



SUSTAINABILITY
REPORT

2015

OUR PROFILE



Louis Dreyfus Company is a leading merchant and processor of agricultural goods, leveraging its global reach and extensive asset network to deliver for its customers around the world – safely, responsibly and reliably.

Our diversified activities span the entire value chain from farm to fork, across a broad range of business lines (platforms).

Since 1851 our portfolio has grown to include Oilseeds, Grains, Rice, Freight, Finance, Coffee, Cotton, Sugar, Juice, Dairy, Fertilizers & Inputs and Metals.

We help feed and clothe some 500 million people every year by originating, processing and transporting approximately 81 million tons of commodities. In our efforts to help sustain a growing global population we rely on our worldwide presence, responsible practices, sophisticated risk management and in-depth market knowledge.

The commitment of our employees is essential to those efforts, which is reflected in their ownership of approximately 10% of the Group. Our diversified approach generated US\$55.7 billion in net sales supported by a US\$3.9 billion asset base for the year ended 31 December 2015.

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Unless otherwise indicated, "Louis Dreyfus Company"; "LDC"; "Group"; "Louis Dreyfus Company Group" and related terms such as "our"; "we"; etc. used in this Sustainability Report mean the Louis Dreyfus Company B.V. Group.



CEO MESSAGE: SUSTENANCE IN A SUSTAINABLE FUTURE

2015 has been a year of change for agribusiness and for Louis Dreyfus Company. We set a new 10-year strategy, and continued to adapt to challenging market conditions while ensuring compliance with a shifting regulatory environment.

I am very pleased to be able to present a Sustainability Report that displays continuity – ongoing progress from our first standalone report in 2012 – despite the shifting dynamics of commodities markets. It gives me confidence in our approach that our sustainability efforts remain a constant commitment.



SUSTAINABILITY AND OUR VISION

Our vision will be key to maintaining this progress. The new vision, at the heart of our recent rebranding, keeps sustainability central to our business model:

To work towards a safe and sustainable future, contributing to the global effort of providing sustenance for a growing population.

What has long been inherent in the LDC way of doing business is at the forefront of how we understand our role in the world. The vision reinforces our commitment to the 4 pillars of our sustainability strategy:

- community
- people
- environment
- partners

INTEGRITY TO DELIVER

As always, we acknowledge that we must back up our ambitious vision with actions. We pride ourselves in our integrity – a reputation built over more than 165 years. It is crucial that we live up to our vision and ethical standards if we are to retain that reputation.

This leads us to seek to embed sustainability into every LDC person's work, at every level of the company. With over 22,000 employees at peak season, that is a significant task.

Our merchant role includes matching demand with sustainable supply. This involves providing information along the supply chain, and we see this report as part of that process.

Much of this work requires granular focus on day-to-day operations. The management team and I support that work wholeheartedly. There are many people and initiatives deserving praise, but I would particularly like to highlight two.



43%
REDUCTION
IN GRAVITY
OF ACCIDENTS



24%
REDUCTION
IN FREQUENCY
OF ACCIDENTS

First, the increasing involvement of platforms in sustainability programs that is reflected in this report. Last year, for the first time, 4 platforms had sections of the Sustainability Report dedicated to their efforts. This year we add the soybean operations of our Oilseeds Platform. Having 5 sizeable areas of our business with so much to discuss is an excellent start. I am sure we will keep adding platforms as sustainability becomes more and more deeply embedded across the company.

Secondly, I am excited to reflect on the hard work done by our Industry function to successfully pilot a potential company-wide approach to reducing energy consumption and greenhouse gas emissions. They have demonstrated that ingraining energy efficiency goals in people's day-to-day jobs is both possible and effective. In the pilot in Asia they reduced energy consumption by 10% on an annualized basis, benefiting both the planet and our bottom line.

I look forward to reporting on the next phase of these developments.

POWERED BY PEOPLE

All our success depends entirely on our talented, dedicated people. I thank them for all of their efforts.

More important than simply thanking them, our business practices must support and value them in their work. For example, our aim will always be to lead our industry in safety standards and results. This year we exceeded our targets on both the incidence and the severity of injuries.

We retain our goal to reach zero lost time accidents across all our assets, every year. It is ambitious, but we will not be put off by the challenge.

LEARNING WITH STAKEHOLDERS

Working in partnership with others has long been in the LDC DNA. We have learned a great deal alongside partners this year, in many different ways.

Most notably, we undertook a supply chain mapping process on our palm operations with an external consultant. Their work has been invaluable and I thank them not only for delivering the results but also for their enormous contribution to our learning.

More innovatively, we were one of the participants in a world-leading global food security game (see page 25). Food Chain Reaction has supported food security efforts through modelling how the world responds to shocks to the food supply chain, for operators like LDC as well as for policymakers and NGOs.

I encourage you to read in detail on these projects, and many others in this report. We always welcome feedback on our work as we seek to improve in partnership with all our stakeholders.

Gonzalo Ramírez Martiarena
Chief Executive Officer

SNAPSHOT

165 years of experience over a period of ceaseless global change

KEY FACTS

A MATRIX ORGANIZATION OF 5 REGIONS AND 12 PLATFORMS

OPERATING IN OVER
100
COUNTRIES



10%
APPROX.
EMPLOYEE OWNED

EMPLOYEE OWNED

90%
APPROX.
OWNED BY THE LOUIS DREYFUS GROUP

OWNED BY THE LOUIS DREYFUS GROUP

OVER
22,000
PEOPLE EMPLOYED



AT PEAK SEASON

OVER
300
ASSETS

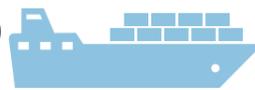


88
OFFICES



500m PEOPLE ARE FED AND CLOTHED BY US EVERY YEAR

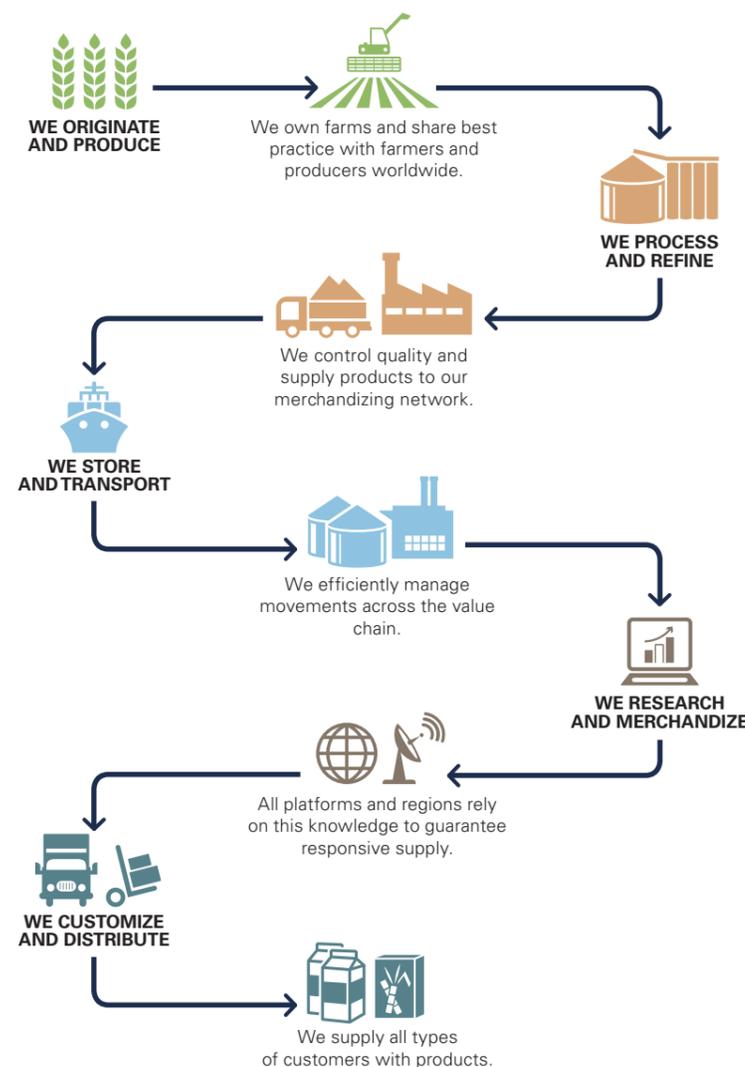
81 APPROX. million TONS OF COMMODITIES SHIPPED TO DESTINATION



US\$55.7 BILLION NET SALES YEAR ENDED 31 DECEMBER 2015

SUPPORTED BY A **US\$3.9** BILLION FIXED ASSET BASE

THE VALUE CHAIN



Our strategic asset portfolio spans the whole value chain.

Platforms from our Value Chain and Merchandizing segments skillfully use assets at various stages of the value chain to get the right product to the right location, at the right time, no matter how challenging the environment.

A DIVERSIFIED PORTFOLIO



OUR VALUES

We share an uncompromising determination to achieve excellence in everything we undertake, delivering to the best of our ability for all our stakeholders.

We are committed to our customers, placing them at the center of everything we do.

We are committed to our people, acknowledging and investing in them as our most valuable asset.



We are committed to our partners, working with them hand-in-hand to reap the collective rewards of responsible business practices.

We are committed to the world around us, accepting our responsibility for contributing positively to our local communities in an ever-changing environment.



As a global leader in the agri-commodities industry, we are aware of our responsibility to foster long-term stability and growth, to do business with integrity, feeding and clothing the world sustainably.

Determined to lead by example, we stretch ourselves continuously, learning from others and through questioning and feedback, and challenging ourselves to find better solutions.

As a global company, we encourage respect for every individual, promoting diversity in every aspect of our business, and in all locations where we are present.

