A.	Brazil	100.00	100.00	100.00	100.00
Louis Dreyfus Company Canada ULC	Canada	100.00	100.00	100.00	100.00
Dongguan LDC Feed Protein Company Ltd.	China	100.00	100.00	100.00	100.00
Guangzhou Fuling Food Technology Co., Ltd	China	51.00	51.00	51.00	51.00
LDC (China) Trading Company Ltd.	China	100.00	100.00	100.00	100.00
LDC (Tianjin) Food Technology Limited Liability Company	China	100.00	100.00	100.00	100.00
LDC (Tianjin) International Business Company Ltd.	China	100.00	100.00	100.00	100.00
Louis Dreyfus (Shanghai) Co. Ltd.	China	100.00	100.00	100.00	100.00
Louis Dreyfus (Zhangjiagang) Feed Protein Company Ltd.	China	100.00	100.00	100.00	100.00
Louis Dreyfus Company Distribution France S.A.S.	France	100.00	100.00	100.00	100.00
Louis Dreyfus Company Wittenberg GmbH	Germany	100.00	100.00	100.00	100.00
Louis Dreyfus Company India Pvt. Ltd.	India	100.00	100.00	100.00	100.00
PT LDC East Indonesia	Indonesia	100.00	100.00	100.00	100.00
PT LDC Indonesia	Indonesia	100.00	100.00	100.00	100.00
Louis Dreyfus Company Mexico S.A. de C.V.	Mexico	100.00	100.00	100.00	100.00
Louis Dreyfus Company Finance B.V.	Netherlands	100.00	100.00	100.00	100.00
Louis Dreyfus Company Juices B.V.	Netherlands	100.00	100.00	100.00	100.00
Louis Dreyfus Company Sugar B.V.	Netherlands	100.00	100.00	100.00	100.00
Louis Dreyfus Company Ventures B.V.	Netherlands	100.00	100.00	100.00	100.00
Louis Dreyfus Company Polska SP. z.o.o.	Poland	100.00	100.00	100.00	100.00
Louis Dreyfus Company Senegal	Senegal	100.00	100.00	100.00	100.00
Louis Dreyfus Company Asia Pte. Ltd.	Singapore	100.00	100.00	100.00	100.00
Louis Dreyfus Company Freight Asia Pte. Ltd.	Singapore	100.00	100.00	100.00	100.00
Louis Dreyfus Company Funding SSEA Pte. Ltd.	Singapore	100.00	100.00	100.00	100.00
Louis Dreyfus Company Africa Pty. Ltd.	South Africa	100.00	100.00	100.00	100.00
Louis Dreyfus Company España S.A.	Spain	100.00	100.00	100.00	100.00
Louis Dreyfus Company Suisse S.A.	Switzerland	100.00	100.00	100.00	100.00
Louis Dreyfus Company Ukraine Ltd.	Ukraine	100.00	100.00	100.00	100.00
LDC Trading & Service Co. S.A.	Uruguay	100.00	100.00	100.00	100.00
LDC Uruguay S.A.	Uruguay	100.00	100.00	100.00	100.00
Louis Dreyfus Company Agricultural Industries LLC	US	100.00	100.00	100.00	100.00
Louis Dreyfus Company Claypool Holdings LLC	US	100.00	100.00	100.00	100.00
Louis Dreyfus Company Cotton LLC	US	100.00	100.00	100.00	100.00
Louis Dreyfus Company Ethanol Merchandising LLC[2]	US	—	—	100.00	100.00
Louis Dreyfus Company Grains Merchandising LLC	US	100.00	100.00	100.00	100.00
Louis Dreyfus Company Grand Junction LLC	US	100.00	100.00	100.00	100.00
Louis Dreyfus Company LLC	US	100.00	100.00	100.00	100.00
Louis Dreyfus Company NA Finance One LLC	US	100.00	100.00	100.00	100.00
Louis Dreyfus Company Port Allen Elevator LLC	US	100.00	100.00	100.00	100.00
Louis Dreyfus Company River Elevators LLC	US	100.00	100.00	100.00	100.00
Louis Dreyfus Company Trading LP	US	100.00	100.00	100.00	100.00
Term Commodities Inc.	US	100.00	100.00	100.00	100.00
Louis Dreyfus Company Vietnam Trading and Processing Co. Ltd.	Vietnam	100.00	100.00	100.00	100.00

