



# **Sustainability Report**

**2022**

Date : August 2023

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## 2 Message from the Managing Director

I am pleased to present our second Sustainability Report.

In addition to a continuous improvement of our operations in our offices in Belgium, the year 2022 was marked by our even more intense commitment within the Global Platform for Sustainable Natural Rubber (GPSNR).

The GPSNR platform is now clearly recognized as the most qualified multi-stakeholder initiative to create and deploy tools and procedures for ensuring the development of a credible sustainable natural rubber supply chain compliant with international due diligence regulations.

We are of course thinking of the new European Union Deforestation Regulation which will have a considerable impact on the documentary part of our trading operations.

To do this, TROPICORE is present in several working groups and leads its African suppliers in the journey to sustainability in order to safeguard their continuous access to the most profitable markets.

TROPICORE's involvement has taken the form of more sustained support to improve the traceability and transparency of supply chains, through concrete assistance in the fields, regular training and awareness-raising sessions.

The report of our actions, and those of our suppliers, in relation to the GPSNR Policy Components is also available on the GPSNR website and the reader is invited to consult it in parallel.

Transparency is not an empty word at TROPICORE and we continue to work for the benefit of the operators who entrust us with their productions to market.

I wish you a pleasant reading of our report.

Jean-Charles de Fauconval

Managing Director

## 3 Company's data

Name	TROPICORE
Legal form	Public limited company
Capital	100.000 euros
Start date	October 2010
Registered seat's address	Avenue Jules César 12/9 1150 Woluwe-Saint-Pierre (Belgium)
Establishment unit	Avenue de Kraainem 33 1950 Kraainem (Belgium)
Website	<a href="http://www.tropicore.com">www.tropicore.com</a>
Enterprise registration number	0830.672.366
Establishment unit registration number	2.193.558.889
Managing Director	Mr de Bernard de Fauconval de Deuken
Version of the Nacebel codes for NSSO-activities 2008	46.190 – Commission trade of miscellaneous products
NSSO (Social Security) Number	1360671-37
Number of employees (excl. Managing Director)	3 (2 male; 1 female) – full time 2 regular freelancers (male)
Operating permit/licence	Activities are not subject to permit/licence
Town planning location	Residential

## 4 Description of the operations

TROPICORE is a company specialised in the trade of tropical products, mainly natural rubber.

As a sourcing company, its objective is to serve local entrepreneurs by helping them to improve all aspects of the marketing and export of their production.

TROPICORE has developed long-term relationships with some of the African leading producers. TROPICORE is their commercial representative on the international market (based on exclusive long-term agreements).

TROPICORE is not only a "FOB buyer" of a product. Thanks to its long-standing logistical, marketing and financial expertise, TROPICORE provides its local partners with a full range of services including technical visits to factories with major customers, proposing and organising local logistical solutions, administrative and financial procedures. TROPICORE also helps producers and processors to adapt to the ever-changing needs of the customer in a rapidly changing world.

The activities are therefore mainly:

- Office activities
  - o Sale of the products of the affiliated processing factories;
  - o Payments and collections of products and services related to the operations;
  - o Logistical organisation of the export of products on the international market;
  - o Carrying out administrative and financial procedures;
  - o Marketing and promotion of products;
  - o Technical support to suppliers (including market intelligence, changing needs, market trends, sustainable management, traceability and transparency of the supply chain, compliance with quality and sustainable management standards, etc.);
  - o Management of customer relations with a view to continuous improvement of services provided;
- Regular missions overseas (audits of operations, definition of local logistics solutions, visits to approve tyre manufacturers, trainings, etc.).

The activities are solely in the tertiary sector, producing various services.

## 5 Policies

In January 2021, TROPICORE joined GPSNR (Global Platform for Sustainable Natural Rubber) and as part of its membership, has updated its various policies, codes of conduct and procedures.

These documents are available for downloading on our website (<https://www.tropicore.com/social-responsibility>); they have been assessed by the GPSNR secretariat and have been found compliant with all the GPSNR commitments and requirements.

- Natural Rubber CSR Policy
  - The Natural Rubber CSR policy contains 5 main chapters
    - o The respect and alignment to the national and international applicable regulations
    - o The respect and protection of Human rights (Workers' rights, Local communities' rights, grievance management, etc.)
    - o The protection and conservation of natural resources
    - o The improvement of agricultural practices and support to the communities
    - o Implementation, including traceability, monitoring and reporting
- Natural rubber CSR supplier code of conduct
  - Following the same principles as the ones in the CSR policy, the document describes TROPICORE's expectations towards its suppliers with regards to its policy and commitments.

It contains the same main chapters and the supplier must commit to respect the commitments set in the code of conduct by signing. The supplier understands the consequences of not respecting the code of conduct.

- **Headquarters CSR code of conduct**  
Structured in a similar way, the commitments are applicable to all the activities of TROPICORE located at the level of its head offices, including the suppliers of goods and services to the Belgian offices.
- **Employee and Business Code of Ethics**  
The purpose of this Code of Ethics is to implement practices that comply with generally accepted ethical standards, in particular the principles contained in the ISO 26000 Standard in § 4.4 "Ethical behaviour" and § 6.6 "Fair operating practices". The Code is also part of the implementation of the measures provided for in the United Nations Convention against Corruption of 31 October 2003, in Belgium and abroad.
- **Whistleblowing procedure**

In order to ensure that its commitments and its Code of ethics, in particular, are completely and correctly respected, TROPICORE has set up a whistleblowing procedure that protects the identity of individuals who report alleged violations, and ensures their protection and their safety to avoid any reprisals. This procedure is applicable to all employees, third parties, suppliers, visitors and stakeholders of TROPICORE.

