

ANNUAL REPORT 2019

OUR  
COMMITMENTS  
TO YOU AND  
TO FUTURE  
GENERATIONS





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# LETTER FROM THE CHAIRMAN AND CEO

Sustainable entrepreneurship has been high on the agenda of the Puratos Group and it runs as a red thread through our operations. We aim to embed our social responsibilities into our entire value chain, going from the sourcing of raw materials up to the use of our products by customers and consumers. We have committed to be a company that continues to deliver strong financial results, but equally important is that we continue to have a positive impact on society. We feel that as a responsible food company it is important to deliver a life changing social contribution in all locations in which we operate.

Sustainability is a continuous & never-ending story with numerous challenges. That is why we encourage all initiatives and actions which help us to become a more sustainable company so we can transform these challenges into opportunities. With consumers increasingly conscious of where and how their food is sourced, it is our responsibility to ensure the procurement of sustainable products, whilst taking care of the planet and ensuring that workers across our entire supply chain are safely and legally employed.

Businesses have an increasingly important role to play in securing a sustainable future. That is why we are working hard to improve the financial and strategic health of our business while delivering on our ambitious sustainability programme.

As shown in this report, Puratos is committed to being a socially responsible company and a reliable partner, not only in innovation but also in sustainability, for all its stakeholders.

Our commitments, which we call our commitments to you and the next generations, are set out in six connected and inter-dependent chapters: Health & Well-Being, Sourcing, Planet, Heritage, People and Communities. The decision to work on these six pillars is based on the interactions over time with our customers, suppliers and other stakeholders. Every year we gain more and more experience and clear objectives have been set for the future, such as becoming carbon neutral by 2025 and water-balanced by 2030. Other areas are yet to be defined but are constantly evolving, supported by dynamic and motivated teams.

Every Puratos employee is an integral part of this approach, in the 80 countries we are present with a subsidiary, in each department of our organisation, irrespective of the level of responsibility. Each of us plays a role in the pursuit of this sustainable journey that we are on, for the benefit of our planet and for the benefit of us all – employees and the people and communities in which we work. Together we make this “Puratos Magic” work for the benefit of everyone.