Recognizing its business value, we encourage varied approaches to problem-solving, and open and respectful communication between employees from diverse cultural and professional backgrounds, and strive to build close ties and relationships with local communities where we are present.



Our growth and sustained performance are driven by our entrepreneurial spirit; we support and empower our people to take initiatives, create and innovate, while balancing this drive through a sound approach to risk management that calls for informed, measured and controlled decisions and judgments.

OUR VISION

To work towards a safe and sustainable future, contributing to the global effort of providing sustenance for a growing population.

OUR MISSION

To use our know-how and global reach to bring the right product to the right location, at the right time.

OUR ROLE: THE INDUSTRY & THE WORLD



Louis Dreyfus Company aims to be part of a sustainable answer to the challenge of feeding a growing population. What that involves can be obscure to many. We illustrate here some of the crucial questions the challenge raises.



FORECASTING CHALLENGES

Supply and demand conditions for commodities change constantly, affecting their prices. Research-based trading operations are the most efficient and sustainable way to match supply and demand.

Changing conditions place huge emphasis on accurate forecasting. Commodity forecasts are contingent on our understanding of the present. That transforms through time. There is an old saying: "To forecast well, forecast often". The problem is that reality is revealed gradually, no matter how closely you watch.

For example, a few years ago people thought that China would not be able to meet growing demand for carbohydrates from their growing meat and livestock sector. In February 2014, the US Department of Agriculture (USDA) forecast¹ that by 2021/22 China would be importing 18 million tons of corn annually. Considering world corn trade is around 120 million tons a year, this would be a major development.

However, starting in 2013 the Chinese government decided to buy corn at prices far in excess of international values. By

the end of 2015 China's corn stocks grew to nearly a year's worth of annual use.² The current, revised USDA forecast is that by 2021/22 China will be importing just 5 million tons of corn annually.³ The market's view of China's corn situation has been profoundly altered. Today's concern is the disposal of China's corn surplus, something unthinkable a few years ago.

VOLATILITY CHALLENGES

Future uncertainty has massive knock-on effects. Commodities inherently have volatile prices as, unlike stocks or bonds, they produce no re-investable earnings nor an income stream to their owner. Ownership incurs costs. So commodities are valued on expectations of their future worth. This constantly changes depending on forecasts of fundamentals.

As a result, commodity prices commonly have a trading range, in any one year, that can be 50% or more of the average value for the year.

Hedging vastly facilitates risk management where prices are volatile.

A firm may sell corn without adequate inventory to ship against the commitment by buying sufficient corn futures to negate the additional requirement. It then

acquires the physical corn to ship, selling back futures all the while to keep its book neutral. The merchant can also make optional origin sales to protect themselves in case of scarcity in any particular territory. We need to stay flexible in order to better serve the changing demands of our customers.

ADAPTABILITY CHALLENGES

It may be that after time passes, the buyer of the corn ceases to require the shipment. Business conditions change, after all.

Adaptability is therefore imperative to maintain efficiency and sustainability. Merchants like LDC must be able to mark our commitments to market, re-negotiate, and move forward with commitments that fit in the new market environment.

Sufficient counterparties within a liquid trading environment are vital in allowing participants to clear commitments that no longer reflect market requirements. This keeps the supply and demand chain clear.

So long as there is adequate liquidity in the markets, participants can buy and sell whenever necessary to minimize exposure to the risky commodity asset. This strategy of trading on increments is the natural result of a firm's instinct to

World corn trade is around 120 million tons a year

WORLD POPULATION



¹ USDA Agricultural Projections to 2023, United States Department of Agriculture, Office of the Chief Economist, February 2014, p.43.

² "Analysis of Reserve Corn Stock Distribution and Reserve Buying Progress", in Chinese, China Grain and Oil Information Network, January 11, 2016.

³ "USDA Agricultural Projections to 2025, United States Department of Agriculture, Office of the Chief Economist, February 2016, p.84.

⁴ "Zhu Rongji's Speech at Agricultural Conference", originally in Jiage Lilun Yu Shijian, October 20, 1994, translated in United States National Technical Information Service, Foreign Broadcast Information Service - China, January 10, 1995, pp. 68-72.

minimize risk and maximize reward. It is key to efficient markets.

A merchant operating in this manner can constantly employ research to re-evaluate strategy as reality unfolds. Future uncertainty makes this flexibility, combined with intelligent investigation, vital to the sustainable day-to-day distribution of resources.

Consider a world with producers and consumers, but no merchants or investors. There are only sellers and buyers; there is no ability to employ the risk-minimizing strategy of trading on increments. That is only possible with operators that both buy and sell.

Without such operators, if a seller becomes absolutely convinced the price of corn is going up, there is only one way to profit from that conviction: to hoard the corn, resulting in ever-rising prices as supplies are withheld from consumption by the public.

From time to time various governments become convinced that trading is inherently harmful. They go so far as to exclude merchants, leaving the purchase of crops from farmers to state-owned entities who would then only sell to consumers. In the past, the absence of trading activities has led to severe food price inflation despite the presence of

otherwise adequate supplies.⁴ In the early 1990's, for instance, China experienced food price inflation of over 20% per year due largely to such hoarding behavior.

THE MERCHANT'S ROLE

Merchants are essential to sustainable development of commodities flows. Our combination of research, expertise and trading strategies are key to the efficient, active, liquid markets the world needs. We must rise to the challenge of performing this role as intelligently and responsibly as possible.

Clyde Davidson
Global Head of Cross-Commodity Research



PILLARS OF SUSTAINABILITY

- People
- Environment
- Partners
- Community

People are central to the company's achievements and growth. Not only do we have a duty to keep them safe and professionally fulfilled, their talent and diligence enables us to hit our sustainable growth targets.



TARGETS

TARGET	COMPLETION	RESULT
Committed to reducing lost time accidents to zero	ONGOING	 IN PROGRESS
Reduce frequency of workplace accidents by 20% YOY	2015	 ACHIEVED
FUTURE TARGETS	COMPLETION	
Reduce frequency of workplace accidents by 20% YOY	2016	
Report publicly on near misses	2016	 TO START
Reduce gravity of workplace accidents by 20% YOY	2016	

SAFETY

CONSTANTLY IMPROVING SAFETY

Our basic commitment is to the safety of all employees and anyone who visits any of our sites. We have a strong health and safety record, which we continually look to build on and improve.

At the heart of this commitment is reducing the frequency of accidents by 20% year-on-year. With a vision of a safe future, our long-term goal is to reduce all accidents resulting in a person having lost time at work due to injury to zero.

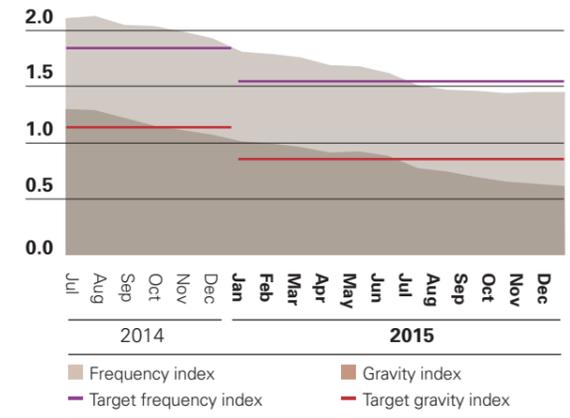
As the graph shows, we met our target for reduction in the frequency of accidents. As always we will renew our 20% reduction target for 2016 and will strive to beat it again.

We met and significantly surpassed our target for reductions in the gravity of accidents. Work continues to reduce accidents resulting in people needing time off work to zero.



GLOBAL FREQUENCY AND GRAVITY INDEXES

18 month average



The Frequency Index expresses the relation between the number of workplace injuries requiring medical attention and hours worked. The ratio expresses the number of employees in every 100 that experienced an injury requiring medical attention during the year.

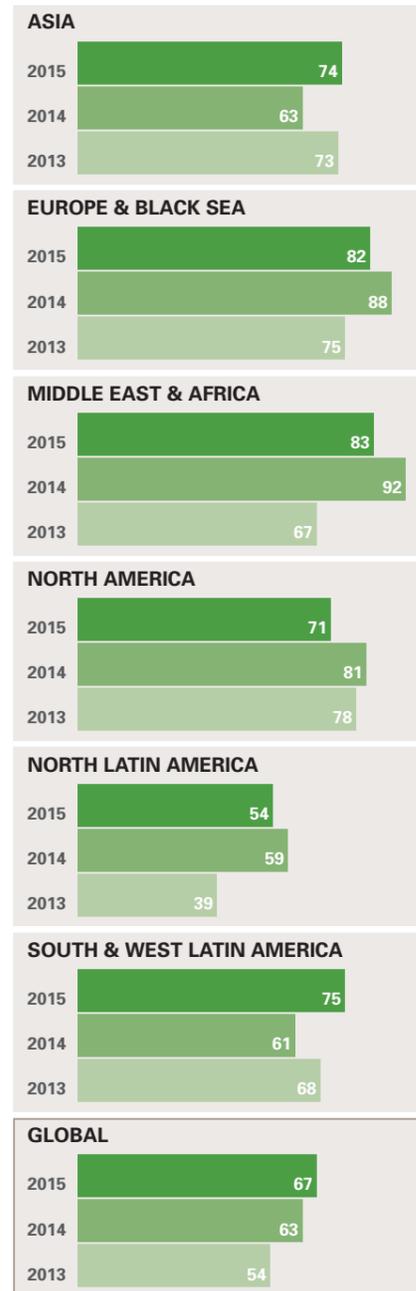
The Gravity Index is a subset of the Frequency Index and shows the relation between the number of workplace injuries serious enough to result in time away from work and hours worked.