1. *Emerald Grain Australia Pty* and *Emerald Grain Pty Ltd* were respectively renamed *Louis Dreyfus Company Grains Australia Pty Ltd* and *Louis Dreyfus Company Emerald Australia Pty Ltd* in 2023.
2. *Louis Dreyfus Company Ethanol Merchandising LLC.* was merged into *Louis Dreyfus Company Grand Junction LLC.* in 2023.

Appendix

Corporate Governance

Supervisory Board

Louis Dreyfus Company International Holding B.V.

Margarita Louis-Dreyfus
Non-Executive Chairperson

Gil Adotevi

Victor Balli

Alex Cesar

Michel Demaré

Mehdi El Glaoui

Andreas Jacobs

Marcos de Quadros

Kaj-Erik Relander

Supervisory Board Committees

Audit Committee

Victor Balli
Chairperson

Michel Demaré

Marcos de Quadros

Strategy Committee

Michel Demaré
Chairperson

Gil Adotevi

Andreas Jacobs

Margarita Louis-Dreyfus

Kaj-Erik Relander

Compensation, Nomination and Governance Committee

Mehdi El Glaoui
Chairperson

Gil Adotevi

Margarita Louis-Dreyfus

Managing Board

Louis Dreyfus Company International Holding B.V.

Hamad Al Shehhi

Maurice Kreft

Johannes Schol

Louis Dreyfus Company B.V.

Michael Gelchie

Maurice Kreft

Executive Group

Michael Gelchie
Chief Executive Officer

Guy-Laurent Arpino
Chief Information Officer

Enrico Biancheri
Head, Sugar Platform

Juan José Blanchard
Chief Operating Officer
Head, Latin America

Tim Bourgois
Global Trading Manager, Cotton Platform

Miguel Catella
Head, Global Markets

Ben Clarkson
Head, Coffee Platform

Thomas Couteaudier
Chief Strategy Officer

Nyame de Groot
Head, Carbon Solutions Platform

Tim Harry
Global Head, Business Development

Sébastien Landerretche
Head, Freight Platform

Guy de Montulé
Head, Rice Platform

Joe Nicosia
Trading Operations Officer
Head, Cotton Platform

Murilo Parada
Chief Sustainability Officer
Head, North Latin America Region

André Roth
Head, Grains & Oilseeds Platform

Jessica Teo
Chief Human Resources Officer

Patrick Treuer
Chief Financial Officer

James Zhou
Chief Commercial Officer
Head, Food & Feed Solutions Platform
Head, Asia Region

Material Topics

Material Topics Mapped to GRI 13 and the United Nations Sustainable Development Goals (SDGs)

Material Topics	GRI 13 topics	UN SDGs
Land Use or Habitat Change/ Degradation **Regenerative Agriculture** **Water Stewardship**	GRI 13.3 Biodiversity GRI 13.4 Natural ecosystem conversion GRI 13.5 Soil health GRI 13.6 Pesticides use GRI 13.7 Water and effluents	
Climate Change	GRI 13.1 Emissions GRI 13.2 Climate adaptation and resilience	
Business Ethics & Compliance	GRI 13.24 Public policy GRI 13.25 Anti-competitive Behavior GRI 13.26 Anti-corruption	