**Eddy Van Belle**  
Chairman of the Board of Directors  
Puratos Group

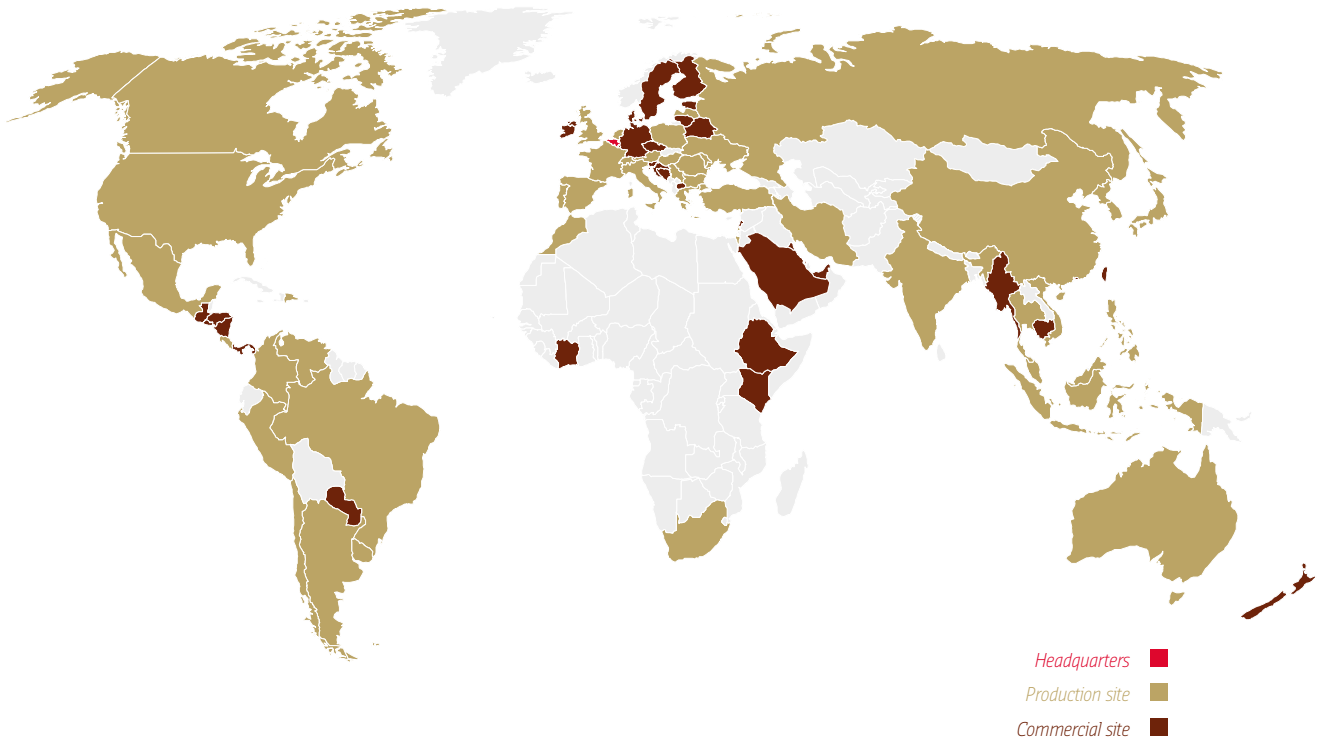


**Daniel Malcorps**  
CEO  
Puratos Group

# ABOUT PURATOS

GRI 102-3

GRI 102-4



## Our Vision

We believe that people will attach more and more importance to the quality of their food in the future.

## Our Mission

At Puratos we are close to customers and consumers everywhere. We turn technologies and experiences from food cultures around the world into new opportunities to help customers be more successful with their business.

Our goal is to give our customers absolute peace of mind. And thanks to our global presence and our understanding of different cultures, we also aim to be a source of creativity and new ideas, whilst offering our people the best possible opportunities for professional development.

## Our Values

Courage

Ethics

Passion

Quality

Team Spirit

Vision

GRI 102-7

Puratos at the highest level



COMPANY  
FOUNDED IN  
**1919**



**2,3%**  
OF REVENUE  
INVESTED  
IN R&D



**1.045**  
R&D RESEARCHERS  
& TECHNICAL  
ADVISORS



SUBSIDIARIES IN  
**80** COUNTRIES

**61** PRODUCTION  
UNITS IN  
**50** COUNTRIES



PURATOS PRODUCTS ARE AVAILABLE  
IN OVER **100** COUNTRIES



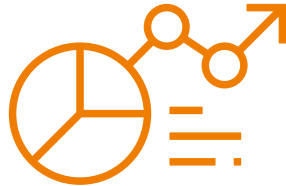
**88** INNOVATION CENTERS  
IN THE WORLD



Key financial and CSR figures in 2019

GRI 102-7

**NET SALES**  
**€ 2.019M**



**NET DEBT**  
**€ 227M**

**EBITDA**  
**€ 217M**

**4.4M €** WAS  
INVESTED IN DIFFERENT



**SUSTAINABILITY  
PROJECTS**



BAKERY SCHOOL  
FOUNDATION

WE EDUCATED  
**182**  
UNDER-PRIVILEGED KIDS  
IN OUR BAKERY SCHOOLS

CO<sub>2</sub> EFFICIENCY



**IMPROVED**  
**BY 2%**  
COMPARED TO 2018

**7.886** FARMERS  
WERE RECIPIENTS OF OUR  
CHOCOLATE  
BONUS,   
PROVIDING THEM WITH  
A SALARY INCREASE  
EQUIVALENT TO  
**1 to 2 MONTH(s)**

# PURATOS' SUSTAINABILITY APPROACH

## Our Sustainability Strategy

For nearly 100 years, and as a family company, Puratos has always valued ethics and the well-being of its personnel and customers. These historical principles are reflected in our commitment to the next generation.

In order to transform our world by 2030, companies are constantly reminded that they should balance all their objectives between the five pillars of sustainability.