PEOPLE continued

ZERO LOST TIME INJURIES 2013 TO 2015

% of facilities



This displays significant progress over the 4 years in which we have been reporting figures on frequency and gravity of accidents publicly. We are proud of this record and continue our commitment to sustain this trajectory.

We are alone in the industry in our transparency around fatalities of all third parties who attend our premises. We are deeply sorry to report 2 fatalities at Louis Dreyfus Company's Brazilian assets in 2015 – 1 at the Engenheiro Coelho juice plant and 1 at our fertilizer logistics plant in Paranagua.



CASE STUDY: CHANGING SAFETY ENVIRONMENT IN KRISHNAPATNAM, INDIA

LDC has installed a safety alarm system in both the coal fly ash and spent earth discharge areas that alerts workers when the discharge process is about to begin. This is a consistent, reliable system that ensures workers receive plenty of warning, enabling them to move to a safe area in good time. The alarm sounds until the end of the discharge process to make sure that no one can return to the discharge area in error.



IMPROVEMENT STRATEGIES

Our proactive approach continues through implementation of programs, procedures and training focused on proactive risk identification and management through our SHE management system.

We have bolstered our reporting of near misses to both broaden and focus our efforts on accident prevention. We will begin to report on near misses in 2016 with a view to setting targets to reduce incidents of near misses.

SAFETY DAY

Each year, Louis Dreyfus Company colleagues unite across the world to recognize the importance of safety both at work and home. This year marked our 6th annual Safety Day with the theme, 'Safety Starts with Me'. It highlighted the basic importance of safety and safe behaviors as a way to prevent accidents and injuries, and as the basis for sustainable business.

The day consisted of:

- Global Safety Video shown to all employees
- Distribution and explanation of our Safety, Health and Environment (SHE) vision and SHE policy
- Dedicated activities illustrating key components of SHE
- Recognition of Safety Champions
- Launch of Risk Awareness and Behavioral Safety e-learning module for all employees

We ran our annual safety innovation competition, with the team at our processing asset in Kandla, India emerging the global winner.

This year we also recognized assets that delivered the best overall safety performance in each region with the inaugural LDC Regional Safety Leadership Awards. Award criteria included:

- Length of time worked without lost time injuries
- Proactivity in managing safety programs and challenges
- Effectiveness of controls for identifying and mitigating risks and hazards.



PEOPLE continued



DIVERSITY

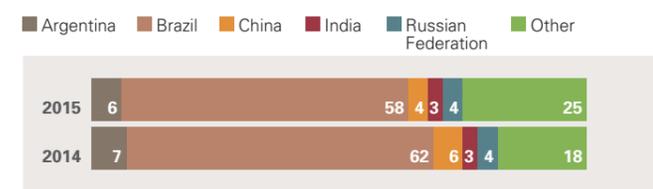
Louis Dreyfus Company is committed to caring for all our people. Our approach to diversity considers data across age, gender and nationality.

As an international company operating in over 100 countries around the world, this global feature of our profile is mirrored by our national diversity.

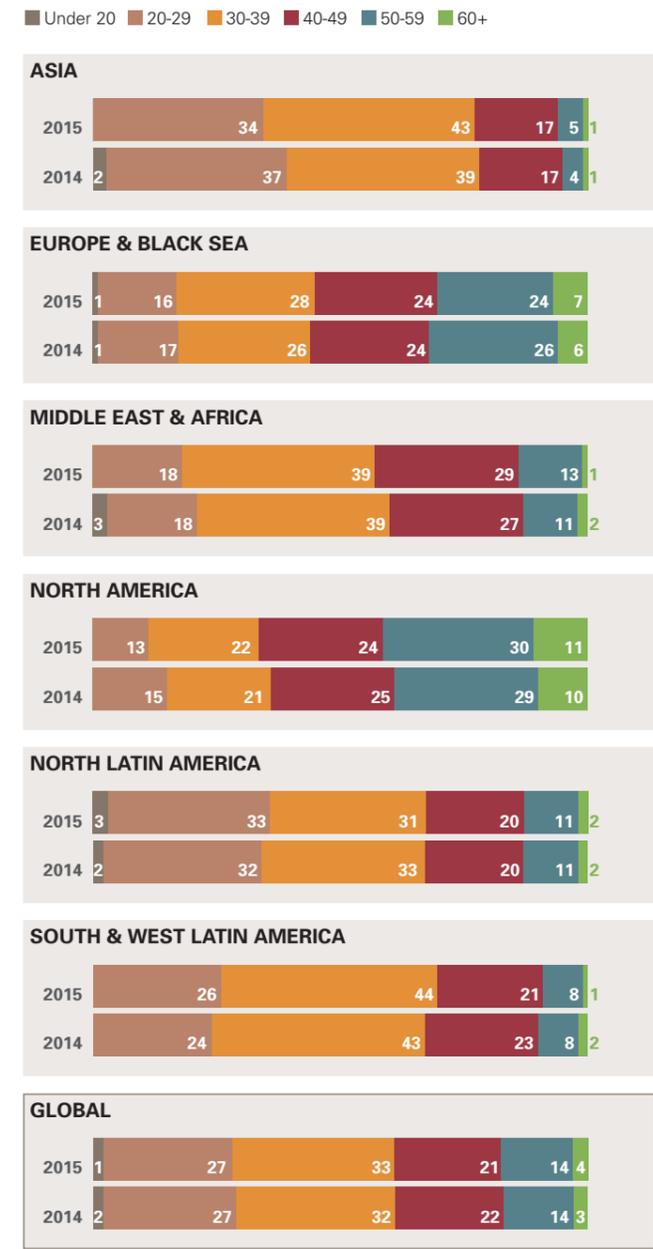
GENDER, BY REGION, WITH COMPARISON TO 2014
% of employees



NATIONALITY, GLOBALLY, WITH COMPARISON TO 2014
% of employees



AGE, BY REGION, WITH COMPARISON TO 2014
% of employees



ENVIRONMENT



We are pressing forward to ingrain a strong, strategic approach to reducing the environmental impact of our operations company-wide.

TARGETS

TARGET	COMPLETION	RESULT
Set global time-bound targets for reducing resource usage and emissions	2015	PARTIALLY ACHIEVED
FUTURE TARGETS		
Roll out Energy Champions reduction strategy across all metrics	2018	
Set global time-based targets for reducing energy consumption	2018	
Set global time-based targets for reducing GHG emissions	2018	TO START
Set global time-based targets for reducing waste	2018	
Set global time-based targets for reducing water consumption	2018	

We have made good progress towards setting and meeting ambitious, time-bound targets.

We have made good progress towards setting and meeting ambitious, time-bound targets. We have designed, implemented and tested a pilot initiative to reduce energy consumption. That project has delivered significant energy usage reductions and greenhouse gas (GHG) emission reductions. With the success of the pilot, we will now look to roll that program out to deliver waste and water usage reductions.

Since we set it up in 2012, our data collection on key metrics across our whole global portfolio has constantly improved through the development and alignment of our methodology. This data and progress on energy reduction approaches will form the basis of our specific, focused reduction targets.

GLOBAL ENVIRONMENTAL KPIs

<p>ENERGY CONSUMPTION INDEX (GJ/MT)</p> <p>FOSSIL FUEL</p> <p> 5%</p> <p>2015: 0.41 GJ/MT 2014: 0.43 GJ/MT</p> <p>RENEWABLE FUEL</p> <p> 8%</p> <p>2015: 0.21 GJ/MT 2014: 0.23 GJ/MT</p> <p>This index shows the ratio of fossil fuel energy consumed by the facility industrial processes per unit of feedstock processed in each business region. Depending on the facilities in that region, the feedstock element of that ratio represents feedstock processed, in the case of a warehouse or logistic facility. The unit of measurement is gigajoules per metric ton (GJ/MT).</p>	<p>GHG EMISSION INDEX (KG CO2e/MT)</p> <p>FOSSIL FUEL</p> <p> 6%</p> <p>2015: 24.66 KG CO2e/MT 2014: 26.15 KG CO2e/MT</p> <p>RENEWABLE FUEL</p> <p> 15%</p> <p>2015: 15.1 KG CO2e/MT 2014: 13.14 CO2e/MT</p> <p>Our greenhouse gas emissions (GHG) index shows the quantity of GHGs emitted per ton of feedstock either crushed or processed for each region in which we operate. This is measured in kilograms of carbon dioxide-equivalent per metric ton of feedstock (kg CO2e/MT).</p> <p>CO2 emissions have been reduced due to a 5% reduction in fossil fuel consumption. This results from efficiency gains in the 3 regions (North America, Asia and South & West Latin America) that account for most of our fossil fuel usage. These gains translate to a global improvement in this index.</p> <p>The increase in GHG emissions for renewable fuel resulted from a switch at some of our Brazilian production operations from sugar cane bagasse to wood chips as a fuel source. The latter has a considerably higher emissions coefficient.</p>	<p>WATER CONSUMPTION INDEX (m³/MT)</p> <p>INDUSTRIAL WATER CONSUMPTION</p> <p> 7%</p> <p>2015: 0.25 m³/MT 2014: 0.27 m³/MT</p> <p>Our water consumption presents the ratio of water used for each metric ton of feedstock crushed or processed. The ratio is given in cubic metres per metric ton (m³/MT).</p> <p>The year-on-year drop in water consumption is linked to heightened industrial efficiency and processing improvements. A new boiler in our Ponta Grossa oilseeds crushing plant in Brazil and improved equipment at various sites in Asia account for a large part of this reduction.</p>	<p>WASTE INDEX (MT/MT)</p> <p>WASTE WATER</p> <p> 14%</p> <p>2015: 0.15 MT/MT 2014: 0.18 MT/MT</p> <p>SOLID WASTE</p> <p> 30%</p> <p>2015: 0.006 MT/MT 2014: 0.004 MT/MT</p> <p>The ratio given here shows the amount of waste produced for every ton of feedstock crushed or processed, in metric tons of waste produced per metric ton of feedstock (MT/MT).</p> <p>Our facilities generally produce little solid waste as we can use secondary components of many of the commodities we process to produce useful by-products.</p> <p>The overall increase is partly due to an increase in plastic solid waste in Asia but in fact this waste was sent for recycling. Other causes include changing waste handling practices for sugar and oilseeds processing in North America.</p> <p>Waste water is a greater area of focus, with scope for loss of water through various processes. The overall increase in waste conceals improvements in this area, linked to industrial efficiencies in North Latin America and Asia.</p>
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ENVIRONMENT continued



CASE STUDY:
ENERGY & GHG EMISSIONS

At the end of 2014, we established the Energy & Utilities Competency Center (E&UCC) out of concern for our environmental footprint, predominantly for industrial business operations. This year we launched the Energy Champions Network initiative that, with the guidance of the E&UCC, aims to reduce energy consumption across all our assets. To ensure success, we engaged with and identified local competency, endorsing a Site Energy Champion and Energy Team in each of our locations to drive the Network's actions.