## 6 Applicable legislation

As a company based in Belgium, TROPICORE is subject to national, regional and local legislations.

Employees travelling abroad are informed about the applicable local legislation when they travel to these countries.

### 6.1 Environmental legislation

TROPICORE's activities (tertiary sector) are not subject to environmental permit or declaration.

The building in which TROPICORE has its offices is owned by Kraainem 33 (company number 0643.988.047), which holds the building permit for the building.

### 6.2 Social and human rights' legislation

Belgium has a very comprehensive social legislation that covers the human rights.

Salaries, social contributions, payments etc. are managed by a certified social secretariat.

The tasks and missions in the field of Occupational Health and Safety (OHS) are legally divided between the External Service for Prevention and Protection at work (SEPP) and the Internal Service for Prevention and Protection at work (SIPP).

TROPICORE has contracted MENSURA<sup>1</sup> as its SEPP. One employee has been trained as the SIPP, in accordance with the Belgian legislation.

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<sup>1</sup> <https://www.mensura.be/en/about-mensura>

### 6.3 Legislation related to responsible sourcing

Purchases are made in Côte d'Ivoire and Guinea.

In the framework of its GPSNR membership, TROPICORE is kept informed about the development of the forthcoming European Union Deforestation Regulation (EUDR), US and UK due diligence regulations. TROPICORE is actively participating to the GPSNR Assurance Model Task Force which is in charge to develop a Due Diligence System (DDS) and a common traceability tool in order to comply with the requirements of the EU regulation as well as UK and US planned legislations.

TROPICORE will also use the risk assessments tools created by GPSNR in order to comply with the EUDR risk assessments.

The EUDR has been published in the Official Journal of the European Union L 150 dated 9 June 2023; TROPICORE now has until the 30 Decembre 2024 to implement the DDS.

In order to ensure that the productions of its suppliers can always be marketed on buoyant and remunerative markets, these legislations will require the full attention of TROPICORE for the next two years.

### 6.4 Legal compliance

Compliance with legislation is continually assessed by consulting specialised journals (legal watch), newsletters from the social secretariat, and professional federations, and if necessary, just before each mission abroad.

TROPICORE's compliance is regularly checked by specialised state bodies: tax inspectorate, work inspectorate, SEPP, etc.

The company, as a legal entity, and its employees or regular consultants have not been convicted for any reason (in relation to environmental, social, human rights legislation, etc.) during the year 2022.

Regarding the supply chain, TROPICORE finds out about local legislation, sends questionnaires and carries out field inspection with checklists to make sure that its suppliers of tropical products comply with all applicable laws, that they have not been condemned by governmental authorities or denounced by third parties via the whistleblowing procedure.

		2020	2021	2022
Legal watch		Continuous / ad-hoc basis	Continuous / ad-hoc basis	Continuous / ad-hoc basis
Number of internal assessments	Internal audits regarding legal compliance (part of the quality policy) in the frame of ISO 9001 certification.	1	1	1 (May)
	Inspection checklists for Headquarters	N/A	1 (14 <sup>th</sup> of July 2021)	1 (4 <sup>th</sup> of July 2022)
	Inspection checklists for suppliers	N/A	IDH: 1 Soguipah: 1 San Rubber: 1	San Rubber: 1
	Questionnaires sent to suppliers (GPSNR format)	N/A	IDH: 1 Soguipah: 1 San Rubber: 1	IDH: 1 Soguipah: 1 San Rubber: 1 CTCI: 1 LCC:1

		2020	2021	2022
Number of inspections/ audits carried out by third parties	Compliance with waste segregation (by collection agency)	Once a week	Once a week	Once a week
	Compliance with legislation on well-being at work (by inspection bodies): SEPP <sup>2</sup> , SECT <sup>3</sup> )	SEPP: 1 (16th of September 2020) SECT: 1 (2 <sup>nd</sup> of November 2020)	SEPP: 1 (23rd of August 2021) SECT: 0 ( <sup>4</sup> )	SEPP: 0 SECT: 0 ( <sup>4</sup> )
	External audits regarding legal compliance (part of the quality policy) in the frame of ISO 9001 certification.	9 <sup>th</sup> of June 2020	27 <sup>th</sup> of July 2021	15 <sup>th</sup> of June 2023
	Fire extinguishers	1 (12 February 2020)	1 (9 March 2021)	1 (13 July 2022)
Number of reports sent via the whistleblowing procedure	Occurrences of improper conduct (corrupt, unethical, illegal, etc.)	N/A	0	0
Number of complaints from the neighbourhood	Occurrences of pollution (incl. noise)	0	0	0
Number of legal NCs still open on 31st December	Tropicore	0	0	0
	Suppliers (supply chain of tropical products) ( <sup>5</sup> )	N/A	0	0
	Other suppliers	1 ( <sup>6</sup> )	0	0

## 7 Sectorial code of conduct

As a member of the GPSNR, TROPICORE SA has adhered to the commitments listed in the GPSNR Policy Framework.

To this end, TROPICORE has developed several documents that have been deemed compliant and acceptable by the GPSNR (see above):

- Natural Rubber CSR Policy
- Natural Rubber CSR Supplier code of conduct
- Headquarters CSR code of conduct
- Employee and Business Code of Ethics

A number of additional documents such as the whistleblowing procedure, inspection checklists and questionnaires have also been developed to enable the effective implementation of these commitments.