Source: Twitter account: UN Sustainable Development

**People:** We are committed to creating a safe and respectful environment in which every one of our stakeholders feels valued;

**Planet:** We want to reduce our carbon and waste footprint and have a positive impact on the whole ecosystem;

**Prosperity:** We want to contribute to the prosperity of our society by building a sustainable and prosperous future;

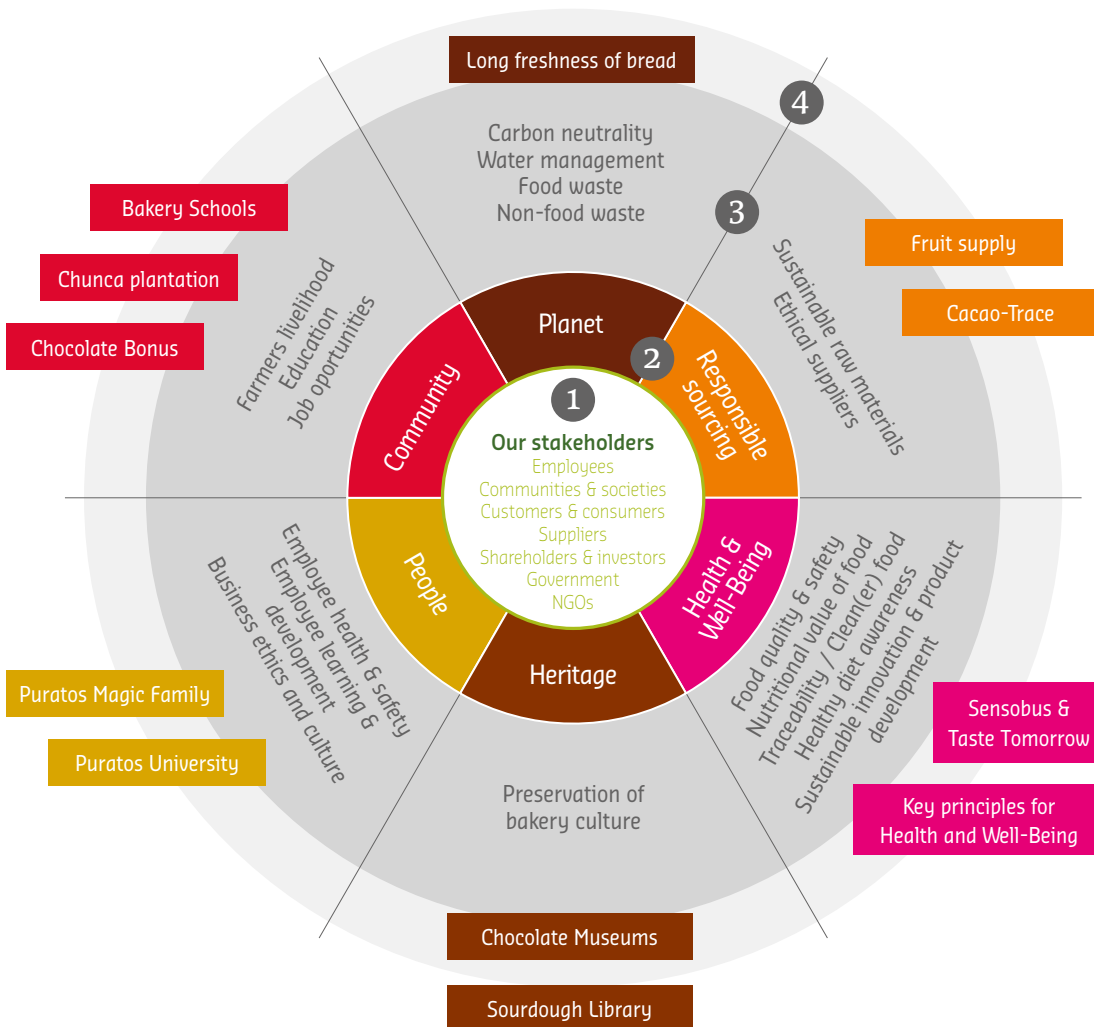
**Peace:** With our positive view on society and values such as ethics and courage, we want to create a meaningful difference;

**Partnerships:** We choose to work with reliable partners that will help us to achieve our sustainable goals and objectives.