Material Topics	GRI 13 topics	UN SDGs
Human & L abor Rights	GRI 13.13 Land and resource rights GRI 13.14 Rights of indigenous peoples GRI 13.16 Forced or Compulsory Labor GRI 13.17 Child Labor GRI 13.18 Freedom of Association and Collective Bargaining	1 NO POVERTY 2 ZERO HUNGER 5 GENDER EQUALITY 8 DECENT WORK AND ECONOMIC GROWTH 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 13 CLIMATE ACTION 15 LIFE ON LAND
Diversity, Equity & Inclusion **Occupational Health & Safety** **Human Capital Management**	GRI 13.15 Non-discrimination and equal opportunity GRI 13.19 Occupational Health and Safety GRI 13.20 Employment practices GRI 13.21 Living income and living wage	1 NO POVERTY 2 ZERO HUNGER 3 GOOD HEALTH AND WELL-BEING 5 GENDER EQUALITY 8 DECENT WORK AND ECONOMIC GROWTH
Farmer Livelihood **Food Security**	GRI 13.12 Local communities GRI 13.9 Food security GRI 13.22 Economic inclusion	1 NO POVERTY 2 ZERO HUNGER 3 GOOD HEALTH AND WELL-BEING 5 GENDER EQUALITY 6 CLEAN WATER AND SANITATION 8 DECENT WORK AND ECONOMIC GROWTH 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 13 CLIMATE ACTION 17 PARTNERSHIPS FOR THE GOALS
Responsible Sourcing	GRI 13.23 Supply chain traceability	12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Material Topics and Definitions

Topic	2024
Climate Change	Encouraging collaborative action to decarbonize LDC's own operations and its value chain. Developing low carbon intensity products and solutions for LDC's own operations, our customers and suppliers. Participating in global carbon credits markets. Assessing climate-related risks and opportunities. Adjust to the current and expected effects of climate change in LDC's own operations and our value chain.
Land Use or Habitat Change/ Degradation	Deforestation or changes in the management of the ecosystem or agroecosystem (e.g., through the intensification of agricultural management, use of pesticide/chemicals or forest harvesting) that inevitably contribute to biodiversity loss.
Regenerative Agriculture	Promoting the assessment, dissemination and accreditation of agricultural practices that follow and respect social and environmental standards (e.g. human rights preservation activities, socio-environmental certifications). Training and enabling farmers to adopt regenerative agricultural practices.
Water Stewardship	Addressing water scarcity and safety across LDC's own operations and its value chain. Promoting sustainable water use, minimizing LDC's water footprint, protecting water resources and avoiding watersheds contamination.
Farmer Livelihood	Supporting the economic inclusion of farmers and foster smallholder-inclusive business models where LDC operates (e.g., through investments, partnerships, or training).
Food Security	Building resilience in food systems to ensure affordable, accessible and sustainable nutrition.
Human and Labor Rights	Continuous efforts to eliminate forced labor, child labor, wage discrimination, gender-based violence or harassment. Identifying and appropriately engage with indigenous peoples and migrants where they are present and potentially impacted by the enterprise's activities.
Responsible Sourcing	Integrating environmental, social and governance criteria in the procurement and sourcing process. Establishing internal processes, systems and supplier compliance scheme to secure the traceability of products origin or certification scheme.
Diversity, Equity & Inclusion	Striving for inclusion, empowerment and equality, regardless of race, age, gender, sexual orientation, disability, culture, experience, background or ideology.
Human Capital Management	Attracting skilled talent and improving staff retention by offering training and development opportunities to employees. Enabling flexible working arrangements where possible. Establishing fair working conditions, compensation and recruitment.
Occupational Health & Safety	Striving for and maintaining a healthy and zero-accident workplace wherever LDC operates. Instilling a 'safety first" culture in the daily work of every employee and contractor. Ensuring compliance with regulations that protect the health and safety of all employees.
Business Ethics & Compliance	Upholding ethical behaviors in line with LDC standards and Code of Conduct. Reducing bribery and corruption by establishing policies, systems and trainings. Ensuring compliance with international and local regulations.