<sup>2</sup> SEPP : Service Externe de Prévention et de Protection au travail - External service for prevention and protection at work

<sup>3</sup> SECT : Service Externe pour les Contrôles Techniques sur le lieu de travail - External services for technical inspections at the workplace

<sup>4</sup> Next inspection to be completed in 2025

<sup>5</sup> To our best knowledge.

<sup>6</sup> During an inspection of the electrical installations (November 2020), it has been found that some administrative documents and plans were missing (the owner of the building, Kraainem 33, was in charge).

The commitments of the GPSNR policy are classified into 37 components and grouped into 8 main themes:

- Commitment to legal compliance
- Commitment to healthy, functioning ecosystems
- Commitment to respecting all human rights
- Commitment to community livelihoods
- Commitment to increased production efficiency
- Commitment to systems and processes to drive effective implementation of policy components
- Commitment to supply chain assessment, traceability and management
- Commitment to monitoring and reporting on progress towards, and conformance with, policy components

TROPICORE is an active member of the GPSNR, and participates in numerous working groups. This enables TROPICORE, and its suppliers, to be always within the allotted time for implementing and fulfilling any requirement arising from GPSNR membership.

## 8 Structure of the report

This document aims to:

- Report on the actions carried out during the year 2022 in terms of economics, environmental protection, responsible sourcing, occupational health and safety, and ethics;
- Fill in the relevant indicators;
- Provide the information needed to complete GPSNR Reporting Requirements and Ecovadis<sup>7</sup> questionnaire.

## 9 Economic data

Turnover and profits/losses

Year (closing date of the financial year)	Turnover (in euros)	Profits / losses (for appropriation) in euros
01-07-2021 > 30-06-2022	150.296.208	1.267.158
01-01-2020 > 30-06-2021 <sup>(8)</sup>	106.518.449 (18 months)	1.079.078 (18 months)
2019 (31-12-2019)	55.804.075	370.506
2018 (31-12-2018)	44.354.345	-12.009
2017 (31-12-2017)	63.740.033	52.848

More information available on the website of the National Bank of Belgium (Central Balance Sheet Office)<sup>9</sup>.

Breakdown by geographical market (in value)

	2019	2020-2021 (18 months)	01-07-2021 > 30-06-2022
<b>Singapore</b>	<b>84,01%</b>	<b>71,88%</b>	<b>60,49%</b>
Malaysia	5,43%	11,71%	13,46%
United States of America	2,45%	0,27%	6,63%
Germany	2,16%	3,72%	3,80%
The Netherlands	1,28%	0,45%	1,07%

<sup>7</sup> Ecovadis is a trusted platform for assessing performance in the area of Corporate Social Responsibility.

<sup>8</sup> Annexes of the Belgian Official Gazette (Moniteur belge) of 6 January 2021- Ref. 0300778

<sup>9</sup> <https://kbopub.economie.fgov.be/kbopub/zoeknummerform.html> or <https://www.nbb.be/en/central-balance-sheet-office>



	2019	2020-2021 (18 months)	01-07-2021 > 30-06-2022
Canada	1,21%		0,29%
U.A.E	0,89%	0,59%	0,64%
Belgium	0,68%		
Poland	0,57%	2,37%	1,45%
Luxemburg	0,54%	1,89%	1,42%
Greece	0,34%		0,16%
Spain	0,22%	1,63%	3,25%
Switzerland	0,18%	0,12%	5,41%
Italy	0,04%	0,36%	0,56%
China		0,9%	1,22%
United Kingdom		4,08%	0,08%
Côte d'Ivoire		0,03%	
France			0,003%
Russia			0,07%

TROPICORE is specialised in the marketing of natural rubber from West Africa. It has obtained exclusive, long-term commercial representation for major agro-industrial groups, mainly in Côte d'Ivoire and Guinea Conakry.

TROPICORE ships natural rubber to Europe, the USA and Asia. Its customers are either tyre manufacturers or wholesalers who sell to local manufacturers.

TROPICORE is a commercial service company; its income is a percentage of its sales. This depends mainly on the number of tons marketed, the value of the product and also on the level of the USD / EUR exchange rate. Indeed, TROPICORE has most of its revenues in USD and most of its costs in EUR.

Its financial year straddles 2 calendar years (1/7/21 - 30/6/22).

Tropicore sales reached a record level of +/- EUR 150 million, estimated to be 112% up on 2020/21 on a like-for-like basis (equivalent to 12 months).

This very substantial increase reflects a combination of higher rubber prices (estimated at +/- 30% in USD) and the increase in volumes marketed (106,500 tonnes, up by more than 75% - equivalent to 12 months' sales) thanks in particular to the signing of several commercial contracts with new rubber factories in Côte d'Ivoire.

The 2021-22 financial year has been very eventful: after the strong recovery in global economic activity in the 2nd half of 2021, a number of logistical tensions arose, and the backlog in maritime transport could not be absorbed quickly: the price of maritime freight soared, mainly on Asia / EU and USA routes, while Africa - EU and USA routes were partially preserved; this situation benefited African producers, who were able to sell their rubber at substantial premiums compared with rubber from Asia. Unfortunately, this advantage gradually disappeared during the 2nd quarter.

The invasion of Ukraine at the end of February initially led to a sharp rise in energy prices and some commodities, including natural rubber. Singapore market held up well until the end of the financial year on 30 June 2022: Average rubber prices (quoted in Singapore) in 2021/22 (12 months) was +/- USD 1,704 per ton, the highest level for more than 7 years!