Our global approach has already produced effective results. Asia has made a 10% reduction in energy usage on an annualized basis. Argentina has cut 5% of their steam consumption by modifying fuel combustion at the soybean crush plant in Timbues. We have commissioned a new 30MW biomass boiler in Brazil that has the potential to save substantial amounts in annual energy costs.



In Asia, over 30 energy saving actions were undertaken, resulting in significant reductions in usage, and cost savings of 10% of operating expenditure.



CASE STUDY:
WATER

We conducted water usage awareness training at all our assets in São Paulo state, Brazil.

As well as raising awareness, the sessions equipped staff with ideas for reducing water consumption and for identifying opportunities to recycle waste water.

This has prompted staff at various sites to propose a number of adaptations to save water. For example, we have now commenced installing water saving devices on all the taps and lavatories at our assets in the state.

This simple learning has the potential to prompt similar initiatives across the region and our global portfolio.



CASE STUDY:
ENERGY & EMISSIONS

Our facility in Port Wentworth, US engaged in an energy and GHG emissions reduction drive this year.

To reduce GHG emissions the team increased the use of natural gas in place of coal. This reduced emissions by 8% and also significantly cut energy costs.

The energy efficiency program began this year and is in its early stages. Initial work has involved reviewing our processes for energy efficiency opportunities. Despite being a new program we have already identified opportunities to reduce energy by 4-5% and costs by approximately \$528,000 per annum without affecting production quantities.



ENVIRONMENT continued



CASE STUDY: WASTE

In 2015, we installed a new system to recover oil components from the biodiesel production process at our General Lagos site in Argentina.

The biodiesel process includes purification stages in order to meet customers' expectations in terms of product specification and quality. The residual mix of oil components must be separated from the biodiesel.

Due to difference in densities between components, the most efficient system is a static decantation process using a dedicated horizontal tank. This effective separation enables us to reincorporate oil fractions in the process and limit any disposal as industrial waste.

The combined benefits are yield improvement and significant reduction of pollution.



CASE STUDY: PRESERVING FOREST HABITATS

In Brazil, our Juice Platform takes numerous steps to preserve the forest habitats that surround our citrus farms.

All LDC-owned farms run three programs to maintain Areas of Permanent Preservation. These programs require careful management of land to:

- Plant native seedlings, reporting progress annually to the Brazilian government
- Prevent invading plants from competing with young, native trees
- Ensure soil erosion does not excessively silt up rivers and affect water quality.

For example, a specific program is in place at our farm in Monte Belo, Ribeirão Bonito, São Paulo, to carefully identify, log and monitor all animals and plants around our farm to ensure preservation, especially of endangered species.



BIODIVERSITY

Preserving biodiversity around our assets is a major concern to us both globally and locally.

As we expand our asset base we always give weight to the results of both environmental and social impact assessments before beginning projects in any area where there are possible sensitivities.

We continue to support numerous initiatives, especially in Asia and Africa, aimed at protecting and enriching biodiversity. This way we hope that we not only prevent our operations from damaging local ecosystems, but that we also contribute to improving ecosystems in many areas.



PARTNERS



Working in partnership is central to our approach to sustainability.

We understand that transparent conversations with stakeholders are fundamental to problem solving.



We look to develop and build upon our collective knowledge to engage and educate stakeholders multilaterally. Commodity-specific roundtables are at the heart of this approach.

However, Louis Dreyfus Company also takes a proactive approach to understanding clients' prospects and priorities. This generates a strong, collaborative approach to finding sustainable solutions.

For further information on how we engage with partners please see:

- Palm** (pages 36-37)
- Juice** (pages 38-39)
- Coffee** (pages 40-41)
- Cotton** (pages 42-43)
- Soybeans** (pages 44-45)



GRAINS

We have been proactive in seeking multilateral cooperation on sustainable food, including grain, by joining the Sustainable Agriculture Initiative Platform (SAI), a food and drink value chain initiative for sustainable agriculture. The platform develops tools and guidance to support global and local sustainable sourcing and agriculture practices.

With its arable and vegetable section, SAI enables us to re-engage in efforts to create a sustainable approach to growing grains and other crops. The SAI Platform is built on strong values with pillars covering society (people), economy (profit) and environment (planet).

The Platform's 2020 vision is to implement secure and thriving agricultural supply chains and protect the Earth's resources through widespread adoption of sustainable practices that deliver value to its members, farmers, farming communities and consumers.

Here is a summary of other activities we have undertaken in partnership with stakeholders.

WWF – FOOD CHAIN REACTION

This initiative illustrates the importance of a collaborative approach to addressing global challenges.

Our participation in and sponsorship of Food Chain Reaction – A Global Security Game is one of the increasingly innovative ways in which we are engaging with partners to benefit the world of food provision.

In November 2015, we joined 65 other international thought leaders that took part in a policy decision-making exercise organized by WWF. The purpose was to better understand how shocks can influence global food supply. The game addressed how nations respond in the face of instability, the necessary balance of long- and short-term approaches to sustainability, and how the market will be disrupted with increasing levels of stress on the global food system.

The exercise simulated a decade of turbulence including food price and supply swings, population growth, rapid urbanization, extreme weather and social unrest across four stages. After each

stage, the teams were presented with the combined consequences of their decided actions.

The process was highly enlightening, demonstrating to participants that no single nation, organization or corporation can adequately address global food security. Our unanimous solution, therefore, was that global cooperation and collaboration was needed to build resilient structures. However, it became clear that these structures require accurate data from all nations, a consistent focus on food vulnerability and security, and proactive rather than reactive action plans.

This is the first event of this kind, with the potential to be repeated at both global and regional levels. We are extremely keen to remain involved in these events to keep us at the leading edge of conversations surrounding innovative approaches to global food security. It allows us to support and build relationships with other international leaders in the sector, and to appreciate our role in the interdependencies within the global food system.

TARGETS

COMMODITY	TARGET	COMPLETION	RESULT
RICE	Assist the Sustainable Rice Platform to establish effective scientific assessment and outreach mechanisms	2015	COMPLETED
COTTON	Promote knowledge and use of Better Cotton Initiative standards among brands, retailers and producers	2015	COMPLETED
COTTON	Increase volume of Better Cotton purchased by 25%	2015	COMPLETED
SUGAR	Work with Bonsucro to promote their activities with growers from whom we buy sugar	2015	COMPLETED
COFFEE	Increase volume of certified coffee we purchase to 19.0% of our total volume	2016	AMENDED
COFFEE	Increase volume of certified coffee we purchase to 23.0% of our total volume	2019	AMENDED
COMMODITY	FUTURE TARGETS	COMPLETION	
COFFEE	Increase volume of certified coffee we purchase to 14.2%	2016	
COFFEE	Increase volume of certified coffee we purchase to 17.0%	2020	
COTTON	Increase volume of Better Cotton purchased by 25%	2016	TO START
JUICE	Increase number of LDC-owned farms with Rainforest Alliance certification from 5 to 11	2016	

PARTNERS continued

MAKING SUSTAINABLE COTTON THE NEW NORMAL

In 2005, the Better Cotton Initiative (BCI) was born out of a round table led by WWF. World experts convened in an effort to find sustainable ways of producing important commodities. For cotton, they established a standard production system (Better Cotton Standard System) that BCI's implementing partners now use for training and educating farming communities worldwide. This achieves:

- Reductions in key environmental impacts
- Improved social and economic benefits for cotton farmers

In 2010-11, the first harvests of Better Cotton took place in Brazil, India, Mali and Pakistan. By 2014, BCI achieved record numbers, reaching 1.2 million farmers and accounting for 7.6% of global cotton production in 20 countries worldwide. For 2015, we expect BCI to reach approximately 1.5 million farmers and account for 11.3% of global production.

As a multi-stakeholder initiative, BCI cooperates with all the relevant actors in cotton's complex supply chain to ensure transformational change. Our member and partner organizations include the world's largest retailers and brands, influential traders such as Louis Dreyfus Company, hundreds of suppliers and manufacturers, leading groups from civil society and public authorities. When all players unite to address sustainability as a pre-competitive issue, their commitments to responsible sourcing drive meaningful change on the ground.

Our goal for 2020 is to reach 5 million farmers and 30% of global production. In other words, our goal is that sustainable cotton production becomes the rule rather than the exception.

We know our aims are ambitious, but we are not in this alone. Many of our members, including Louis Dreyfus Company, have set ambitious public targets for sourcing more sustainable cotton. We applaud these commitments and look forward to supporting our members in reaching their targets through innovative approaches to both supply and demand.