GRI Content Index

Statement of Use

Louis Dreyfus Company has reported the information cited in this GRI content index for the period January 1, 2023 to December 31, 2023 with reference to the GRI Standards.

GRI 1 used: GRI 1: Foundation 2021

Applicable GRI Sector Standard(s):

GRI 13: Agriculture, Aquaculture and Fishing Sectors 2022

Disclosure	Location	GRI Sector Standard Ref. No.
GENERAL DISCLOSURES		
GRI 2: General Disclosure 2021		
2-1 Organizational details	Louis Dreyfus Company B.V., a privately owned company incorporated in the Netherlands with its registered office is Westblaak 92, 3012 KM Rotterdam, Netherlands. The list of main subsidiaries and countries of the Group can be found in note 7.5 of consolidated financial statements.	
2-2 Entities included in the organization's sustainability reporting	The list of main subsidiaries and countries of the Group can be found in note 7.5 of consolidated financial statements.	
2-3 Reporting period, frequency and contact point	Reporting period: January 1, 2023 to December 31, 2023 Frequency: Annual report Responsible contact point: Murilo Parada, Chief Sustainability Officer. We welcome any feedback on our reporting, via our website contact form.	
2-4 Restatements of information	Our Severity Indexes of 2020, 2021 and 2022 were restated. Baseline Scope 1 & 2 emissions for the year 2022 are re-stated compared to LDC's previous Sustainability Report to take into consideration acquisitions and cessions that occurred in 2023. Scope 2 GHG Intensity Index of the year 2022 was corrected.	
2-5 External assurance	Scope 1, Scope 2 and biogenic emissions at all global sites under the operational control of *Louis Dreyfus Company B.V.* and its subsidiaries, relative to the 2023 calendar year have been assured to a limited level of assurance. In addition, for 25 assets locations, Scope 1 GHG emissions index and electric consumption index, have been assured to a limited level of assurance.	
2-6 Activities, value chain and other business relationships	Our Value Chain What We Do	

Disclosure	Location	GRI Sector Standard Ref. No.
GENERAL DISCLOSURES		
2-7 Employees	Inclusive Workplace	
2-9 Governance structure and composition	Who We Are	
2-11 Chair of the highest governance body	Our Value Chain	
2-13 Delegation of responsibility for managing impacts	Our Governance Structure	
2-15 Conflicts of interest	LDC has a related party transactions policy which requires employees to communicate conflicts of interests. They are then escalated for approval. In addition, self disclosure campaigns for employees are conducted in selected countries.	
2-16 Communication of critical concerns	Allegations are raised to the board for compliance matters and to the audit committee for fraud activities.	
2-22 Statement on sustainable development strategy	CEO Message	
2-23 Policy commitments	Please refer to the policies listed on our website, in particular our Code of Conduct, our Supplier Code of Conduct, our Human & Labor Rights Policy, and our Sustainability Policy.	
2-24 Embedding policy commitments	Business Ethics and Compliance Human & Labor Rights	
2-25 Processes to remediate negative impacts	LDC has implemented a confidential ethics hotline for reporting of any concerns relating to breach of ethical conduct, available to both employees and external third parties. All reported concerns are treated confidentially and anonymously, following existing grievance resolution procedures.	
2-26 Mechanisms for seeking advice and raising concerns	In addition to the confidential ethics hotline, LDC has a related party transactions policy, which requires employees to communicate any conflicts of interests, which are then escalated for approval.	
2-28 Membership associations	Our main memberships are available on our website.	
MATERIAL TOPICS		
GRI 3: Material Topics 2021		
3-1 Process to determine material topics	The process was conducted in 2022 and reported in our 2022 Sustainability Report.	