Based on these principles, Puratos committed itself to six sustainable pillars: Health & Well-Being, Sourcing, Planet, Heritage, People and Communities. Below you can find our sustainability framework, which outlines these six pillars as well as the following elements:

- 1 Our stakeholders, they are very important to our organisation. Therefore, we have included them in the centre of our framework.
- 2 Our 6 sustainability pillars.
- 3 How our 17 material topics are linked to our 6 sustainability pillars.
- 4 How our flagship projects are linked to our 6 sustainability pillars.



At Puratos we see sustainability as the answer to transform growing economic, environmental, social and cultural challenges into opportunities. Sustainability aspects are incorporated in our business and decision-making processes; it is a way of being and a way of working. It is part of our Puratos Magic and is integrally embedded into our corporate strategy.

As a food company we focus on improving our product quality in terms of health and safety whilst minimizing our environmental and social footprint by preventing food and non-food waste, dealing responsibly with people and resources, and becoming carbon neutral. While doing this we strive to deliver a life changing social impact through initiatives including our health and well-being focus, and our Cacao Trace program which enables farmers to earn significantly higher wages. In other words, our goal is to create a positive impact for society.

To implement this ambitious strategy, we involve our suppliers. We updated our supplier code of conduct, an ethical guideline for all our suppliers and involved our employees by creating awareness and giving sustainable tips that they can also apply in their daily lives.

### Sustainability in our organisation

Sustainability starts at the top of our organization. Our sustainability strategy, vision and objectives are defined at the level of the whole Puratos Group, under the leadership of our Board of Directors and Group Executive Committee. A sustainability committee was established and they report directly to the Group Finance Director and the Market Director North America. All members of the committee are related to one of the pillars and have the necessary experience within that field. The committee comes together 4 times a year to discuss different topics, to update our materiality assessment and perform risk assessments.

Our objective is that everyone we work with, suppliers, customers and employees, recognizes the importance of sustainability not only in their work environment but also for them personally. The more than 9.000 employees of Puratos can help to achieve our ambitious goals. Below you can see how we embed sustainability in our business.



## Puratos and the Sustainable Development Goals

In 2015, the United Nations agreed on a global agenda for 2030. This consists of 17 Sustainable Development Goals and 169 underlying targets with the aim to protect the planet, eradicate poverty and guarantee prosperity and well-being for all.

Puratos fully supports the 17 Sustainable Development Goals set by the United Nations. We have mapped them with our sustainability pillars and aim to contribute positively to them. We want to inform about the goals and create awareness amongst our employees, suppliers and customers, ... so that everyone forming part of our supply chain can contribute to the realisation of the SDGs.

With 2030 approaching, the SDGs will become more and more important. We will need to combine forces, locally and globally, to achieve these 17 goals. Every country, every company, every individual is part of this common quest and should include the SDGs in their decision-making processes.



## Some examples:



- Through the creation of our Bakery Schools we ensure job security for underprivileged youngsters to help them provide for their families;
- With Cacao-Trace we brought to life an integrated sustainable cocoa programme. A package of initiatives (including education, training, fair and premium pricing) is aimed at creating a better life for farmers.



- By involving consumers and convincing them to pay a fair price for a better product, we share this advantage with our communities of Cacao-Trace farmers by paying a quality premium as well as a totally unique Chocolate Bonus: for every kilo of chocolate purchased, €0.10 is paid directly to the farmers with whom we work;
- By offering training to our cocoa farmers, they are able to increase their yield, and as a result, also their revenue;
- By storing 125 sourdoughs of 22 countries, we contribute to the preservation of bread culture.



- With Puratos University (founded in 2006), Puratos provides training courses on products (baking, pastry making, chocolate), functional capacities and leadership skills;
- By offering technical training, locally and globally, in one of our 88 Innovation Centres, we provide expertise as well as in-depth research into international trends;
- By educating and training our cocoa farmers on fermentation techniques, they can provide better quality cocoa which they can sell at a higher price;
- Thanks to our Bakery Schools in India, Brazil, Mexico and South-Africa, our students enjoy quality education that leads to job opportunities.



- By installing a fishpond in Andenne, Puratos can demonstrate the quality of the effluents discharged.
- By completing a local water risk assessment in nine production sites in high water stress areas (representing 55% of Puratos' water supply), Puratos was able to define an action plan to secure a sustainable water supply.