China's "zero" covid policy is set to have a major impact on the rubber market from 2nd quarter of 2022, China being by far the world's biggest consumer, with +/- 6 million tons of the +/-14 million tons produced worldwide!

From July onwards, the market began to fall steadily, weakened by the energy crisis and inflation.

The ensuing economic slowdown was highly damaging for natural rubber: prices fell from around USD 1,600 per ton to around USD 1,300, a drop of more than 20%.

## 10 Environment

In 2021, TROPICORE developed its Environmental & Occupational Health & Safety Management System.

The management system is based on the iterative process: Plan - Do - Check - Act.

The EMAS<sup>10</sup> "easy" tool<sup>11</sup> was used for the environmental part because this methodology is adapted to the scale of small structures and respects their informal, oral and unbureaucratic organisation.

The document described the elements of the environment that can be directly or indirectly impacted by TROPICORE's activities in Belgium and abroad and those that are likely to affect the company (presence of a polluting company nearby):

- The urban layout of the buildings housing the company's premises;
- Noise pollution from road and air traffic;
- Mobility solutions for employees;
- Balance of materials and use of resources;
- Water resources, possible pollution and wastewater treatment;
- Groundwater protection and flood risk;
- Soil protection and chemical storage;
- Air, odours, dust and noise generated by the activities;
- Energy (energy mix, installed capacity and consumption);
- Waste production and recycling.

The identification and characterisation of the environmental risks associated with the company's activities have made it possible to define a number of priority objectives and an action plan over several years.

The priority objectives are:

- Reduction of resource consumption (mainly paper);
- Reduction of greenhouse gas emissions;
- Raising the environmental awareness of employees and all the suppliers of goods and services.

The objectives and targets have been communicated to all employees and freelancers who regularly use the 'walk-in' offices.

For each potential impact and possible incident, measures have been proposed to mitigate or eliminate the negative impacts, and possibly compensate when these impacts cannot be mitigated.

Many of the environmental risks are already under control at TROPICORE and good practices should be maintained. An inspection checklist was developed in 2021 and has been used regularly to check that these good practices are maintained; such as: office waste management, waste electrical and electronic equipment

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<sup>10</sup> Eco-Management and Audit Scheme

<sup>11</sup> <https://op.europa.eu/en/publication-detail/-/publication/a46da1ae-edee-47aa-b871-d13baa946379>

management, efficient use of resources (water, electricity, fossil fuels, paper), purchase of high-quality equipment, regular maintenance, teleworking etc.

The 2022 main achievements of the environmental management plan are given below.

As the building in which TROPICORE has its offices is owned by a third party (Kraainem 33 SRL), TROPICORE has only limited influence on the environmental choices that the owner might make; for example, there are no individual meters for water, electricity or gas.

However, the owner of the building has been made aware of the need to save resources and has started to take action: for example, it has contracted a new electricity supplier (ENECO) that has been rated 18/20 by Greenpeace<sup>12</sup> instead of 10/20 for the previous supplier (MEGA)<sup>13</sup>. The owner has also installed two charging stations for the electric vehicles of the companies occupying the building and external users, thus also acting for the benefit of the community.



Figure 1 : Charging stations in front of Kraainem 33’s building

Activities	Impacts	Management measures	Due date for implementation	Achievements 2022
Operation of the offices (Belgium)	Hazardous waste	Acquire MSDSs for hazardous chemicals (e.g. printer inks).	2021	Completed in 2021 – updated in 2022.
		Comply with the requirements for handling, storage, disposal and accidental release measures (§ 6, 7 and 13).	2021	Completed in 2021

<sup>12</sup> <https://monelectriciteverte.be/fournisseur/eneco/>

<sup>13</sup> <https://monelectriciteverte.be/fournisseur/mega/>

Activities	Impacts	Management measures	Due date for implementation	Achievements 2022
	Consumption of paper	Make customers aware of the possibility of concluding contracts electronically.  If the printer's technical specifications allow, use 100% recycled paper  Use paper whose sustainable production has been verified or certified by a third party.	2021  Next time the stock is renewed  Next time the stock is renewed	Completed in 2021  Partly  Completed
	Greenhouse gas emissions	Ask Kraainem 33 for information on the net electricity consumption of the building after deduction of the production by the 80 photovoltaic panels.  Ask Kraainem 33 for information about its electricity supplier and, if necessary, invite it to choose a supplier producing a 100% renewable energy mix.  Ask Kraainem 33 for information on the building's gas consumption and raise awareness of the need for monitoring.	2021  2021  2021	Completed in 2021  Completed in 2021  Completed in 2022
Travel between home and work (commuting)	Greenhouse gas emissions	Maintain and, when possible, promote good practice in teleworking.	N/A - Current situation	Yes – to be continued
International trips	Greenhouse gas emissions	Offsetting greenhouse gas emissions	2022	Partly (with solar panels)
All	All	Raising awareness among workers (employees and visiting free-lancers)	2021	Completed since 2021 – to be continued

The Management System has detailed the resources required for its operation:

- Human resources
- Specific skills
- Technological and financial resources

and listed the training and awareness-raising activities required for its implementation.

In order to verify that the commitments made by TROPICORE in terms of environmental protection have been respected and to analyse the effectiveness of the mitigation, elimination and compensation measures applied, a number of monitoring indicators have been defined.