One characteristic of cotton as a commodity is the occasional wild fluctuation in market prices. With this comes a vicious boom-bust circle for farmers, leaving a great proportion of them in poverty and/or insurmountable debt. Sustainable cotton production addresses this and other social issues alongside environmental performance.

We recognize the vital role that merchants play in the supply chain by providing reliable and predictable outlets to producers and facilitating manageable flows of product into the supply chain. However, we do count on merchants to help dampen pricing volatility, as well as foster the longer-term relationships between trading partners that will reinforce sustainability.

Together, we can achieve lasting, transformational change for a commodity market. This change benefits all stakeholders in the chain. We must use this opportunity and the engagement of all players to ensure the future of healthy cotton production for future generations.

Alan McClay, CEO, BCI



LISTENING TO OUR STAKEHOLDERS

Listening to our stakeholders is key to our growth. We are combining expertise and working more consistently with them to establish how we embed sustainability into an entity like Louis Dreyfus Company.

Learning and collaborating increases capacity for a robust, long-term sustainable approach to our work.

Many businesses are now trying to answer a big question: where do the raw materials we buy come from? This is part of a wider focus on traceability over the last half decade, especially where big commodities are concerned. Transparency is vital.

There is a trend towards buyers seeking increasing visibility from suppliers about the supply chain. With supply chain visibility, buyers and suppliers are pursuing proactive approaches to potential risks. They are also addressing concerns of deforestation and exploitation raised through social media by communities and civil society groups.

A handful of businesses are embracing transparency, integrating it into the business beyond the traditional meaning of the word. Building transparency of raw material origin is a step in the right direction. It facilitates a deeper understanding of the issues that are linked to the production of the raw material.

Fundamentally, it gives an opportunity to engage suppliers in a constructive way; to jointly explore solutions to environmental and social challenges within the value chain.

Louis Dreyfus Company has embarked on this journey, focusing on their palm oil business. Supported by TFT, suppliers have been reviewed to determine next steps as LDC seeks to drive better practices and innovation to bring real positive change to the way palm oil is produced.

In the near future it is key for Louis Dreyfus Company to continue addressing the question of 'where do the raw materials we buy come from?', but across more commodities. With over a 165 years of experience in commodities, LDC has an important contribution to make in the way commodity crops are managed and expanded to meet the needs of an increasing population without jeopardising the environment or people's rights.

Robert McWilliam, Senior Manager, The Forest Trust



PARTNERS continued



SUPPORTING FARMERS AFTER FIRES

The 2015 fires in Western Australia were incredibly destructive for many farmers, with the impact of the damage unquantifiable at this time.

Louis Dreyfus Company in Australia adapted quickly to support farmers through our Macrofert operations.

For example, Brad Vermeersch, a farmer based near Esperance, lost 4,000 hectares of stubble and 30-40km of fencing to the fires. Brad was lucky as he suffered no crop damage and firefighters were able to save his home.

However, due to the lack of stubble from the fire, topsoil erosion is now a major concern in the area:

“Every time we get rain it washes more topsoil away down gullies and creates burrows in the paddock.”

Regarding the backing from LDC, Brad said “we didn’t really expect to receive support from any of the companies we trade with.”

He received a letter from Rob Shirras, the local Macrofert Account Manager with the offer of support. He took up the extended finance option of 90 day terms on fertilizer purchases, plus the free soil testing – “a little bonus.” The main benefit for Brad is that Macrofert helped to stretch out and delay payments due for its products – vital inputs for his farm.

In the future, Brad looks to continue to develop his partnership with Macrofert: “It’s very important for us to have a good relationship with them, to have someone out there kicking the dirt with us in the paddock; a local presence. They have been very good at servicing our needs and providing us with good quality, competitive priced fertilizer”.

“Thank you for all the alternative assistance LDC has given farmers in our area after the fires. It was and is appreciated!”

Paul & Gudrun Defrenne
Riverback Farms



IFC TESTIMONY

In IFC’s 60th year, the private sector arm of the World Bank Group continues to provide investment and advisory services across emerging markets.

Growing our agribusiness portfolio is a strategic objective for the IFC and is built around three pillars:

- Enhancing food security
- Promoting inclusive development
- Making environmental and social sustainability a business driver

This is a significant challenge considering an additional 2 billion people will live on Earth by 2050, requiring an estimated 70% more food. As climate change implications on supply have become better understood, the conversion of forests and savannahs to agriculture use is under greater scrutiny.

Many governments and companies signed the New York Declaration on Forests in September 2014. The aim is to halve natural forest loss by 2020 and to end it by 2030. This reduces the potential area of expansion for agriculture, reiterating

the need for improved performance at both farm level and throughout the supply chain.

Making smallholder agriculture more productive, restoring degraded lands into production and reducing post-harvest losses are all strategies that can fulfill expected food needs. They also present future investment opportunities for companies such as LDC and long-term investors such as IFC.

In 2014 IFC invested in Biosev (a sister company of Louis Dreyfus Company BV) in Brazil, supporting the firm’s plan to improve productivity and increase power generation from biomass, in turn increasing capacity.

Beside the investment relationship, IFC and LDC are active members across a number of voluntary standard platforms from RSPO (Roundtable for Sustainable Palm Oil) and

Bonsucro (sugar/ethanol), to the recently developed Sustainable Rice Platform (SRP). These platforms have ambitious aims of current production processes moving to a more sustainable path.

Merchants like LDC have a key role to play in the transformation of these sectors. They have the scale of operations to make a difference, as well as the commercial relationships and infrastructure that link the producer base with end markets.

It is important to recognize that each commodity transformation process is different and evolves over time. For example, the premium-based model where financial incentives are built into the price of the commodity has instigated the transition in palm oil. However, this is unlikely to work in more price-sensitive emerging markets such as India and China.

In that respect, other incentives within the value chain need to be developed and we all have a role to play. This may be:

- Supporting/delivering capacity-building programs that help supply chains transition (such as NGOs and donor programs)
- Developing financial products such as the Sustainable Shipment Letter of Credit (an IFC and Banking Environment Initiative project). This provides a financial incentive for RSPO-certified oil trading.

Building comprehensive partnerships that link all parts of a value chain remains a challenge. Organizations like RSPO provide great platforms for initiating and developing these ‘uncommon collaborations’. This is one of the key benefits of being engaged in such organizations.

The recently signed Climate Change agreement in Paris and the articulation of the UN’s Sustainable Development Goals give renewed impetus and resources for pushing further ahead in addressing some of the planet’s most pressing problems.

IFC will continue working with our clients to grow their businesses in a resilient manner.

Bruce Wise, IFC Manufacturing Agribusiness and Services Department, Washington DC, US.

COMMUNITY



Identifying needs and developing the communities where we operate are key to our sustainability strategy.

We always aim to conduct social impact assessments at all our assets, every year, to ensure we benefit the communities around us. We will therefore start reporting on whether we meet this target each year, to be transparent on the inclusion of sustainability concerns in our day-to-day business.

TARGETS

TARGET	COMPLETION DATE	RESULT
Establish group-wide methodology for monitoring volunteer hours on community projects	2014	CLOSED
Gather data for volunteer hours across all regions	2014	CLOSED
Set targets for volunteer hours for all regions	2015	CLOSED
Design a community program capable of being applied to a range of our platforms	2014	ON HOLD ¹
FUTURE TARGETS	COMPLETION DATE	
Community impact assessment in each asset we build, invest and operate in	2016	TO START

¹ As explained in last year's Sustainability report, this target has been placed on hold and we shall maintain reporting it as such until any change occurs.

In our third year of collaborating with the Louis Dreyfus Foundation, we have strengthened and developed our global initiatives. The Louis Dreyfus Foundation continues to support and fund selected projects proposed by our employees.



EMPLOYEE-DRIVEN SOLUTIONS

Louis Dreyfus Company operates in over 100 countries, employing over 22,000 people at peak season. This provides a wide reach of local knowledge of the needs of the communities around our operations.

We support and encourage our employees to engage with and initiate projects where they see opportunity. This applies to both initiatives that the Louis Dreyfus Foundation supports and ones the company carries out independently.

This approach means empowering our people to enable change where it is required. A selection of our employee-driven projects are presented overleaf.

We have explored taking a quantitative, target-driven approach to encouraging and maximizing engagement in community projects. Such an approach appeared to restrict our employees' initiative-taking and so we have chosen to continue on our existing path of trusting and supporting them to find the solutions local communities need. In order to maintain the quality and quantity of projects we are therefore moving away from quantifying and target setting. We will continue to report on the range of initiatives we commence and support.

ENSURING IMPACT AT LOCAL LEVEL

A large proportion of our impact comes through dedicating employees' time to community projects. Through their own assessments and through engagements with local people, our colleagues are able to determine the requirements and priorities of those communities. This in turn allows existing projects to be supported, or new initiatives to be designed specifically to cater for an identified need.

The examples that follow illustrate how this drives engagement with and investment in projects that benefit local people.

LOUIS DREYFUS FOUNDATION

The Louis Dreyfus Foundation aims to alleviate hunger and poverty by supporting a range of projects bringing sustainable agriculture, food security and self-sufficiency to small farmers. These projects are predominantly in developing countries in Africa and Asia.

Our employees are able to suggest initiatives for the Louis Dreyfus Foundation's support under our cooperation agreement with the Foundation. If the proposal is successful, the employees use their combined experience and knowledge to lead projects through to completion.

7 projects are currently operating within this partnership and this year we are pleased to provide updates on the 2 projects highlighted in last year's Report.



COMMUNITY continued

Example projects

ENVIRONMENTAL PROJECTS IN INDIA

We continue to identify needs within our Indian communities, resulting in LDC investing in a wide variety of initiatives. Many have been environmental projects such as planting trees in the green belt area near our refinery in Kandla and the erection of fencing to protect the belt.