- By depositing two permits in partnership with Engie, Puratos will install a wind turbine in Lummen and Belcolade. The first could supply 100% of Lummen annual electrical needs and the second 60% of Belcolade annual needs.
- Thanks to the on-going gas cogeneration project of Groot-Bijgaarden, with more than 2.2 million euros investment, Puratos will be able to produce 65% of the site electrical needs and 30% of the heat.



- By paying all employees at Puratos (regardless of their age, nationality or gender) fairly and competitively, we contribute to a decent work environment.
- By offering job security to all students that graduate from our Bakery Schools, 68 students were employed by Puratos or one of our clients.
- By asking our suppliers to sign our code of conduct, we want to ensure the same levels of ethical requirements are maintained throughout our supply and production chains, and to eradicate any form of forced labour.



- By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes.
- Carbon cost to earning (based on constant carbon cost): 2019: -17% (2018: -14%).



- By increasing in our products the ingredients recognised for their positive impact on health.
- By sourcing palm oil, cocoa and fruit in a sustainable way we contribute to an efficient use of our natural resources.
- By training our cocoa farmers on fermentation techniques, we help them to decrease their post-harvest losses.
- By putting in place a waste management programme, we aim to prevent, reduce, reuse and recycle our waste.



- By compensating our CO<sub>2</sub> emissions through a “Carbon insetting programme” within our own cocoa supply chain, we intend to further decrease our carbon footprint.



- By becoming member of Beyond Chocolate we created the necessary partnerships to work on eradicating slavery, assuring a living income for the cocoa farmers and stopping deforestation.

01

HEALTH & WELL-BEING

Consumers are increasingly aware of the impacts of food production on the planet and on human health. Health & well-being is therefore a significant challenge for the global food industry, and like every challenge it offers opportunities for innovation. The quest for health and well-being has always been at the heart of our research and development activities.

## Health & Well-Being

Material topic: nutritional value of our products, healthy diet awareness

GRI 103-1  
GRI 103-2  
GRI 103-3

### Key performance indicators 2019:

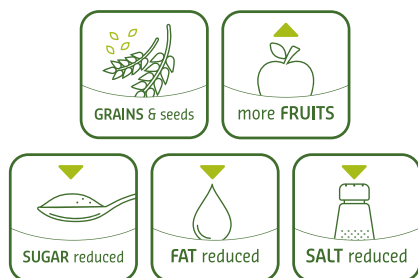
- We used 15.308 tonnes of fruit (+30% compared to 2016).
- We used 26.832 tonnes of cereals and grains (+26% versus 2016).
- We removed 7.238 tonnes of fat which equals 7.238.000 bottles of oil.
- We removed 223 tonnes of salt which equals 15 x 15 tonne truck loads.
- We removed 769 tonnes of sugar, which equals 51 x 15 tonne truck loads.

### Our long-term objectives:

- Further decrease sugar, sodium and saturated fat.
- Increase the intake of fibre-rich grains, nuts, seeds and fruits.
- Offer alternative clean(er) label, organic, gluten-free, plant-based solutions.

With the aim to systematically optimize the nutritional values of new and existing products, we increased the availability of ingredients recognized for their positive impact on health (such as fruits, fibres and wholegrains) and decreased the presence of ingredients such as salt, certain fats and sugars.

### Health (science based)



### Well-Being (consumer perception)



## Our approach

Nurturing consumers' health and well-being has been part of Puratos' DNA since its founding 100 years ago. Our products help consumers to achieve a healthy balanced diet. For decades, Puratos has worked tirelessly to improve the nutritional value of its products and launch more transparent, 'cleaner labels', as well as organic and plant-based alternatives.

Consumers attach more and more importance to the quality of their food. It is natural therefore that we want to help them achieve a balanced diet (Health focus) and answer to their healthy lifestyle needs (Well-Being focus). While Health related topics are scientifically proven to be better to your health, Well-Being elements are linked to a consumer perception that they are better for you.