As the building in which TROPICORE has its offices belongs to a third party (SRL Kraainem 33), there are no individual meters for water, electricity or gas; consumption cannot therefore be individualised. Some of the data

therefore concerns the entire building, while others concern the activities of TROPICORE only. The consumption of the entire building also depends on the occupancy rate, therefore TROPICORE cannot exert any leverage on this.

The evolution of the indicators is given below. TROPICORE's consumption measurements are expressed with reference to the production unit: the marketing/shipping contract.

Indicators	Unit	2020	2021	2022	Trends (2021-22)	Comments
Number of contracts		950	1.758	1.884	+7%	
Waste recycled / re-used	M <sup>3</sup>	≈ 20 m <sup>3</sup>	≈ 20 m <sup>3</sup>	22 m <sup>3</sup>	+10%	Data for the entire building
Waste incinerated (with energy recovery)	M <sup>3</sup>	≈ 8 m <sup>3</sup>	≈ 8 m <sup>3</sup>	16 m <sup>3</sup>	+100%	Data for the entire building
Hazardous waste	Nber of toners	5	7	7	=	The printer toners are reused and refilled by the leasing company.
	Nber of contracts / toner	190	251	269	😊	
Paper	Nb of sheets of paper	55.000	80.000	82.500	+3%	
	Nb of contracts / 1000 sheets	17,3	22	22,8	😊	
	Responsible sourcing	Yes - Self declaration <sup>14</sup>	Certified by third party (FSC)	Certified by third parties (PEFC and Ecolabel)	😊	
	% recycled fibers	unknown - Farmed trees	Yes - FSC Mix with credits method	Yes – Ecolabel	😊	
Drinking water (from public network)	M <sup>3</sup>	152 m <sup>3</sup> (06/20 to 06/21)	201 m <sup>3</sup> (06/21 to 06/22)	104 m <sup>3</sup> (06/22 to 06/23)	😊	Data for the entire building.
Gas	M <sup>3</sup>	11.356 m <sup>3</sup> (06/20 to 06/21)	9.615 m <sup>3</sup> (06/21 to 06/22)	8.391 m <sup>3</sup> (06/22 to 06/23)	😊	Data for the entire building
Electricity	kWh (from the grid)	25.405 kWh <sup>(15)</sup>	23.048 kWh	20.867 kWh	😊	Data for the entire building

<sup>14</sup> "Paper produced from farmers' unused land between rice paddies, which helps to save trees from natural forests and reduce the global warming by absorbing carbon dioxide from the atmosphere" (supplier's website).

<sup>15</sup> 52.298 kWh in 2019, before the installation of the solar photovoltaic panels.

Indicators	Unit	2020	2021	2022	Trends (2021-22)	Comments
	Total kWh produced (from the solar panels)	24.340 kWh	21.319 kWh	24.857 kWh	+ 17 % <sup>(16)</sup>	Data for the entire building.
	kWh (feed-in the grid)	N/A	10.924 kWh	13.430 kWh	+ 23%	Data for the entire building
	Installed kW				=	The new printer Ricoh IM C300 has a similar energy consumption
Travel between home and work (commuting)	km	21.500	21.500	21.600	=	One new employee in 2021
	Kg CO <sub>2</sub> <sup>17</sup>	5.070	5.070	5.095	=	
	Kg CO <sub>2</sub> / contract	4,2	2,9	2,7	- 7%	
International trips	km	≈ 200.000	≈ 72.000	≈ 80.000		
	Kg CO <sub>2</sub>	31.640	11.130 <sup>(18)</sup>	12.370		
	Kg CO <sub>2</sub> / contract	33,3	6,3	6,6	+ 4%	
Training and awareness-raising sessions (on sustainability <sup>19</sup> )	Nb / year	3	5	6	😊	
	Hours / worker	12	15	16	😊	
Environmental incidents	Nb / year	0	0	0	😊	
Internal audits / checklists completed	Nb/year	0	1	1	😊	
Open NCs at the end of the year	Nb	0	0	0	😊	
Number of complaints from the neighbourhood	Nb/year	0	0	0	😊	

Almost all the indicators are on a neutral or positive trend. Only GHG emissions generated by international trips have increased slightly compared to 2021. This small increase is due in particular to prospecting for new suppliers and the need to carry out trainings and audits in the frame of the implementation of the EUDR. However, they remain very much lower than those of 2020.

<sup>16</sup> Depends on the weather. No mitigation measures can be applied.

<sup>17</sup> To estimate the CO<sub>2</sub> emissions, we used the Greentripper calculator (<https://greentripper.org/en>) and considered that the local trips were made by combustion engine vehicle (50% diesel - 50% petrol, with average consumption).

<sup>18</sup> Partly due to the pandemics

<sup>19</sup> Not only on the environment.

## 11 Occupational Health and Safety

In 2021, TROPICORE developed its Environmental & Occupational Health & Safety Management System. For the Occupational Health and Safety (OHS) part, the standard OHSAS 18001 was used for structuring the document.

TROPICORE's commitments in the area of OHS are listed in the Headquarters CSR Code of conduct.

TROPICORE has conducted a comprehensive risk analysis with the participation of the workers and in collaboration with MENSURA, the certified External Service for Prevention and Protection at work.

It was agreed that most of the risks are under control and regular assessments must be carried out.

However, one main risk remains and is related to work on screen.