Additionally, we have supported many social benevolence projects: from provision of a range of surgical equipment to distribution of safety kits to workers to a free medical camp

in Pantapalem Village, for children and villagers. Our employees have contributed greatly to these efforts, personally leading many initiatives. These include:

- Distribution of winter clothing, toys and 100 blankets to children in slum areas in New Delhi
- Donation of clothing to the disabled and to those in need in Utrakhand
- Blood donation in Kandla.



COMMUNITY AROUND SOYBEANS IN ARGENTINA

Soybean production touches many people worldwide. Building communities is therefore fundamental to our sustainability strategy. This year we have increasingly focused on educational support for local communities.

- We opened a primary school at our General Lagos plant for those LDC employees who didn't have the opportunity to finish their education. Already this year we have 20 students, and 5 graduates.

- In EEMPA Bandera, we opened a high school that currently has 60 students enrolled.

This follows on from work in previous years, including projects such as building a center for retirees in Timbues, and reconstructing a local swimming pool roof in Arroyo Seco.

Louis Dreyfus Foundation projects



EMPOWERING FARMERS IN GHANA

The Louis Dreyfus Foundation continues to grow the program to support farmers in Kukuo and Gnani, supplying them with inputs, equipment, livestock and training. LDC employees are working with beneficiaries to maximize their yields. The project seeks to accelerate transfer of knowledge and enhance diversification of micro-farming activities.

To update on advancement since 2014, there have now been 557 farmers supported in 3 areas with approximately 1,800 beneficiaries. This year 2,000 chickens were distributed in Kukuo.

AGRO BIODIVERSITY FARMING

This initiative, supported by the Louis Dreyfus Foundation in Msorong village, Kenya aims to benefit small-scale farmers located in fragile ecosystems. Farming Agro Biodiversity is a long-term approach to ensure high productivity levels that also promote sustainable land use systems and reforestation measures.

The project supports the social, economic and environmental wellbeing of communities through:

- Increasing agricultural productivity to meet food security and economic stability needs
- Improving the environment, including water and soil, and limiting habitat degradation.

Louis Dreyfus Foundation projects



ENABLING SUMATRAN COFFEE FARMERS

This initiative supported by the Louis Dreyfus Foundation aims to preserve and regenerate the coffee ecosystem while improving the economic and social conditions of small-scale Indonesian coffee farmers in 3 different regions: Aceh, Medan and Lampung.

Working with the organization Pur Projet and LDC Indonesia coffee agronomists, the Foundation's aim is that, by 2017, the 7,635 farmers participating in the program will be more self-sufficient. With each farmer having a family of at least 4 people, the community-wide impact from the training is significant, with the possibility of improving livelihoods of some 30,675 beneficiaries.

The program has already seen encouraging progress:

- 115,000 trees already planted out of 180,000 planned. Plantation to start in Medan area, North Sumatra.
- 1,585 farmers trained in coffee best practices in Lampung during a crop tour conducted by our agronomists.
- 172 smallholders trained in North Sumatra and Medan so far.

VILLAGE-BASED ADVISORS

With the support of the Louis Dreyfus Foundation, the not-for-profit Farm Input Promotions Africa established networks of 15 self-employed village-based advisors in each of Kirinyaga and Nyeri Counties, Kenya.

These trained advisors provide education and inputs in order to enhance food security and livelihoods of coffee farmers. To date, 16,462 farmers have been involved, assisting a total of 98,772 beneficiaries.



SELF-SUFFICIENCY THROUGH SUSTAINABLE ENERGY

The Flexi Biogas project was initiated in 2013 by the Louis Dreyfus Foundation, to improve the quality of life of smallholder farmers through sustainable energy self-sufficiency. The energy is supplied by capturing and burning gas derived from animal waste, and from solar kits.

To update on progress, the total number of beneficiaries to date is 1,458 with 204 units installed so far.



PLATFORMS' INSIGHT

- Palm
- Juice
- Coffee
- Cotton
- Soybeans

PALM

Palm oil plays an important part in global food consumption and in the production of numerous other consumer and industrial products. The supply chain of palm is complex and brings with it many sustainability-related issues.



Sustainable palm oil is becoming increasingly important to consumers. Traceability is a principal part of the journey to ensure that we work together with the industry, NGOs and suppliers to transform the palm value-chain. We have been working hard in origination to ensure that we meet this demand through continuous asset investment and development.

OUR APPROACH

We are acutely aware of the importance of traceable, sustainable palm oil and seek to continuously improve our supply chain.

We have been RSPO members since 2012 and are working towards all of our assets complying with RSPO standards as a minimum. This year we have renewed certificates for our assets with 100% of our Indonesian network now RSPO certified.

In 2013, we established our own principles to further guide all palm oil business towards a sustainable future. We look to continually develop our principles in reaction to stakeholder feedback and market changes. Our Palm Steering Committee drives this process to ensure focus and progress.

LDC is firmly committed to:

- no deforestation of high conservation value (HCV) lands or high carbon stock (HCS) areas
- no development on peat
- no exploitation of rights of local communities or indigenous people

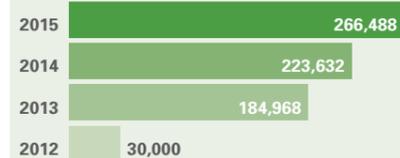
We will continue to actively engage with all our stakeholders to ensure our agricultural supply chains, including palm oil, evolve to meet these commitments.

PALM SUSTAINABILITY CERTIFICATIONS

LDC has to comply with changing government regulations while continually expanding our sustainable palm oil certification. Meanwhile, we must meet our goal to steadily increase volumes of certified palm oil sales. For example, we responded to recent biodiesel regulation change in Indonesia, where we operate several assets. The law changed from a B10 requirement, where fuel at industrial assets must contain 10% diesel, to B20 (20% biodiesel). Our refinery's operational fuel now therefore consists of 20% biofuels.

Last year we focused on establishing RSPO and International Sustainability and Carbon Certification (ISCC), and building our robust internal policy. This year, following through on a policy commitment, we are pleased to have made significant progress on supply chain mapping.

TOTAL SALES, ISCC AND RSPO, 2013 TO 2015 (IN MT)



85% of global palm oil currently comes from Indonesia and Malaysia



SUPPLIER TRACEABILITY

Traceability is a key starting point for palm oil sustainability. This is particularly challenging given that we have no plantations, and are therefore always having to source from external suppliers. We are also a relatively small participant in world palm oil flows.

Mapping begins by locating the mill through spatial (GPS coordinates) and non-spatial analysis (the criteria to determine sustainability).

Our supply chain mapping exercise with an external consultant covered 100% of our Indonesian assets and the majority of our origination network. By the end of 2015, we had achieved 100% traceability to mill level for both our refineries in Balikpapan and Lampung, Indonesia. We hope to continue to work with this consultant to complete mapping, then start grading our mills. In addition to mapping geographic locations, this traceability exercise has also helped us to highlight areas where working practices and environmental stewardship need to be addressed.



LDC is strongly committed to working with stakeholders in order to promote good environmental stewardship, and eliminate exploitation of employees and communities. We regularly and enthusiastically engage with the RSPO, NGOs and other round tables to further advance our sustainability programs.

On completion of supply chain mapping, the next stage will be to engage with our suppliers to enhance the sustainability profile of the palm products that we buy.

We will keep working to build a sustainable approach into our own practice and ensure traceability remains at the core of our palm oil sustainability strategy.

OTHER STEPS

Implementing advanced technology is one way in which we can improve the impact of our palm business. For instance, in 2015 we invested in more efficient refinery equipment to significantly reduce the amount of coal used in the process. This both optimizes our resources and achieves excellent greenhouse gas emission reductions.

This year, LDC has allocated an origination-specialist Palm Sustainability Manager to work closely with related stakeholders within the business supply chain. This arrangement further promotes continuous progress and regular monitoring in our ongoing palm sustainability journey.

JUICE

Louis Dreyfus Company is a leading juice merchandizer with operations spanning 70 countries. Brazil is at the heart of our citrus operations, with Brazilian orange juice accounting for 3 out of 5 glasses of juice consumed worldwide.



With its considerable size and reach, the Juice Platform is central to our sustainability strategy. This year we completed our second report on how we produce juice sustainably. We present some key highlights of our proactive sustainability efforts here, with more detail available in that report.

LOOKING AFTER OUR PEOPLE

We have strong responsibilities towards our employees, with up to 10,000 working for us at peak season. We strive to exceed national labor regulations, particularly in our benefits and adherence to corporate safety policies.

All employees, including seasonal pickers, go through mandatory training to ensure they adopt best working practices. Everyone is issued with full personal safety equipment for use at all our sites.

We provide our pickers at every work site with:

- Transportation
- Water
- Shade
- Sanitary & eating area facilities

All our pickers in Brazil are paid at a rate above the legal minimum wage. We also add a variable premium linked to performance and safety targets.

ENVIRONMENTAL ADVANCES

We are making significant strides in our environmental program. Efficient resource usage is key to this. Here are some examples of how we put this into practice:

- We dramatically reduced water usage through a water scarcity awareness program at industrial sites. In Matão, Mato Grosso, Brazil we have successfully implemented a reusability plan: Frozen Concentrated Orange Juice (FCOJ) production involves significant water evaporation. This is subsequently condensed, recovered and used to clean both fruit prior to processing and the site's production equipment.
- We have proactively increased recycling of organic waste at our industrial sites. In Matão, this has meant using sludge and boiler ash for composting, which previously would have been sent to landfill.
- We are transitioning to renewable energy sources more and more as a highly impactful way to reduce our carbon footprint. Renewable fuel now represents 45% of total consumption in our Brazilian operations, up from 33% in 2014.