Our goal is to provide people with nutritious and convenient food that can help them to live healthier lives. To support and implement this vision, Puratos is committed to providing products and solutions with the best nutritional value possible, without compromising on taste, quality or safety. We want to systematically optimize the nutritional value of all our product ranges. To support our worldwide Research & Development teams in their continuous pursuit of excellence, Puratos publishes its nutritional guidelines, which act as a global framework for product innovations or reformulations. Based on the nutritional guidelines of the world Health Organization (WHO), they are the result of in-dept collaboration and represent the standard used by all Puratos researchers when developing new products or renovating existing ones.

We continuously invest in R&D so we can keep on improving the health profile of our products as well as getting a better understanding of the impact of our products on health and well-being.

The responsibility for product development and marketing lies within the R&D and Marketing departments. The R&D Director is responsible for consumer health and safety as well as product labelling. Responsibility for marketing communication falls under the duties of the Marketing Director.

## The Health Focus

Healthy eating is as much about stripping away the unnecessary and 'bad things' as it is about adding more 'good stuff'. In accordance with both consumer needs and established international organizations' guidelines and without compromising on taste and texture, we are working on

- increasing the availability of nutrients and ingredients recognized for their positive impact on health, such as fibres and wholegrains;
- decreasing the presence of nutrients and ingredients recognized for their negative impact on health, such as salt, certain fats and sugars.

**Calories Guidelines:** Reduce calories mainly by decreasing fats (especially low nutritional quality fats (i.e. fats rich in saturated fatty acids)) and sugars and/or replacing them with ingredients such as fibres and water that are both nutritionally valuable and low in calories.



**Grains & Seeds Guidelines:** Increase the quantity of grains and seeds in our products and promote the use of wholegrain versions to stimulate the consumption of bakery products containing high levels of grains, wholegrains and seeds.

**Fibre Guidelines:** Increase the quantity of fibres as much as possible.

**Fruits Guidelines:** Increase whenever possible the fruit content in fillings or the fruit filling content in the final application (finished goods approach).

**Salt Guidelines:** Reduce the quantity of salt as much as possible to help the final consumer to adhere to the 5g of salt per day as recommended by the World Health Organization.

**Fat Guidelines:** Remove or reduce fats, especially of low nutritional quality (i.e. fats rich in saturated fatty acids) or replace them with fats of good nutritional quality (i.e. fats rich in unsaturated fatty acids). Remove trans fatty acids (TFA) and replace them with healthier fat sources.

**Sugar Guidelines:** Rework existing recipes (especially fillings, patisserie mixes etc.) with the aim to reduce the sugar content by a minimum of 3%. Any sugar removal, reduction and/or replacement action should not compromise neither products taste, nor texture. Whenever possible, sugar reduction/removal must not be compensated by the increase or the addition of ingredients that lower the overall quality of our products such as polyols or fats.

## The Well-Being Focus

*Material topic: clean(er) food*

In addition, we are developing a more holistic approach and are also beginning to develop solutions that, even though not scientifically and directly linked to better health, are often viewed as a contributor to the consumers' well-being.

**Clean(er) Label Guidelines:** Apply a Clean(er) Label approach in which every ingredient has its reason to be in every formulation and reformulation project.

**Gluten-Free Guidelines:** Provide, whenever possible, nutritionally balanced gluten-free alternatives with a taste and texture as close as possible to the reference.

**Organic Guidelines:** Provide, whenever possible, an organic alternative without compromising on taste and texture and overall functionality.

**Plant-based Guidelines:** Provide, whenever possible, a plant-based alternative with taste, texture and functionality as close as possible to the traditional counterpart.

GRI 103-1

GRI 103-2

GRI 103-3

GRI 416-2

## Food Safety and Quality

Material topic: food safety and quality

Puratos believes that a quality mindset has to be present at every step of a process, which starts and ends with the customer, to support and enhance the quality and food safety performance of Puratos. The customer is always put first by our commitment to food safety which was placed as a top priority topic in our materiality matrix. Quality is a key element to delivering our mission to be a reliable partner to our customers.

### To achieve this goal, Puratos focuses on four key areas:

- Driving a mindset of continuous improvement. This will enable us to define and implement improvements that meet the specific challenges we face today and will face in the future;
- Developing, implementing and continuously improving 'best in class' quality and food safety management systems that result in measurable results in our operations performance and customer satisfaction.
- Supporting the development and improvement of reliable processes in order to reduce customer complaints and increase 'right first time'.
- Working in full interdependency with all parts of the business. Working together to solve problems helps build and strengthen existing teams. This will result in people feeling more satisfied, which in turn will have a direct impact on the way things are done.