The objectives are :

- Reduction of risks, particularly in terms of ergonomics and repetitive work;
- Reduction of psycho-social risks, in particular stress risks;
- Reduction of risks related to international travel (Africa, South East Asia);
- Zero lost-time accident ;
- Zero disease of tropical origin;
- Regular awareness-raising sessions of workers.

A detailed management plan has been developed for the next 5 years and was deemed acceptable by the SEPP.

Activities / Risk identified	Hazard details / consequence	Risk Control Method	Due date for implementation	Achievements 2022
Access to the workplace	Unauthorized and not trained personnel in area.	Only inducted persons are authorized.	2021	Completed in 2021
		Develop and implement a procedure "HSE induction"	2021	Completed in 2021
Work on screen	Musculoskeletal disorders and stress – eye strain	Maintain the good practices <ul style="list-style-type: none"> <li>- Take short breaks regularly</li> <li>- Change position regularly</li> <li>- Provide means of relaxation</li> <li>- Ensure that the workstation is ergonomic (screen, seat, desk).</li> </ul>	N/A – Current situation	Yes - To be continued
		Raise awareness among workers	2021	Completed in 2021
		To adapt ergonomics for women during pregnancy or breastfeeding.	If applicable	If applicable

Activities / Risk identified	Hazard details / consequence	Risk Control Method	Due date for implementation	Achievements 2022
Hazardous waste	Poisoning, irritation or injury from handling chemicals (detergent, printer ink, etc.)	Acquire MSDSs for hazardous chemicals (e.g. printer inks).	2021	Yes - Updated in 2022. The new printer inks don't contain Titan Oxide and are less hazardous.
		Comply with the requirements for handling, storage, disposal and accidental release measures (§ 6, 7 and 13).	2021	Completed in 2021
Time constraints	Work done in a hurry  Stress, burn-out.	Maintain the good practices <ul style="list-style-type: none"> <li>- Alert management when good and enjoyable work is no longer possible.</li> <li>- Use efficient equipment</li> <li>- Hire extra staff, if necessary</li> <li>- Take short breaks regularly</li> <li>- Provide means of relaxation</li> </ul>	N/A – Current situation	Yes – to be continued
Psychosocial environment	Violence, moral and sexual harassment. Dissatisfaction, stress, burn-out.	Maintain the good practices <ul style="list-style-type: none"> <li>- Alert management when good and enjoyable work is no longer possible.</li> <li>- Raise awareness among workers</li> <li>- Regularly remind workers of the content of the relevant work rules and the contact details of the SEPP's psychosocial risk prevention advisor</li> </ul>	N/A – Current situation	Yes – to be continued
		Develop and implement a procedure "OHS&E induction"	2021	Completed in 2021
Emergency	Fire	The electrical system is up to standard (controlled by a SECT)	2021 and every 5 years	Completed (2/11/2020)
		Fire fighting training	2021	Pending
	Medical emergency	Maintain the good practices: <ul style="list-style-type: none"> <li>- First aid training</li> <li>- Emergency number displayed, and up to date</li> <li>- First aid box available.</li> </ul>	N/A – Current situation	Yes – to be continued
Visits and travel abroad	Tropical diseases	Follow medical recommendations on vaccinations, malaria prophylaxis and others.	N/A – Current situation	Yes – to be continued
	Injuries during the visits of the plantation and/or factory	Follow the safety instructions given by the supplier (oral instructions and signage).	N/A – Current situation	Yes- to be continued



As for the Management of the Environment, TROPICORE's management ensures that the necessary resources are available to operate the OHS Management System:

- Human resources
- Specific skills
- Technological and financial resources

and has listed the training and awareness-raising activities required for its implementation.

All the employees and freelancers have followed an OHS & Environmental induction, and have received their own induction booklet with all the necessary information.

In order to verify that the commitments made by TROPICORE SA in terms of OHS have been respected and to analyse the effectiveness of the risk control methods applied, a number of monitoring indicators have been defined.

Indicators	Unit	2020	2021	2022	Trends (21-22)	Comments
Frequency rate	Nb of accidents/injuries/illnesses per million hours worked	0	0	0	😊	
Severity rate	Nb of days lost due to accident/injury/illness per one thousand hours worked	0	0	0	😊	
Absenteeism	Total number of days of absence per number of theoretical working days (expressed as a %)	0	0	0	😊	
Training and awareness-raising sessions (on sustainability <sup>20</sup> )	Nb/year	3	5	6	😊	Incl Toolbox meeting re : Reminders of hygiene measures during stays in Africa
	Hours / worker	12	15	16	😊	
OHS & Environmental Induction	Nb	0	3	1	😊	
Fire drills	Nb	1	1	1	😊	Every year in August
Internal audits / checklists completed	Nb/year	0	1	1	😊	
Number of complaints from the neighbourhood	Nb/year	0	0	0	😊	

All the indicators are on a neutral or positive trend.

<sup>20</sup> Not only on Occupational Health and Safety



Figure 2 : Fire drill of August 2022

## 12 Ethics

In 2021, TROPICORE has issued a new Employee and Business Code of Ethics.

The purpose of this Code of Ethics is to implement practices that comply with generally accepted ethical standards, in particular the principles contained in the ISO 26000 Standard in § 4.4 "Ethical behaviour" and § 6.6 "Fair operating practices". The Code is also part of the implementation of the measures provided for in the United Nations Convention against Corruption of 31 October 2003, in Belgium and abroad.