Disclosure	Location	GRI Sector Standard Ref. No.
3-2 List of material topics	Material Topics	
ENVIRONMENT		
Biodiversity		
GRI 3: Material Topics 2021		
3-3 Management of material topics	Materiality & Sustainability Strategy Biodiversity at LDC	13.3.1
Natural ecosystem conversion		
GRI 3: Material Topics 2021		
3-3 Management of material topics	Land Use Change Our commitment on zero deforestation & native vegetation conversion Our collaboration with The Nature Conservancy	13.4.1
GRI 13: Agriculture, Aquaculture and Fishing Sectors 2022		
13.4.2 Own land	Juice is the only Platform where LDC is involved in farm management. LDC-managed farms are deforestation- and conversion-free since 2014 at least. This assessment was performed in the context of *Rainforest Alliance* certification and *SAI Platform* Farm Sustainability Assessments.	13.4.2
13.4.3 Sourced products	Traceability	13.4.3
Soil health		
GRI 3: Material Topics 2021		
3-3 Management of material topics	Juice is the only Platform where LDC is involved in farm management.	13.5.1
Pesticides use		
GRI 3: Material Topics 2021		
3-3 Management of material topics	Juice is the only Platform where LDC is involved in farm management.	13.6.1
GRI 13: Agriculture, Aquaculture and Fishing Sectors 2022		
13.6.2 Pesticide volume and intensity	Juice is the only Platform where LDC is involved in farm management.	13.6.2

Disclosure	Location	GRI Sector Standard Ref. No.
ENVIRONMENT		
Water and effluents		
GRI 3: Material Topics 2021		
3-3 Management of material topics	Water Management	13.7.1
GRI 303: Water and Effluents 2018		
303-1 Interactions with water as a shared resource	Water Management	13.7.2
303-3 Water withdrawal	Water Management	13.7.4
303-4 Water discharge	Water Management	13.7.5
303-5 Water consumption	Water Management	13.7.6
Waste		
GRI 3: Material Topics 2021		
3-3 Management of material topics	Waste Management	13.8.1
GRI 306: Waste 2020		
306-3 Waste generated	Waste Management	13.8.4
306-4 Waste diverted from disposal	Waste Management	13.8.5
306-5 Waste directed to disposal	Waste Management	13.8.6
Emissions		
GRI 3: Material Topics 2021		
3-3 Management of material topics	Climate	13.1.1
GRI 305: Emissions 2016		
305-1 Direct (Scope 1) GHG emissions	Climate	13.1.2
305-2 Energy indirect (Scope 2) GHG emissions	Climate	13.1.3
305-3 Other indirect (Scope 3) GHG emissions	Climate	13.1.4

Disclosure	Location	GRI Sector Standard Ref. No.
305-4 GHG emissions intensity	Climate	13.1.5
305-5 Reduction of GHG emissions	Climate	13.1.6
Climate adaptation and resilience		
GRI 3: Material Topics 2021		
3-3 Management of material topics	Climate	13.2.1
GRI 201: Economic Performance 2016		
201-2 Financial implications and other risks and opportunities due to climate change	Climate Please refer to our CDP questionnaire for more details.	13.2.2
Energy		
GRI 3: Material Topics 2021		
3-3 Management of material topics	Climate	
GRI 302: Energy 2016		
302-1 Energy consumption within the organization	Climate	
302-3 Energy intensity	Climate	
302-4 Reduction of energy consumption	Climate	
SOCIAL		
Land and resource rights		
GRI 3: Material Topics 2021		
3-3 Management of material topics	Human & Labor Rights Human & Labor Rights Policy	13.13.1
Rights of indigenous peoples		
GRI 3: Material Topics 2021		
3-3 Management of material topics	Human & Labor Rights Human & Labor Rights Policy	13.14.1