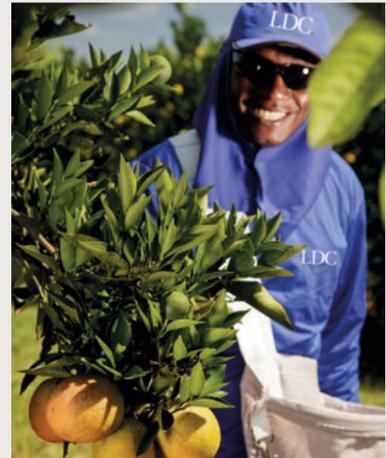
COMMUNITY DEVELOPMENT

Partnerships are key to ensuring our business benefits local communities.

We run the Environmental Education Program, "Juntos Pelo Meio Ambiente" (Together for the Environment), in communities where we operate. The program promotes environmental responsibilities through planting seedlings, lectures and farm visits. We currently teach 1,300 children and teenagers in 4 municipal schools in Brazil. Following positive results in Ribeirao Bonito, the initiative has expanded in 2015 to 2 other cities in São Paulo state.

Additionally, we support a number of other initiatives that include:

- A non-profit organisation in Bebedouro, São Paulo that benefits children and teenagers through social programs and education.
- Supplying fruit and juice donations to several educational institutions to boost infant nutrition.
- Encouraging our employees to participate in collection drives to help various institutions within the communities in which we operate.



RAINFOREST ALLIANCE

The Rainforest Alliance promotes healthy ecosystems and communities through training and certification. Rainforest Alliance certification is based on the Sustainable Agriculture Network (SAN) standards, which rigorously cover social, economic and environmental sustainability in both businesses and communities.

LDC juice operations are now certified in two ways. First, we have farm-level certification on 5 of our 39 farms. Secondly, we have chain of custody certification, meaning that we can trace produce as Rainforest Alliance compliant right from our Matão processing plant in Brazil to our destination port terminal in Ghent, Belgium.

We are committed to further developing our relationship and certification program with the Rainforest Alliance. In 2016, we are targeting to increase the number of LDC-owned farms with Rainforest Alliance certification from 5 to 11.

CHALLENGES FROM CONSUMER DEMAND

Our carbon footprint of Not from Concentrate (NFC) juice is significantly heavier per litre than that of FCOJ. This is because FCOJ is transported in concentrated form, then re-diluted. This is significantly more carbon-efficient. However, growing demand for NFC juice will make reducing our logistics carbon footprint increasingly difficult. We continue to seek ways to counterbalance this effect.



INCREASE THE NUMBER OF LDC-OWNED FARMS WITH RAINFOREST ALLIANCE CERTIFICATION FROM 5 TO 11

COFFEE

Louis Dreyfus Company is one of the world's largest merchandizers of green coffee. Our position gives us a responsibility to inform and educate smallholders and promote best practices in the sector.

We are therefore working on various initiatives to support an ever-growing network of farmers in order to increase awareness of responsible sourcing.



OUR PERFORMANCE IN 2015

In 2015, the coffee market faced numerous challenges. Our sales of certified sustainable coffee reflected these difficulties, meaning we did not meet our ambitious 2015 target for that to represent 16% of coffee we sell. In general, the percentage of certified/verified sales has remained stable. We have revised our future targets to reflect the market situation.

Our 2015 performance shows that we have consolidated our position in supplying certified/verified coffee to our customers.

Over the past few years, LDC has significantly expanded its network of farmers. This allows us to offer a large range of certified/verified coffee to our customers, including Rainforest Alliance, UTZ, 4C, CAFÉ Practices, Fairtrade, and Organic Certifications. We are proud to support approximately 20,000 farmers worldwide on sustainable programs. They produce around 2.7 million 60kg bags of coffee.

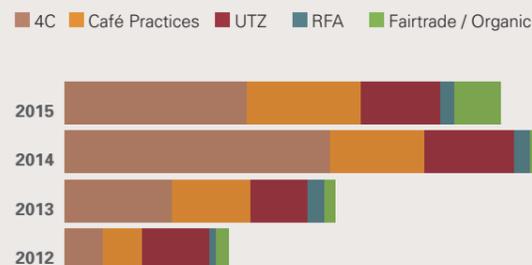
The majority of commercial difficulties faced by certified/verified coffee came from Asia, particularly Vietnam. The impact of these difficulties was global as Vietnam is the world's top Robusta producer.

As international prices for coffee fell, Vietnamese farmers decided not to sell their coffee and wait for a better price. A high number of these farmers have diversified income streams, including from pepper production. High pepper prices in 2015 meant that they were able to hold coffee stocks for longer, with revenue from pepper compensating for lower coffee sales. The impact of this decision was higher coffee stocks in Vietnam throughout 2015, with less product being sold for export.

OUR REVISED TARGETS ARE THE FOLLOWING: % SUSTAINABILITY SALES/TOTAL SALES



SALES CERTIFIED/VERIFIED, 2012 TO 2015 (INC ZEPHYR)



NEW GLOBAL ORGANIZATION FOR A BETTER IMPACT

Last year, we underlined our concern to ensure that the next generation of smallholder coffee farmers will have commercially viable operations. The emphasis is on productivity and quality. We also highlighted the limitations of certification/verification systems in these domains. The issues relate, for example, to improving productivity and quality, efficiently reducing production costs, and increasing farmers' margins.

2015 saw significant changes in the sustainability organization landscape. Led by some key players such as the 4C Association and IDH (The Sustainable Trade Initiative), the major roasters and others from the private and public sectors have defined a new structure. The aim of this structure is to more efficiently address the coffee sector's issues and to have a positive and long-term impact. LDC will continue to actively support this new approach and participate in the journey.

VIETNAMESE FARMER PERSPECTIVE

Tien has been part of the LDC sustainable farmers' network for 3 years. Every year he attends coffee training provided by LDC agronomists. The aim of the training is to help farmers improve their farm practices, in turn reducing their environmental impact.

In addition to coffee, Tien grows a variety of other crops such as durian, avocados and pepper. For some time, pepper has been a profitable crop and in 2015 the price was particularly high. The pepper crop enables Tien to have a double source of income and consider both the coffee and pepper price. This year for instance, he has been able to sell his pepper at a high price.

Tien learnt how to improve and apply fertilizer at the right time according to weather conditions. Ultimately, this improved his coffee production and productivity. His farm is less than 2 hectares and this year he produced 58 bags of coffee.



Tien from Lam Dong province



GLOBAL COFFEE TREE RENOVATION

Climate is fundamental in all farming sectors, particularly coffee. Coffee farmers therefore must take increasing temperatures into consideration as they are affecting production. The rise in temperature at lower elevations has caused more coffee trees to be damaged by disease. However, coffee rust has also appeared at higher elevations, so migration to higher areas may not be the answer.

Depending on the country, the age of a coffee plantation can vary between 5 and 50 years. Younger coffee trees

are found in Brazil and Colombia where renovation programs have been part of regular farming practices to maintain or increase productivity. In some countries, such as Mexico and Panama, governments financially support farmers in an effort to renovate plantations.

Through our sustainability programs, we provide dedicated support to farmers who are willing to regenerate their soil and/or renovate their plantations. We are particularly active in Mexico, Colombia and Indonesia (see case study opposite).



CASE STUDY: TRAINING IN INDONESIA

Deforestation is a hugely significant issue in Indonesian farming. However, reforestation through integrated landscape programs is an impactful way to support local coffee farmers. The Louis Dreyfus Foundation established a project combining the complementary expertise in agro-forestry of Pur Projet with LDC training in coffee farming best practices.

For more detail on this project see page 33.



COTTON

As one of the world's largest merchandizers of raw cotton by volume, our impact on the industry can be significant. We have a duty to address the issues affecting both our people and the environment with great care.

Central to this is our support for a number of initiatives that promote and implement sustainable cotton production.



We aim to promote knowledge and use of Better Cotton Initiative standards among brands, retailers and producers.

We aim to increase volume of Better Cotton purchased by 25%.

BETTER COTTON INITIATIVE (BCI)

2015 saw a marked increase in our participation with BCI. We continue to promote the work of this multi-stakeholder initiative. It aims to develop its Better Cotton as a sustainable, mainstream commodity by establishing global standards.

Our promotion of Better Cotton has led to increased sales in India, Turkey, Pakistan, China, Brazil and numerous African countries. In 2016, we will continue to work hard to develop awareness of the BCI particularly in the US and Kazakhstan.

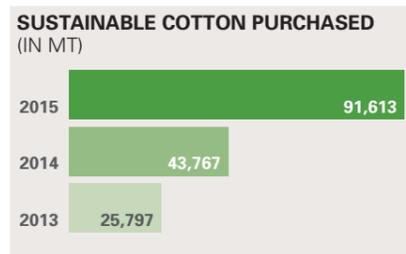
Retailers continue to drive demand, which is linked to their public sustainability commitments. Despite having little influence over this key driver, we continue to push forward with our own ambitious targets. These are mainly focused on

pushing more sustainable cotton through the supply chain.

Applying BCI principles, we aim to merchandize Better Cotton more and more. Last year we set ourselves the goal of increasing the volume of Better Cotton we purchase by 25% year-on-year, every year, for the next 5 years, using 2013 as a baseline.



Here is our progress in 2015:



Challenging environmental and financial conditions can make it hard for farmers to maintain sustainable livelihoods. Louis Dreyfus Company actively educates and supports smallholder cotton growers to enable their progression. Here are two sample projects.



Promote knowledge and use of Better Cotton Initiative standards among brands, retailers and producers



PROMOTING SUSTAINABLE PRODUCTION IN KAZAKHSTAN

Kazakhstan is a country with many smallholder farmers who achieve very low yields. We operate two schemes to help address these issues.

