

# Louis Dreyfus Commodities

*Daniel Murray  
Global Head, SHE  
Louis Dreyfus Commodities*

**17th annual**  
**POLLUTION PREVENTION**  
conference & trade show **2014**



**Wednesday, September 17**  
The Palms • Plainfield, Indiana



# LOUIS DREYFUS COMMODITIES AT A GLANCE

# Louis Dreyfus Commodities at a Glance: Key Facts

**Louis Dreyfus  
Commodities**

Managing a highly diversified business portfolio: Oilseeds, Grains, Rice, Feed, Freight, Finance, Coffee, Cotton, Sugar, Juice, Dairy, Fertilizers & Inputs, and Metals

Established in 1851 with presence in more than 100 countries

US\$4.6bn  
in assets

Year ended 31 December 2013

Approx. 15% growth  
year-on-year  
2008-2017

US\$640 million  
Net Income  
Group Share

Year ended 31 December 2013

Originating, processing  
and transporting  
approximately  
77 million tons of  
commodities

Privately held by the  
Louis-Dreyfus family  
(approx. 85%) and  
LDC's employees  
(approx. 15%)

**biosev**  
A Louis Dreyfus  
Commodities Company

11 sugar mills +  
farms = addt'l  
16,000 employees

22 000+ people  
employed globally  
at peak season and  
operating more than 300  
production, processing  
and logistics facilities

US\$63.6 billion  
Net Sales

Year ended 31 December 2013

Best-in-class risk  
management:  
mitigating, anticipating  
and controlling risks  
across the value chain

## Our Vision:

Working safely and sustainably across the value chain to contribute to the global effort of providing sustenance for a growing population.

# Louis Dreyfus Commodities at a Glance: A robust business model

**Louis Dreyfus  
Commodities**



## **We originate and produce**

...an extensive range of commodities, including soy, corn, wheat, cotton, rice, sugarcane, sunflower seeds, palm oil, oranges and lemons. We own farms and plantations, we engage in joint ventures and we contract to source produce from further land.



## **We process and refine**

...on every continent. With a robust base of production and processing assets we control the quality and movement of supplies along the value chain. By locating assets strategically we create synergies to maximize distribution flows.



## **We store and transport**

...supplies across our worldwide distribution network. We own warehouses and silos in several key locations. Our products are transported by rail, road, air and sea, with our own fleet of vessels shipping goods both for Louis Dreyfus Commodities and for third parties. The efficiencies our network creates allow us to control costs, mitigate risk and optimize synergies in the value chain.



## **We research and merchandize**

...developing outstanding market intelligence. This knowledge is shared across all platforms and regions so we can respond efficiently to customer demand.



## **We customise and distribute**

...our products to a broad customer base. From multinationals to local manufacturers, we supply every type of company with items such as:

- Packaged frozen orange juice
- Dairy products distributed under the Jolait, Milait, Sunny Farms and Montex brands
- Sugar distributed under the Imperial Sugar, Dixie Crystals and Holly brands
- Soy oil distributed under various brands in India and Brazil














➤ Buttressed by the 163-year history of the Louis Dreyfus Group, LDC operates a robust business model managing one of the most diversified portfolios in the agribusiness space and combining physical merchandising, risk management and an “asset medium” growth strategy

# Leading Positions across a Diversified and Comprehensive Range of Commodities

**Louis Dreyfus  
Commodities**

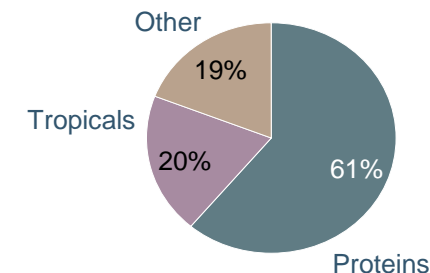
A global leader in agricultural commodities managing a comprehensive and diversified portfolio

## Segment overview

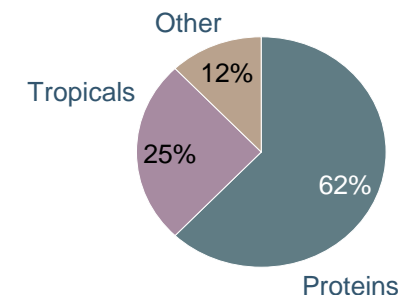
|                |   |                                 |   |
|----------------|---|---------------------------------|---|
| PROTEINS       |    | <b>OILSEEDS</b>                 | Primary processing and merchandizing of soybeans, soybean meal and oil, seeds (rapeseed, sunflower, cottonseed), seed meal and oil, palm oil, biodiesel, glycerin |
|                |    | <b>GRAINS</b>                   | Merchandizing of wheat, corn, sorghum, barley, rye, oats and ethanol  |
|                |    | <b>RICE</b>                     | Merchandizing of paddy, brown and milled rice   |
|                |    | <b>FEED</b>                     | Operating mills and merchandizing livestock feed for hogs, broilers and layers  |
|                |    | <b>FREIGHT</b>                  | Providing freight solutions for LDC's platforms and for third parties   |
|                |    | <b>FINANCE</b>                  | Supporting our platforms by providing foreign exchange risk mitigation  |
| TROPICALS      |    | <b>JUICE</b>                    | Processing and merchandizing of orange, grapefruit, lime, lemon and apple juices as well as citrus by-products  |
|                |    | <b>COTTON</b>                   | Merchandizing of upland saw ginned cotton, pima and extra long staple   |
|                |   | <b>COFFEE</b>                   | Originating, processing and merchandizing Arabica and Robusta green coffee worldwide  |
|                |  | <b>SUGAR</b>                    | Originating raw and white sugar from Brazil, Thailand and Central America   |
| OTHER PRODUCTS |  | <b>FERTILIZERS &amp; INPUTS</b> | Merchandizing and distribution of fertilizers, crop protection products, seeds and basic chemicals  |
|                |  | <b>METALS</b>                   | Originating, consolidating, processing, merchandizing and transporting base and precious metals in raw and refined form   |
|                |  | <b>DAIRY</b>                    | Merchandizing milk powders, whey powders, fat filled powders, specialized ingredients, fats and cheeses   |