The Code of Ethics contains a main commitment to work against corruption in all of its forms. Clearly, TROPICORE will not tolerate any form of corruption, active or passive, of any type. TROPICORE's suppliers are based in countries that are considered as "risky" regarding corruption (Côte d'Ivoire<sup>21</sup> and Guinea<sup>22</sup>); this document is therefore of high importance.

According to Transparency International, the Corruption Perceptions Index (<sup>23</sup>) has not evolved significantly towards less corruption since 2021.

Countries	Corruption Perceptions Index		Trends
	2021	2022	
Guinea	25/100	25/100	=
Côte d'Ivoire	36/100	37/100	Slightly +

The code is structured in chapters that address numerous issues:

- Books and records
- Competition and anti-trust
- Confidential information and intellectual property
- Data protection

<sup>21</sup> Corruption perceptions index 2022 : <https://www.transparency.org/en/cpi/2022/index/civ>

<sup>22</sup> <https://www.transparency.org/en/cpi/2022/index/gin>

<sup>23</sup> A country's score is the perceived level of public sector corruption on a scale of 0-100 where 0 means highly corrupt and 100 means very clean.

- Conflicts of interest
- Drugs, alcohol and firearms
- Email and internet usage
- Employee use of Company property
- Government relations
- Human rights and the workplace
- Improper payment
- Money laundering
- Marketing
- Political activities
- Sexual harassment, workplace harassment and violence
- Media and community relations
- Code compliance
- Code scope

A detailed work instruction to prevent information security breaches and to protect third party data from unauthorized access or disclosure has been developed and is implemented.

In order to ensure that its commitments and its Code of Ethics, in particular, are completely and correctly respected, TROPICORE has set up a whistleblowing procedure that protects the identity of individuals who report alleged violations, and ensures their protection and their safety to avoid any reprisals. This procedure is applicable to all employees, third parties, suppliers, visitors and stakeholders of TROPICORE and is easily accessible on our website.

All the employees have signed the Code of Ethics and are aware of possible disciplinary procedures in case of non-compliance with the code.

## 13 Sustainable procurement

Sustainability of our purchases concerns almost exclusively the natural rubber we buy from our suppliers and the smallholders.

However, the suppliers of goods and services to our offices in Belgium are evaluated remotely and some information regarding the energy mix and the quality of the paper we use are given in the chapter 10 above.

TROPICORE's actions with regard to responsible sourcing of natural rubber are mainly driven by its involvement with the GPSNR.

### 13.1 Code of conduct

In 2021, as a first step, TROPICORE has updated its existing Natural rubber CSR supplier code of conduct.

The document describes TROPICORE's expectations towards its suppliers (processors) with regards to its policy and commitments; it contains the same main chapters as the Natural Rubber CSR policy and the supplier must commit to respect the commitments set in the code of conduct by signing. The supplier understands the consequences of not respecting the code of conduct:

- The respect and alignment to the national and international applicable regulations
- The respect and protection of Human rights (Workers' rights, Local communities' rights, grievance management, etc.)
- The protection and conservation of natural resources
- The improvement of agricultural practices and support to the communities
- Implementation, including traceability, monitoring and reporting

The Policy, the supplier code of conduct and other documents cover all the commitments set in the GPSNR Policy Components, and have been deemed compliant by the GPSNR Secretariat, acting as the Compliance Panel.

## 13.2 Risk assessments

Environmental and social risks assessments are carried out locally and comply with the local regulations. However, TROPICORE has carried out its own risk analysis on some topics like:

- risk of corruption;
- risk of sourcing natural rubber that was grown on peat;

in its supply chain, before making any assessment on practices.

TROPICORE is also participating in the project RubberWay <sup>(24)</sup> led by Michelin.

RubberWay is a risk-mapping solution developed to identify sustainability risks throughout the whole natural rubber upstream supply chain. Based on responses to an environmental and social questionnaire carried out through a mobile application, TROPICORE and some of its suppliers are able to flag risks for mitigation, in these sustainability topics:

- social,
- environment,
- agricultural training,
- and commercial transparency.

RubberWay was designed to enhance transparency by empowering actors across the supply chain to report on their practices.

Data obtained through RubberWay contributes to meet the GPSNR Reporting Requirements. A crosswalk analysis done by the RubberWay team showed that it provides 89% coverage of the 37 GPSNR Policy Components, of which 18 Policy Components are directly satisfied by RubberWay while 15 are partially contributed to <sup>(25)</sup>.

## 13.3 Achievements

In 2022, TROPICORE has carried out sensitization/capacity building sessions regarding specific sustainability topics like: risk analysis, traceability, geolocation, corruption, zero-deforestation, human rights, etc. during the field audits in order to be prepared for the new requirements arising from the implementation of the EUDR.

TROPICORE's suppliers, the processors, have trained, in turn, their employees and smallholders.

Also, TROPICORE has engaged and supports its suppliers to map completely their supply chain until the individual farm level.

Soguipah (Guinea) have mapped all its smallholders' plantations from which it sources; the 2 other processors (IDH and SAN Rubber) rely on the Ivorian professional body APROMAC <sup>(26)</sup> to do the geolocation, which is completed and is currently being updated to comply with the EUDR.

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<sup>24</sup> <https://rubberway.tech/>

<sup>25</sup> <https://sustainablenaturalrubber.org/news-publications/rubberway-contributes-to-achieving-gpsnr-goals/>

<sup>26</sup> <https://apromac.ci/>

## 13.4 Audits

### 13.4.1 Internal checklists

During our annual on-site audits, dedicated checklists are used to monitor our suppliers' CSR practices and to identify non-conformances to our Policy and code of conduct requirements.