### Key performance indicators 2019:

- 95% of Puratos products are produced by Puratos facilities which have been certified by one of the GFSI acknowledged certification standards (BRC, IFS, SQF, FSSC22000).
- 16 subsidiaries have the Golden Unicorn standard.

### Our long-term objectives:

- By end of 2020, 100% of Puratos facilities will be certified according to one of the GFSI standards.
- By 2021, the top 10 countries should have acquired the Golden Unicorn.
- By 2024, the top 20 countries should have acquired the Golden Unicorn.
- By 2027, 50% of all countries should have acquired the Golden Unicorn.

## Our internal approach

Our food safety management systems focus on the prevention and intervention of possible issues. Food safety is integrated into all our processes, starting with R&D and going across our entire supply chain. Internal risk-based surveillance and food safety testing is done at all Puratos facilities. This helps us to identify and prioritize specific areas of risk.

Puratos has an internal quality and food safety standard called, the Golden Unicorn. This programme contains requirements related to Hazard Analysis & Critical Control Points, pre-requisite programmes and quality management systems. Puratos plants are assessed by the Golden Unicorn standard according to a group planning. Additionally, our Internal audit department systematically performs audits including quality requirements.

Puratos is able to trace the sources of its ingredients thanks to its inventory control and traceability systems which enable us to trace 'forward (raw materials – manufacturing processes – finished goods)' and 'backward (finished goods – manufacturing processes – raw materials)' through the whole Puratos supply chain. It helps us to isolate risks in case food safety problems occur. To ensure that the system is working correctly, a yearly traceability testing is mandatory.

Group rules related to quality in operations are available on our intranet site and are kept up to date. They cover a wide range of food safety areas such as traceability and recall, transport and storing conditions of our products, shelf life extension of expired goods, quality incident escalation, the handling of by quality control rejected or expired goods, storage of hazardous products, ...

Each plant has a dedicated responsible for managing the local quality system. Some regions also have regional quality managers. The Group Quality, Safety, Health and Environment director has the final responsibility for food safety and quality.

When we are informed about possible quality and food safety issues related to one of Puratos' branded products, our crisis management procedure, which is a group rule, is started. In 2019 we did not identify any non-compliance with regulations and voluntary codes and no product recalls were conducted.

## Our external approach

Each Puratos subsidiary shall also ensure that its suppliers of raw material and food contact packaging have an efficient traceability system. This can be managed through Puratos requirements towards its suppliers, supplier questionnaires and/or supplier audits. There is a group supplier audit standard available.

We continuously increase the number of supplier and co-producer audits we conduct globally. This helps us to ensure the food safety and quality of the ingredients and packaging we use in our products. Direct and third-party audits are conducted.

GRI 103-1

GRI 103-2

GRI 103-3

## Leader in Innovation

Material topic: Sustainable Innovation and Product Development

Puratos' goal is to be a reliable partner in innovation and in sustainability.

### Key performance indicators 2019:

- 11% increase of Health & Well-being products sold (vs 2018).

### Our long-term objectives:

- Increase of 25% of the following Health & Well-being products:
  - Cacao-Trace
  - Mimetic
  - Puraslim
- Increase of 14% of the following Health & Well-being products:
  - Puravita
  - Softgrain
  - Sproutgrain
  - Vivafil

## Our approach

Puratos monitors its business evolution and performance in multiple dimensions. The Brand dimension captures the product positioning from a “marketing point of view”. The Innovation dimension captures the performance from an “innovation point of view”. Recently, the Health & Well-Being dimension has been added, and goes “cross brand” and “cross innovation” layer (products contributing to our commitment for Health & Well-Being) which is also reported in the Product Assortment section of the Group Reporting.

The Puramid (Puratos Innovation Pyramid) has been designed to better drive implementation of innovation and renovation projects; the Puramid is also used to help our teams to balance efforts and resources on strategic innovations, local and international innovations and renovation of regular products (historical products of the Group). Each SBU has its own Puramid; regions and countries also have their Puramid, in line with their market realities.