## Segment breakdown

**2013 Sales**

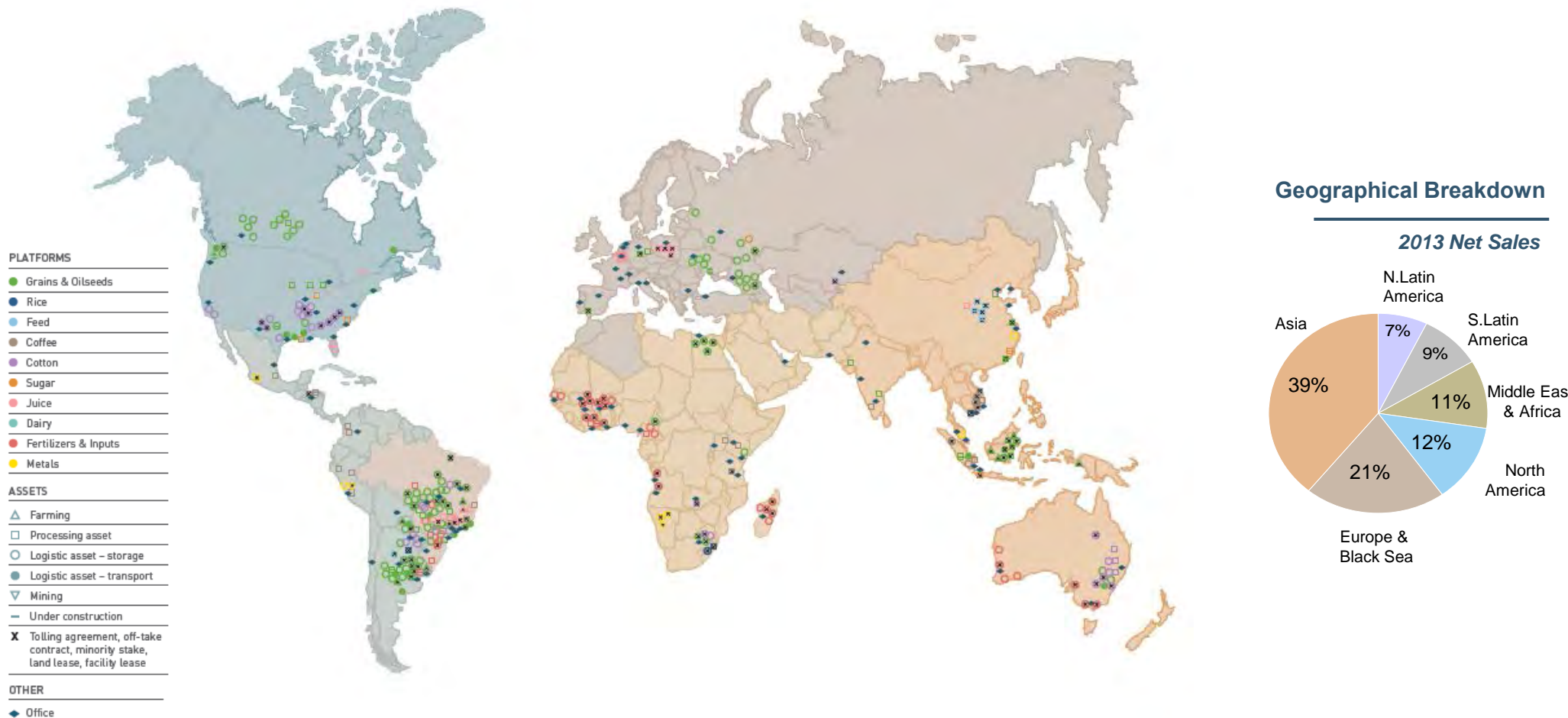


**2013 Operating Results**



# Global Footprint and Exposure to High Growth Supply and Demand Sources

A strategically located international network linking key origins and destinations



- LDC is exposed to high growth potential areas in its industry, while sales to emerging markets<sup>(1)</sup> represented 67 % of total sales in 2013

(1) Asia, Latin America, Middle East & Africa.