The checklist has been updated in 2022, in order to meet the data collection requirements of the GPSNR Smallholder Policy equivalent, RubberWay, EUDR and HCVRN Nature Positive Farming; it finally contains these elements:

- Compliance with GPSNR Policy Components (in particular, the Smallholder Policy equivalent)
- Support to local initiatives that uphold the GPSNR principles
- Compliance with local legislation
- Land use and ownership
- Deforestation and fire use
- Respect and Protection of Human rights
- Child and forced labour
- Discrimination
- Decent living conditions
- Occupational Health and Safety
- Protection and conservation of natural resources
- Traceability and transparency
- Geolocation (coordinates and/or polygons)
- Communication, training and sensitization
- etc



*Figure 3 : Field visit to Smallholders in Ivory Coast*

### 13.4.2 GPSNR questionnaires

Additional detailed questionnaires have been sent to our 3 suppliers: IDH, SAN Rubber and Soguipah. The answers were verified on the basis of our field knowledge; the information and the data have been aggregated at our level and have been used to fill our reports to the GPSNR.

These questionnaires will be sent to our suppliers annually, according to the GPSNR decisions on the content and the timing.

### 13.5 Reports

To demonstrate progress in implementing the commitments outlined in the GPSNR Policy Framework, ordinary member companies, including TROPICORE, must report annually to the Secretariat as specified by GPSNR's Reporting Requirements for the member's reporting category.

The Reporting Requirements were approved at the 2021 General Assembly.

Our 2022 report (with 2021 data) is now publicly available on the dedicated webpage <sup>(27)</sup>, it includes information and data from our suppliers (SAN Rubber, IDH and Soguipah).

There were no breaches of labor rights, human rights, no occurrence of deforestation, forced labor, child labor or human trafficking in our natural rubber supply chain.

In 2023 (with 2022 data), the report will include information and data from 2 new suppliers (LCC and CTCI) to be added to the 3 existing ones.

### 13.6 Due diligence system

At the moment of writing, a Due Diligence System (DDS) is being developed by a consultant for the GPSNR.

The DDS will contain :

- Due Diligence Manual
- Implementation Guidance
- Risk Tool
- National Risk Assessment
- Due Diligence Standard
- Due Diligence Audit template
- Due Diligence Glossary
- Certification Scheme Benchmark

The GPSNR Due Diligence System forms a core part of the GPSNR Assurance Model. The Assurance Model is designed to verify that natural rubber supply chain companies are effectively implementing key environmental and social sustainability requirements set by the GPSNR Policy Framework.

In this framework, the DDS is intended to structure, harmonize and logically integrate the various initiatives in terms of risk analysis, information collection, audit, etc.

The DDS must be approved by the GPSNR General Assembly (GA) and therefore implemented. The vote on the DDS should take place in October 2023.

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<sup>27</sup> <https://sustainablenaturalrubber.org/gpsnr-reporting-requirements/>

## 14 Assessments by third parties

### 14.1 GPSNR

The Policy, the codes of conduct and other documents cover all the commitments set in the GPSNR Policy Components and have been deemed compliant by the GPSNR Secretariat (acting as the Compliance Panel) in January 2022.

This report is also a requirement from the GPSNR, and it will fulfil the commitment 8.2 *“Reporting publicly on progress and outcomes related to the implementation of policy-related commitments at least annually.”* Therefore, this report is also being evaluated by the GPSNR secretariat.

GPSNR is now developing its own Assurance Model.

The Assurance Model is designed to verify that natural rubber supply chain companies are effectively implementing key environmental and social sustainability requirements set by the GPSNR Policy Framework.

The member’s journey to sustainability includes 4 stages and timelines for compliance by members:

- 1. Committed
- 2. Progressing
- 3. Responsible
- 4. Verified

TROPICORE thanks to its early engagement, is progressing in the sustainability journey as much as the model allows. At the moment, TROPICORE has reached the level “Committed”, meaning that its Policies have been approved and the reporting requirements have been submitted.

To obtain the "Progressing" level, the DDS manual would have to be approved by the GPSNR General Assembly and implemented. The vote on the DDS should not take place until the end of 2023. This means that no GPSNR member is able to reach the “Progressing” level at the moment.

TROPICORE’s suppliers are not yet members of the GPSNR but are working with us to produce Natural Rubber in accordance and conformance with the GPSNR Policy Components.

We sensitize our suppliers to become GPSNR members to facilitate their journey towards sustainability and compliance with the EUDR.

### 14.2 Ecovadis

TROPICORE has been assessed by Ecovadis in November 2021 and got a GOLD Label on the 6<sup>th</sup> of December 2021.

Corrective actions and improvement areas were identified by Ecovadis during this last assessment.

The 2021 report, issued in August 2022, and the present report are addressing them:

<b>Corrective actions</b>	<b>Implementation</b>
Declares reporting on labor and human rights issues, but no supporting documentation available	This information can be found in §11 and §13
Declares reporting on sustainable procurement, but no supporting documentation available	This information can be found in §13
<b>Improvement areas</b>	
No information on sustainability risk analysis being conducted (i.e. prior to supplier assessments or audits)	This information can be found in §6.3, §12 and §13

<b>Corrective actions</b>	<b>Implementation</b>
No information regarding capacity building of suppliers on sustainability issues	This information can be found in §13
Declares reporting on environmental issues, but no supporting documentation available	This information can be found in §10

New assessment will be carried out in September 2023, at the request of our clients.