First, in early 2015 we hosted our first BCI stakeholder meeting in Shymkent, Kazakhstan. This was the launchpad for our pilot project as implementation partners for BCI in Kazakhstan. With support from BCI, we welcomed attendees from the cotton sector in Kazakhstan, officials from the Ministry of Agriculture, and LDC commercial partners from Tajikistan and Uzbekistan.

As part of the project we:

- employ agronomists to educate the participating farmers
- supply technical seeds
- provide high grade defoliant.

The pilot starts with 37 participants and we hope to grow the project to embed sustainable cotton production country-wide.

Secondly, we continue our harvest mechanization scheme, piloted in 2013. We provide pickers at harvest time to ease labor challenges and enable picking at optimum times. Last year we supplied 20 mechanical pickers. In 2015, we put 41 pickers at farmers' disposal to increase their efficiency. This approach also allows us to grow our marketing capabilities for Kazakh cotton.



TARGET OF 250 COTTON FARMERS

INCREASING ZAMBIAN SMALLHOLDERS' CAPABILITIES

For 3 years we have been committed to improving conditions for small-scale Zambian farmers. We continue to support over 70,000 growers in improving yields, quality and income.

As well as our baseline offering of seeds and inputs, we supply tractors and insurance to 80 individual producers. This scheme started in 2014 with our joint venture partner, NWK Agriservices.

The mechanization of farming processes allows producers to take full advantage of the growing season. Financing, backed by NWK, gives them mechanization that would otherwise be difficult to access. The scheme builds growers' capacity and efficiency while providing access to global markets through NWK's sales network.

Development was limited this year due to poor weather conditions. The guarantees we helped initiate in 2015 were invaluable to these farmers to help mitigate losses. We provided weather insurance to 46,000 farmers over the course of the last year, protecting them from losses incurred through drought and/or excessive rainfall. We will work hard to continually improve the model going into 2016.

Louis Dreyfus Company remains committed to adapting and developing a resilient model that works for Zambia in order to raise yields and, consequently, farmers' incomes.



SOYBEANS

Soybeans are a crucial source of protein. Soybean meal, for example, is the source of over 80% of the world's meal protein. As demand increases, with a growing population and changing diets, the sustainability of soybean production becomes more and more important.



We are involved in 11% of global oilseeds flows with operations in 19 countries. This makes us one of the world's largest merchandizers of soybeans. We therefore have the scope to have a massive impact.

Here are some examples of our continued and growing investment in sustainable soybeans.

SUSTAINABLE SOYBEANS

Brazil is home to 53% of the Earth's remaining tropical rainforest cover. Currently housing at least 10% of the world's known biodiversity, the Amazon Biome spans 6.7 million km². Brazil is also the top soybean producer in the world and, consequently, a victim of mass deforestation, losing 17% of forest cover in the last 50 years. This is a serious threat to the biodiversity of the Amazon.

LDC is part of The Soya Moratorium, a key industry initiative to prevent major merchants from selling soybeans that may be linked to deforestation in the Amazon. We therefore ensure we source our soybeans from farmers who comply with Brazilian labor and environmental law.

We work closely with the Brazilian Association of Vegetable Oil Industries (ABIOVE) and ANEC to bring best agricultural practices to Brazilian farming communities through the SoyPlus initiative. The initiative has performance requirements for sustainable soybeans that are specifically adapted to Brazil's environmental, social and economic situation.

SUSTAINABLY SOURCING FROM NORTHERN BRAZIL

We continue our work on the North Corridor Project, developing a logistics system to transport soybeans and corn from origination areas to sea ports via the Tapajos and Amazon rivers. This is the most economical and sustainable way for Brazil to export agricultural products.

External specialists and consultants are helping us examine the locations where we plan to build our river terminals. This will enable us to understand how to efficiently implement the project while positively impacting the people and communities that surround it, and simultaneously minimizing environmental impact.



We have expanded our sustainability profile in soybeans over the last 5 years.



RENEWABLE BIODIESEL

In 2014 LDC Argentina committed to Renewable Fuel Standard 2 (RFS2). This is a voluntary, private tool developed by the US Environmental Protection Agency (EPA) to ensure sustainability of soya methyl ester (biodiesel) and its inputs (biomass/intermediate products).

The scheme's objective is to guarantee conformity to all requirements of the US National Renewable Fuel Standard Program. This standard was introduced in an effort to reduce greenhouse gas emissions and to ensure that qualifying biofuels come from environmentally sustainable sources.

This market is regulated by US law and a strict quality assurance program.

Importing compliant biodiesel requires a Renewable Identification Number (RIN) to be assigned. RIN attaches to a batch of biofuel to track its production, use, and trading.

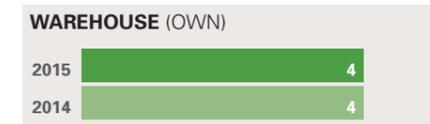
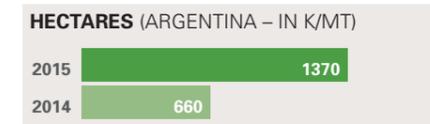
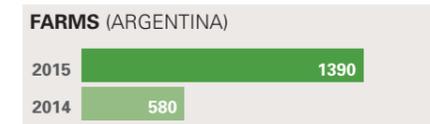
The quality assurance program shows that soybeans used to produce renewable fuel come from qualifying land that has not been deforested. This allows traceability and segregation to be certified by a third party throughout the entire processing chain: reception, storage, production and loading.

Louis Dreyfus Company owns 2 biodiesel plants in General Lagos, Santa Fe, Argentina. Each plant has the capacity to produce 900MT per day.

TRACEABILITY & SEGREGATION IN THE CHAIN OF CUSTODY



LDC RFS2 PRODUCTION



LOOKING AHEAD

Our people are fundamental to Louis Dreyfus Company's sustainable development. By being proactive, open and aware, they can ensure the company strategically tackles issues facing agribusiness.



CONSTANTLY ADAPTING

Adaptability and proactive decision-making are key in dealing with the pace of global change. As Robert Nahmani, Crush Manager responsible for all agricultural purchases and sales in Wittenberg, Germany explains, reacting to changes in government policy and regulation provides a good example.

Biofuels are at the forefront of this challenge. For instance, by 2020 the EU aims to have 10% of land transport fuel coming from renewable sources, such as biofuels. Germany has further developed this mandate to reduce greenhouse gas (GHG) emissions in the transport sector by 3.5% in 2016.

Our response to such shifts is increasingly embedded in our operations. In 2014, in response to the German government's approach, we fully audited the crushing and biodiesel plant in Wittenberg against International Sustainability and Carbon Certification (ISCC) standards. This resulted in a rapid shift to producing Rapeseed Methyl Ester (a key component in biofuel) with 60% lower GHG emissions than conventional diesel.

In 2011, Germany fundamentally changed energy policy. The 'Energy Transition' replaces non-sustainable energy supply with renewable sources.

Matthias Balske, Energy Manager at Wittenberg, and his team therefore needed renewable energy alongside considering grid stability. Stable grid usage is rewarded – plants that avoid load peaks can reclaim the grid usage fee. They managed to ensure stability through engaging a specialist company to check the steam and condensation system annually.

With people like Robert and Matthias having responsibility for swift adaptation as part of their everyday role, we can build momentum on our environmental impact while meeting yield targets for each commodity. Internal coordination of efforts and knowledge drives this forward.



Robert Nahmani

Matthias Balske

Ensuring each person's role has sustainability activity embedded in it is central to enabling our people to make a difference. Here is our continuing journey of learning from people in varying roles on the opportunities and challenges of building sustainability into day-to-day business practices.

COMMUNICATING BEST PRACTICE

Regular analyses are integral to consistent development and improvement. We must be proactive in reviewing and evaluating our progress so that we can ensure success and efficiency at each step.

China's energy team has the goal of reducing energy usage and GHG emissions at all our assets in that country. With such a large remit, work has been driven by routine communication of best practice.

Since mid-2015, the team has executed 20 energy reduction projects, generating considerable savings and reducing emissions on the back of proactively sharing know-how. For example, China Industrial Director, Nam-Han Chai observed the value of the energy workshop held at Don Guan in November 2015. Participants shared best practices and personal experiences, which enabled them to develop a clear and thorough energy master plan for 2016.

We must work to continuously implement programs like these to embed sustainable practices. This is a long-term commitment and we must persist because, as Nam-Han Chai recognises, there is no easy, fast track to sustainable business.



Nam-Han Chai

EDUCATING OUR PEOPLE

Our core duty to customers is to deliver products safely and reliably. Educating our people is key to enriching our company and fulfilling this obligation to our clients.

It is estimated that by 2020 there will be 95 million more low-skilled workers than there are low-skilled jobs available. Updating the skills of just a small percentage of these workers will have a positive effect on the economy and those workers' livelihoods.

Part of this comes from ensuring LDC people are educated in all aspects of safety at work. Poltak Pardede, SHE Manager at Lampung biodiesel facility notes the importance of this education. Safety induction and other safety training is obligatory for all employees before starting work at LDC. Our ongoing success in meeting safety targets (see page 12) is due to programmes such as "Back to Basics" and "Safety Starts With Me" – initiatives focused on teaching proactive safety to all our people. Not only do they learn but their learning can be passed on to the wider community.

A further extension of how we can benefit communities involves supporting provision of formal education to address the broken school-to-work pathway. Argentina is an example we wish to build from, where we have opened a primary and secondary school, giving the opportunity for LDC employees to complete their education (see page 32). Such education, plus training for farmers, can help build both sustainable communities and sustainable farming practices.

Our aim is for our on-going support to bring about continuous improvement all around our global operations.

We are optimistic about our ability to create positive change through embedding adaptability, best practice and safe and smart working patterns in our business and beyond. As always, we invite any feedback that can help us to improve further.



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