Caiasa, Paraguay



Wittenberg, Germany



Lichtenburg, South Africa

## Processing Assets



Bahia Blanca, Argentina



Bebedouro, Brazil



Bazhou, China





Port Allen, Louisiana, US



Kahlotus WA, US



Balikpapan, Indonesia

## Logistic Assets



Jatai, Brazil



Ghent, Belgium



Mombasa, Kenya

# SUSTAINABILITY OVERVIEW

Pre 2009 - Market demands  
and core local programs

2013 – Expansion of Environmental  
KPIs to include all impacts

2009 - SHE Policy formalized  
and introduction of Safety  
management system

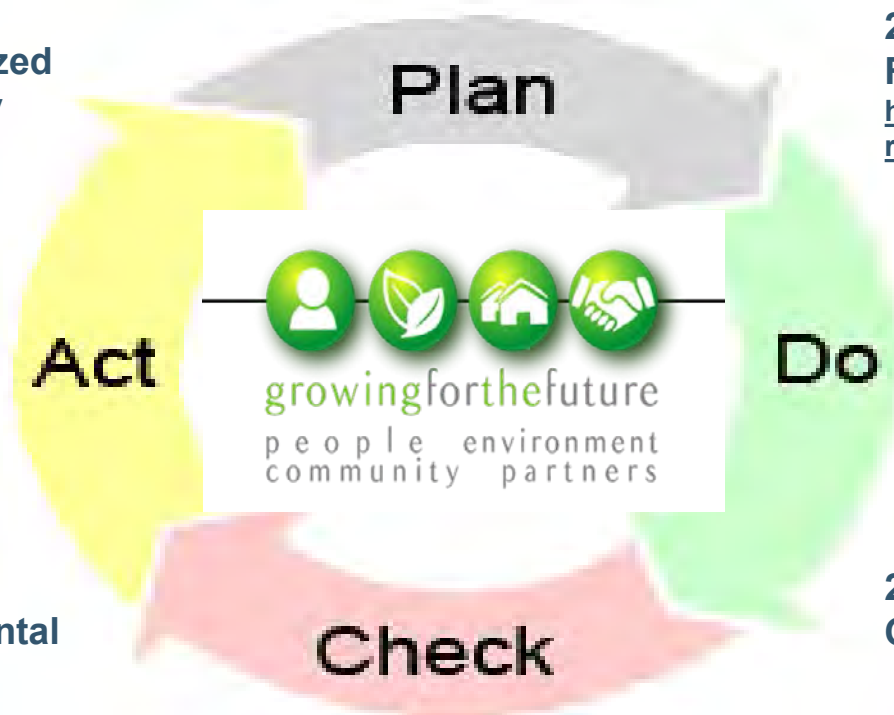
2013 - Inaugural Sustainability  
Report published (RY 2012)  
<http://www.ldcom.com/global/en/corporate-responsibility/playing-vital-role/>

2010 – Inaugural LDC Safety  
Day: March, 17<sup>th</sup> 2010

2011 - Sustainability Policy  
formalized, introduction of  
safety KPIs and Environmental  
management system

2012 - Environmental KPIs  
introduced for industrial processes:  
Fuel Consumption → GHGs, Water  
Consumption & Waste Generation

2016 – Measure and publish  
environmental results,  
Continuous Improvement



2014 - Identification of further  
opportunities to reduce  
environmental footprint, SHE  
goals added to Ops mgmt.  
performance objectives

2015 – Establish Environmental  
Objectives and Targets



# 4 Pillars of Sustainability



Louis Dreyfus  
Commodities



At LDC, people are our most valuable asset. We invest in our employees' safety and development and promote a discrimination free work environment. We vehemently oppose child and forced labor practices anywhere within our value chain.



people



We understand that our operations have an impact on the environment. LDC strives to mitigate negative impacts by adopting best practices that support environmental management and conservation.



environment



We recognize it is essential to both LDC's growth and to the well-being of communities where we operate to build long-term partnerships. We work together with local people to develop programs and initiatives that support their communities across a variety of themes tailored to their needs.



community



We proactively engage our business partners on sustainability issues. We have established vital partnerships with international organizations involved in advancing diverse sustainability themes.



partners

# ACTING LOCALLY



Each year, LDC brings together all our people across the world to recognize the importance of safety.

March 19<sup>th</sup>, 2014 was our 5<sup>th</sup> annual Safety Day.

Sustainability starts with Safety

**SAFETY**  
DAY 2014

Safety Day 2014

Sustainability starts with Safety





# Sustainability starts with Safety!

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Commodities

The theme for our 2014 Safety Day was “**Sustainability** Starts with Safety”.