Disclosure	Location	GRI Sector Standard Ref. No.
SOCIAL		
Forced or compulsory labor		
GRI 3: Material Topics 2021		
3-3 Management of material topics	Human & Labor Rights Human & Labor Rights Policy	13.16.1
Child labor		
GRI 3: Material Topics 2021		
3-3 Management of material topics	Human & Labor Rights Human & Labor Rights Policy	13.17.1
Freedom of association and collective bargaining		
GRI 3: Material Topics 2021		
3-3 Management of material topics	Human & Labor Rights Human & Labor Rights Policy	13.18.1
Non-discrimination and equal opportunity		
GRI 3: Material Topics 2021		
3-3 Management of material topics	Inclusive Workplace LDC Code of Conduct	13.15.1
GRI 405: Diversity and Equal Opportunity 2016		
405-1 Diversity of governance bodies and employees	Inclusive Workplace	13.15.2
Occupational health and safety		
GRI 3: Material Topics 2021		
3-3 Management of material topics	The scope of the disclosures for Occupational Health & Safety is aligned with the entities listed in 2-2 and does not include joint venture workers. Safe Workplace Additional information on the management of the topic can be found on our website, on our Safety and Health page and on our SHE Policy.	13.19.1

Disclosure	Location	GRI Sector Standard Ref. No.
SOCIAL		
Occupational Health and Safety 2018		
403-1 Occupational health and safety management system	Safe Workplace Safety and Health SHE Management System	13.19.2
403-2 Hazard identification, risk assessment, and incident investigation	Safe Workplace Safety and Health SHE Hazards Identification	13.19.3
403-3 Occupational health services	Safe Workplace Safety and Health	13.19.4
403-5 Worker training on occupational health and safety	Worker Training	13.19.6
403-6 Promotion of worker health	Worker Health	13.19.7
403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Safe Workplace	13.19.8
403-8 Workers covered by an occupational health and safety management system	All our employees and contractors are covered by the SHE and process safety management system.	13.19.9
403-9 Work-related injuries	Safe Workplace	13.19.10
403-10 Work-related ill health	No fatalities as a result of work-related ill health or recordable work-related ill health were recorded in 2023.	13.19.11
Employment practices		
GRI 3: Material Topics 2021		
3-3 Management of material topics	Life at LDC	13.20.1
Training and Education		
GRI 3: Material Topics 2021		
3-3 Management of material topics	Training Career Development	

Disclosure	Location	GRI Sector Standard Ref. No.
SOCIAL		
Living income and living wage		
GRI 3: Material Topics 2021		
3-3 Management of material topics	Life at LDC	13.21.1
Local communities		
GRI 3: Material Topics 2021		
3-3 Management of material topics	Empowering Communities Investing in Communities	13.12.1
Food security		
GRI 3: Material Topics 2021		
3-3 Management of material topics	Our approach is based on building resilience in food systems to ensure affordable, accessible and sustainable nutrition.	13.9.1
Economic Inclusion		
GRI 3: Material Topics 2021		
3-3 Management of material topics	Farmer Engagement	13.22.1
GOVERNANCE		
Anti-competitive Behavior		
GRI 3: Material Topics 2021		
3-3 Management of material topics	Business Ethics & Compliance Governance	13.25.1
Anti-corruption		
GRI 3: Material Topics 2021		
3-3 Management of material topics	Business Ethics & Compliance Governance	13.26.1
GRI 205: Anti-corruption 2016		
205-1 Operations assessed for risks related to corruption	Business Ethics & Compliance	13.26.2

Disclosure	Location	GRI Sector Standard Ref. No.
GOVERNANCE		
205-2 Communication and training about anti-corruption policies and procedures	Business Ethics & Compliance	13.26.3
Supply chain traceability		
GRI 3: Material Topics 2021		
3-3 Management of material topics	Responsible Sourcing & Traceability	13.23.1
GRI 13: Agriculture, Aquaculture and Fishing Sectors 2022		
13.23.2 Level of traceability by product	Responsible Sourcing & Traceability	13.23.2
13.23.3 Certified Volumes	The main commodities with certified volumes are: Coffee, Cotton, Juice, Palm, Soy	13.23.3
13.23.4 Supplier certification projects	The main commodities with certified volumes are: Coffee, Cotton, Juice, Palm, Soy	13.23.4

LDC.
Louis Dreyfus Company

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