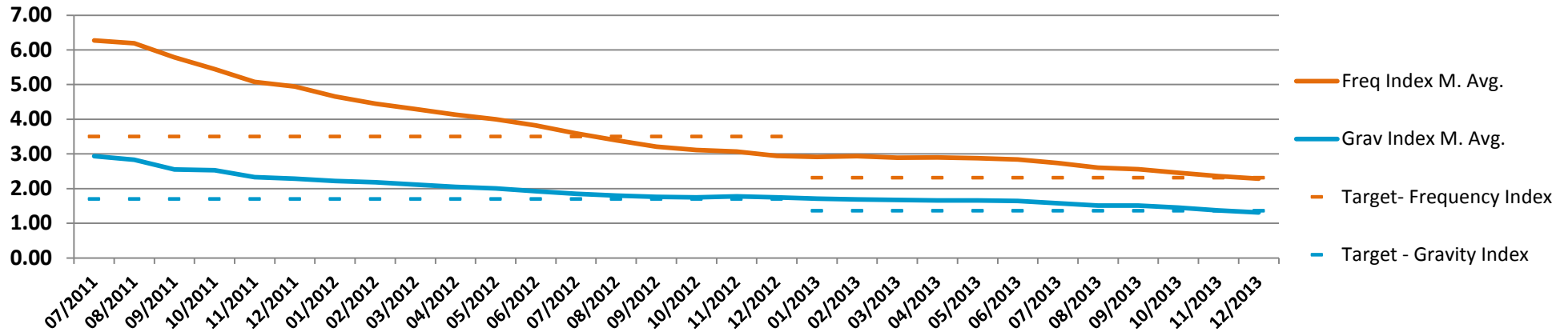
This means that:

1. A credible Sustainability program must have a strong safety program as a foundation to build upon.
2. As our safety results improve, we contribute to the success of our Sustainability program and organization.
3. To be a sustainable company, we need to move from reactive to proactive safety and risk management.
4. Our individual actions and consistency towards proactive risk management will allow us to collectively improve the safety of our workplaces and reach our safety and sustainability goals.

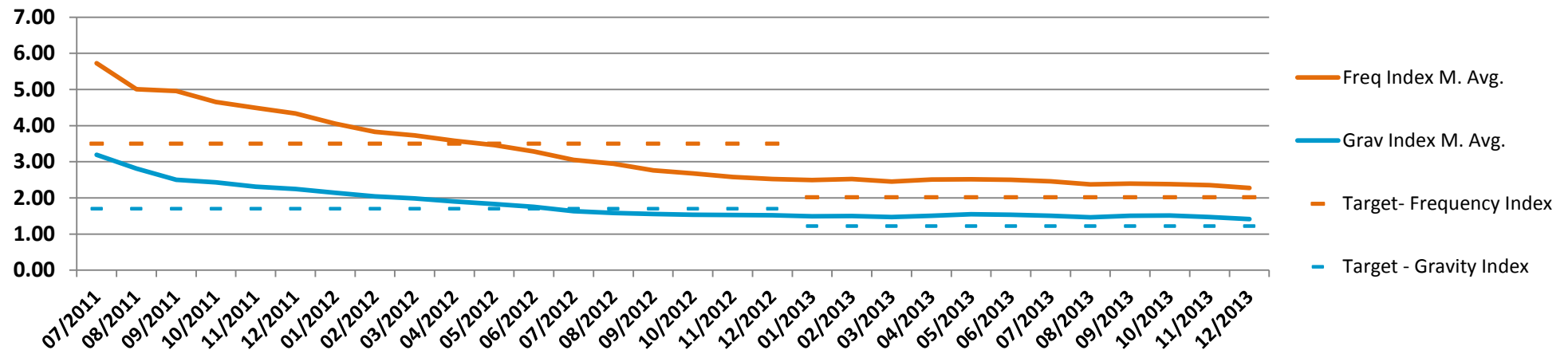


# Safety KPIs - 2013 YE with & w/out Biosev (30 months)

Global Frequency & Gravity Indexes (w/ Biosev)  
ALL Employees 30 Month Rolling Avg.



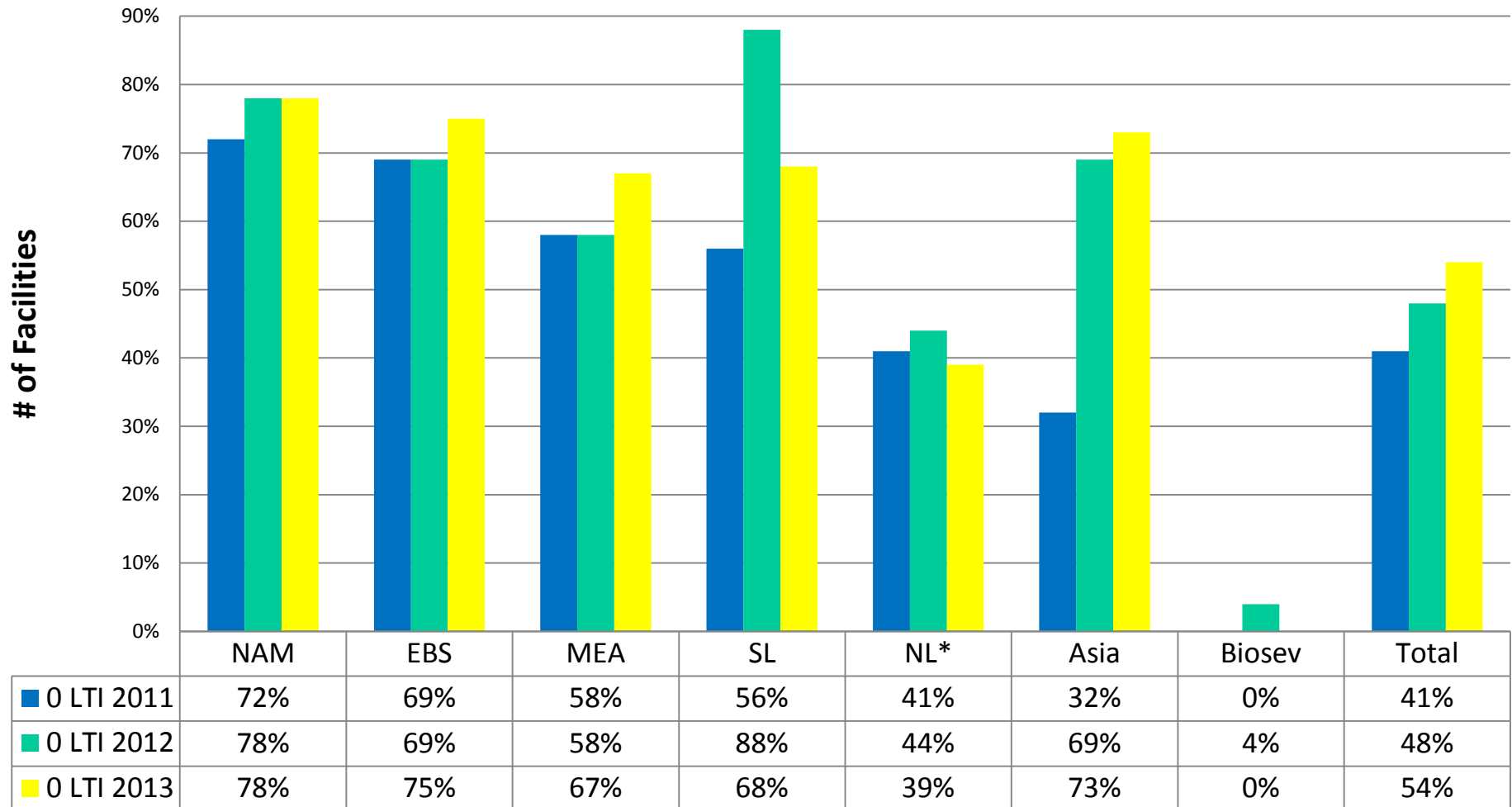
Global Frequency & Gravity Indexes (w/out Biosev)  
ALL Employees 30 Month Rolling Avg.



# Number of Facilities with 0 Lost Time Injuries in 2011, 2012 & 2013

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Zero Lost Time Injuries in 2011, 2012 & 2013



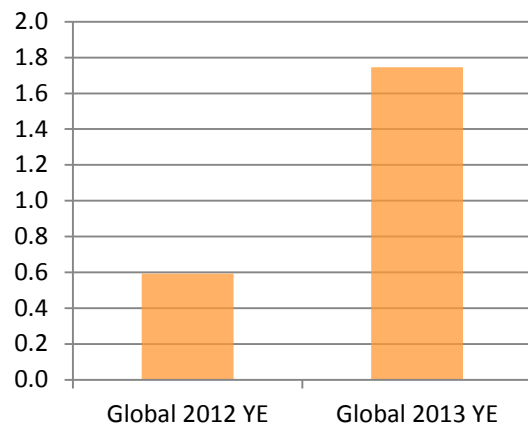
*\*Include industry units, plus farms*

*Percentage includes all facilities in that region.*

*Not all facilities reported data for all 12 months of 2011*

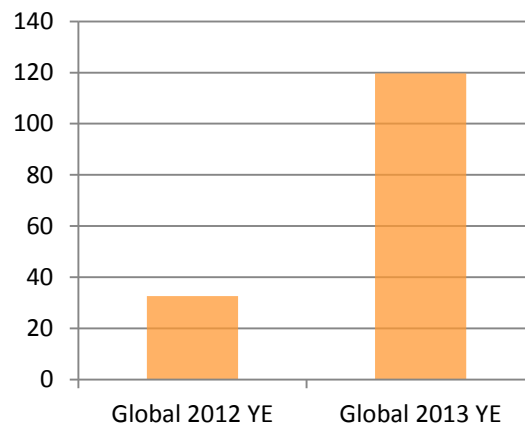
## ENERGY CONSUMPTION INDEX

GJ/MT



## GHG EMISSION INDEX

Kg CO2e/MT

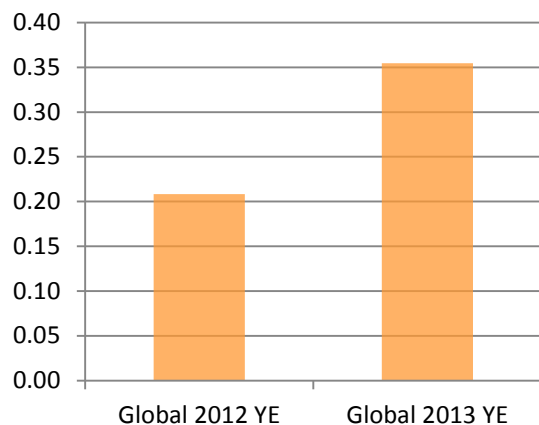


## 2012 Methodology

- Industrial process consumption only for fuel and water
- Wastewater not included in waste generation

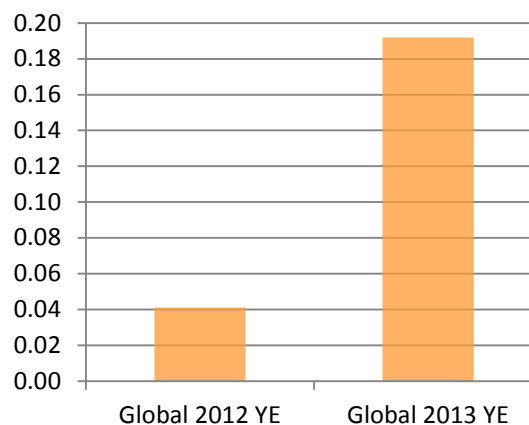
## WATER CONSUMPTION INDEX

m³/MT







## WASTE INDEX

MT/MT



## 2013 Methodology

- All fuel consumption including transportation
- Irrigation and personal use of water added
- Wastewater added to waste generation

| Global         | Energy Consumption Index (GJ/MT)   | GHG Emissions Index (Kg CO2 e/MT)   | Water Consumption Index (m³/MT)  | Waste Index (MT/MT)  |
|----------------|--|---|--|--|
| Global 2012 YE | 0,59   | 32,6  | 0,21   | 0,04   |
| Global 2013 YE | 1,75  | 119,7  | 0,35  | 0,19  |

## SAFETY DAY 2014 SUSTAINABILITY INNOVATION CONTEST

A contest organized leading up to Safety Day, open to all Louis Dreyfus Commodities colleagues around the world.

Supporting our theme for 2014 - "Sustainability starts with Safety" – we looked for innovative projects that support our four pillars of Sustainability.





# Act Local: 2014 Inaugural Sustainability Innovation Winners

**Louis Dreyfus  
Commodities**

## GLOBAL WINNER: Krishnapatnam, India

Community Outreach: Distributed educational kits to approx. 250 children attending a local school in the nearby village of Kollamitta, collaborated in the repair and refurbishment of another local primary school, organized the donation of 'Orthosys' appliances to disabled children, set up blood donation camps, planted saplings at the plant to offset environmental impact, and implemented an initiative for minimizing packaging waste storage and disposal.



**Asia**  
Beijing office  
Green Office Initiative



**EBS**  
Ghent, Belgium  
Forklift Safety Program



**MEA**  
Cameroon, Africa  
Wastewater  
improvement  
project



**Traveling Sustainability  
Innovation Trophy  
Regions + Global**



**NLA**  
Magalhaes, Brazil  
Community garden project to  
provide food to school for  
challenged children



**SLA**  
Timbues, Argentina  
Sponsor of high school  
safety program



**NAM**  
Yorkton, Canada  
Farming for Health  
project: crop  
proceeds to fund  
new hospital



The **Green Office** Initiative aims to provide all our office locations with the opportunity to create or develop their office sustainability program.

All office locations are expected to implement at least one **Green Office** initiative during the course of 2014.



GO GREEN



Safety Day is a great opportunity for employees to discuss which sustainability initiative best fits their office.

Our **Green Office** “how to” guides cover a wide range of sustainability initiatives, including:

Sustainable Ideas  
Rideshare Program  
Paper & Printer Use  
Office Ergonomics

Office Recycling  
Water Consumption  
CO2 Emissions  
Stress & Quality of Life

Energy Savings  
Electronics Waste  
Disposable Item Use

*Help transform every LDC office into  
an  
**LDC Green Office!***

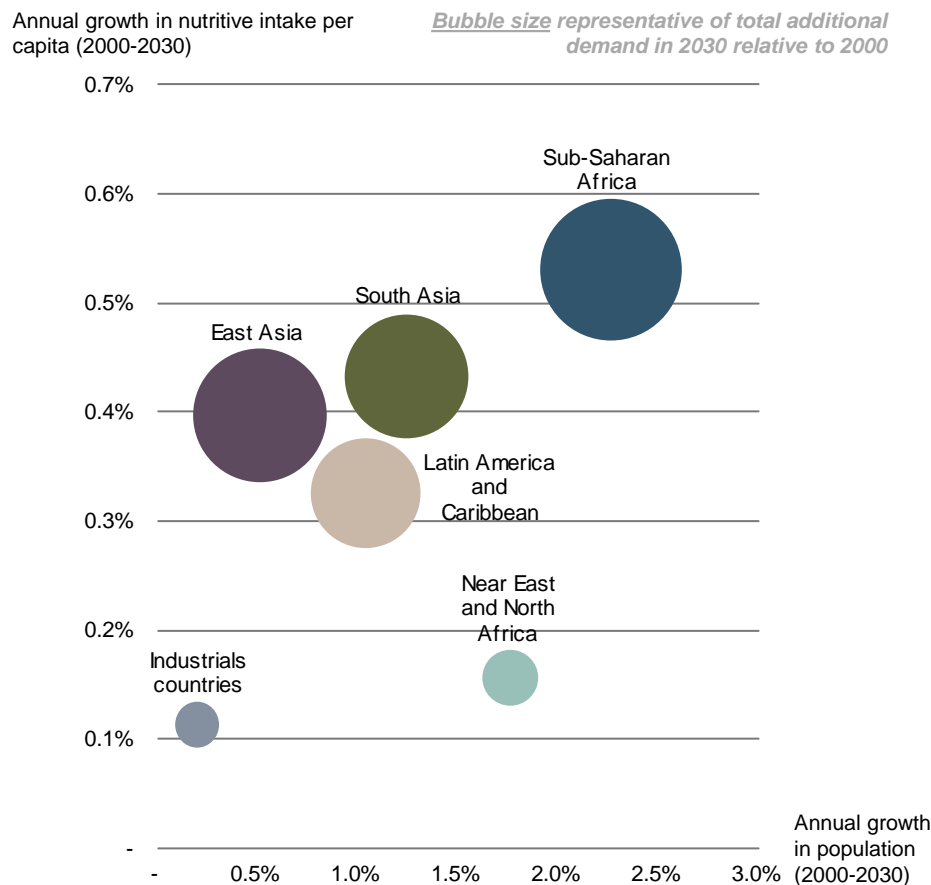
# 2014 Safety Day- Local Activities

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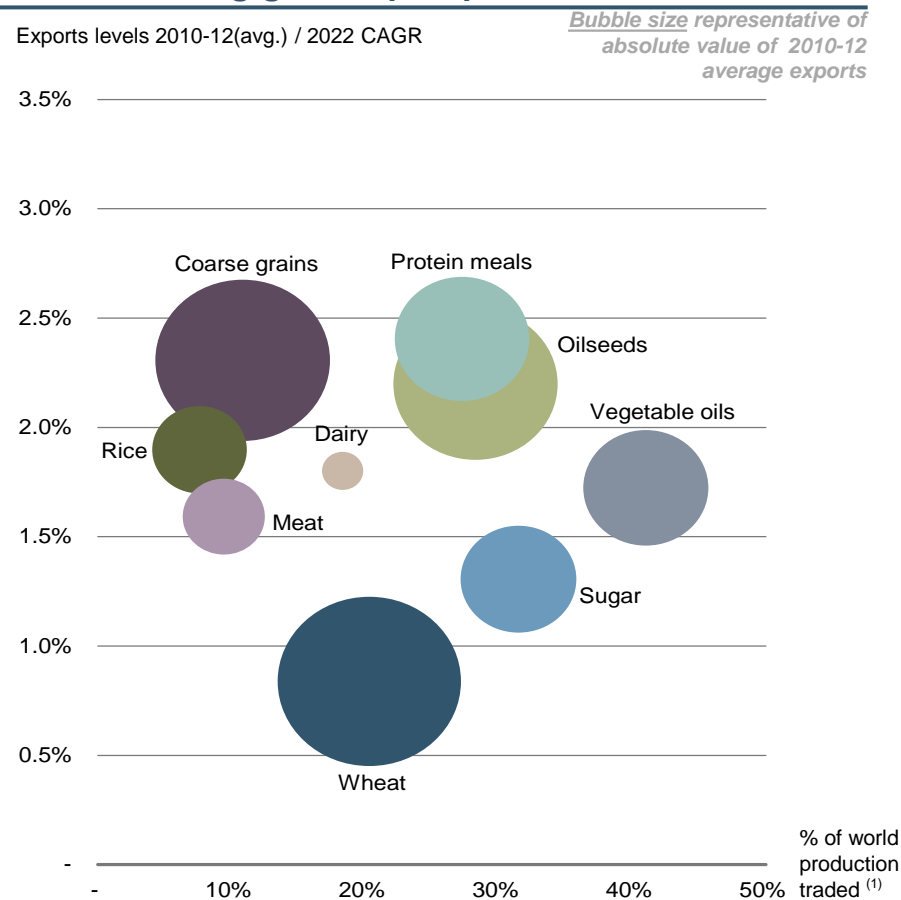
# LOOKING AHEAD Globally & Locally

## World demand for agricultural products in the next 20 years will mainly come from Asia and Africa



Source: OECD, FAO

## International trade of agricultural commodities will exhibit strong growth prospects



Source: OECD, FAO

(1) World production traded = 2010-12 average exports / 2010-12 average production per commodity

➤ Strong economic growth, urbanization and change in food habits in emerging countries will create increased demand



## Exposure to high growth supply and demand sources

### Demand Drivers

#### Population Growth of ~80mn Per Annum

- 2013 population estimated ~7bn
- 2050 projected population ~9.5bn

#### Strong Economic Growth in Emerging Markets: Asia, Latin America and Africa

- Rising GDP per capita and incomes
- Consumers trading up to higher value foods and changing dietary habits
- China's urban population has surpassed rural population
- Chinese imports are supported by consumption increasing more rapidly than production

#### Continuing Use of Biofuels

- Governments setting policies to mandate use of biofuels
- Ethanol fuel and Biodiesel expected to nearly double to 145bn and 41bn liters by 2022, respectively
- Global ethanol and biodiesel production by 2022 should require 12%, 29% and 19% of world coarse grains, sugarcane and vegetable oil production, respectively

### Supply Drivers

#### Reduced Availability of Arable Land Due to Rapid Urbanization

- Arable land globally has decreased by ~50% globally, per capita, since 1961
- Urbanisation has brought:
  - Changing patterns of Demand
  - Decline in land dedicated to agricultural production

#### Accelerating Land Degradation and Decreasing Crop Yield Growth Rates

- 23% of usable land has been affected by degradation, which has lowered land productivity
- Global crop yields growth has been stagnant since late 90's

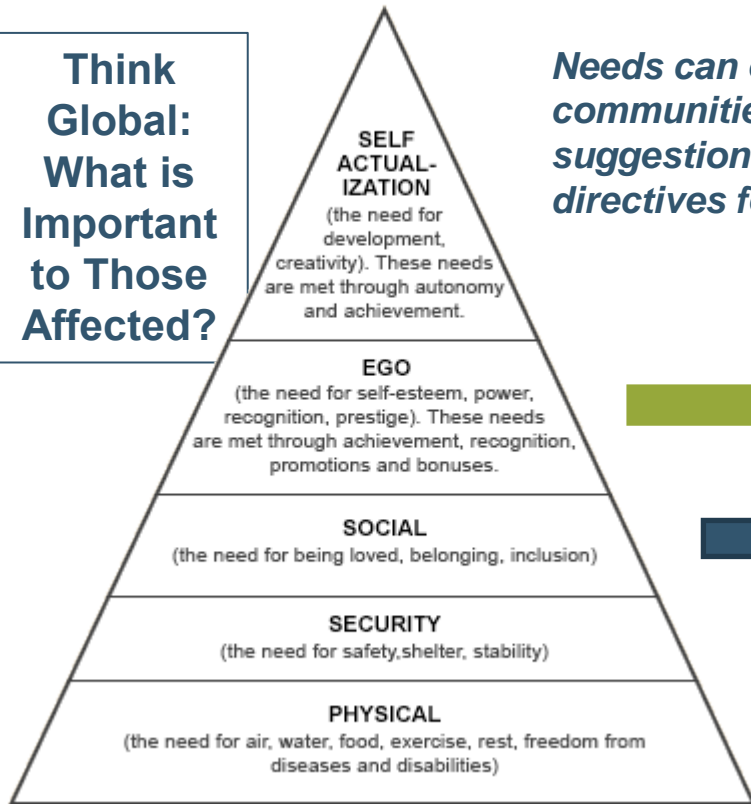
#### Rising Effects of Climate Change

- Estimated that world agricultural output could decrease by as much as one-sixth (by 2020) due to climate change

➤ The world will need to double food production in the next 40 years under 4 key constraints: Land, Water, Carbon, and Environment



**Think  
Global:  
What is  
Important  
to Those  
Affected?**



MASLOW'S HIERARCHY OF NEEDS

*Needs can even vary within countries, states and communities, increasing importance of local level (plant) suggestions and initiatives, rather than top-down specific directives for a given timeperiod.*

**Act Local:  
Focus and  
strategy driven  
by local needs**

**USA, W. Europe**

**Pressure to be Best in Class**

**India, E. Europe**

**Social responsibility**

**South America, Asia**

**Compliance, environmental impact, safety procedures**

**Africa, Indonesia**

**Crop protection, clean water supply, basic safety**

## Key Points:

1. A credible Sustainability program must include strong core safety and environmental program as a foundation to build upon.
2. Be part of the solution, align sustainability goals with business needs. Do not distract from business plan.
3. Understand local needs, build program by addressing needs and goals from local stakeholders.
4. As results improve, build momentum with key stakeholders by leveraging successful projects and strategies.

As shown in Maslow's pyramid, a sense of belonging, esteem and self-actualization is where most North Americans, to varying degrees, find themselves. It is only in the last half of the 20th century where the majority of North Americans have had the luxury of thinking beyond daily sustenance issues such as shelter, clean water, and food.

# Louis Dreyfus Commodities

*Thank You!*

*Daniel Murray  
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