Innovation helps the Group to achieve its strategy:

- Leadership in bread improvement;
- Worldwide leader in patisserie outside USA;
- Taste leadership in chocolate.

The Puramid figures are reviewed on a monthly basis and controlled by our Finance Manager. Senior level responsibility lies with the Group Innovation Improvement Manager who reports to the Group Products Director and the Group Business Development Director.



## PLANET MARS

In our continuous search of sustainable innovation, Puratos decided to partner up with six Belgian organizations with a unique consortium for a new project: the SpaceBakery, as part of our Mission to Mars programme. The research will help us to feed the first people on the red planet in the long run, but the project aims to have a clear impact on Earth today. It will focus on how we can produce food in a more sustainable way and will help provide a nutritional staple food for many regions across the globe.

In 2019 three containers were installed on the site of Groot-Bijgaarden. They will soon be inter-connected, and a fourth container will be added for the SpaceBakery project. From the outside they may seem ordinary, but on January 1st, 2020 researchers will start working in the enclosed ecological plant cultivation system and bakery. What they will discover could have a huge impact on our food production on Earth, as well as on Mars once humans launch their space exploration efforts.

Using the impressive plant cultivation infrastructure, researchers from the seven members of the consortium will learn how to create the ideal environment for the efficient production of wheat crops, as well as other plants that could be included in bread to increase its nutritional value. But, why focus on bread? Because it's highly nutritional and consumed all over the world, making it an ideal candidate as a staple food for space exploration.

With this consortium, we are bringing together various knowledge domains and Belgian expertise in order to answer a very important question: how can we further improve nutritional value, sustainability and efficient use of energy to produce food – here bread, one of our main specialties – today, but also tomorrow in more challenging environments.

The environment on Mars is very different from ours on Earth; the lack of atmosphere, cold temperatures and dust storms don't provide the right conditions for crop growth. It is for this reason that the research will take place in the coupled containers, a closed and self-sustainable system in which the climate can be adapted to make it suitable for crop growth, with optimal use of resources.

In parallel to the research on crops, the consortium will also study many other aspects involved in the entire food production cycle, such as the use and recycling of resources, the monitoring of microbial climate, influence of radiation, and pollination through automated drones.

The Space Bakery project prioritizes sustainability, health and the efficient use of resources, providing solutions that will be extremely relevant for space technology tomorrow and here on Earth today.



# 02

## RESPONSIBLE SOURCING

To manufacture high-quality food products, we must have uninterrupted access to many different ingredients from around the world. At the same time, we realise that the demand for basic ingredients such as cocoa and sugar can put huge pressure on natural ecosystems and affect the sustainable development of local communities. This is why we are committed to responsible sourcing.

The tier-one suppliers of our most important raw materials, such as cocoa, oils & fats, sugar, flour and packaging materials are local suppliers that are based close to our factories. Since we have factories in more than 60 countries, our suppliers are also globally spread. Most of our tier one suppliers are located in Belgium, the United States, the Netherlands, Spain, France, Mexico and Brazil.

At Puratos we know that responsible sourcing is key to ethical trading and that consumers are right to be concerned about where their food comes from, how it is produced, and the way in which it is sourced. We make sure that we collaborate and keep an open dialogue with the people involved in our supply chain.

**Key performance indicators 2019:**

- 26,64% of our purchased cocoa was sourced in a sustainable way (+2% vs 2018) of which 9,17% was through our audited Cacao-Trace programme (+1,19% vs 2018);

**Our long-term objectives:**

- Favour raw materials, packaging, equipment and services that are environmentally friendly, benefit society, and give value for money over their lifecycle.
- Favour suppliers who share our vision of sustainability and who work towards maintaining a more sustainable supply chain.
- By 2020, all palm oil purchased by the Puratos Group will be RSPO certified.
- By 2025, all chocolate produced and sold by Belcolade will be sustainable (in accordance with Beyond Chocolate);
- By 2030, cocoa growers will earn a living income (in accordance with Beyond Chocolate);
- By 2030, deforestation due to cocoa growing for the Belgian chocolate sector has ended (in accordance with Beyond Chocolate).

## Our commitment to ethical trade practices

Material topic: ethical suppliers

We have updated our Ethical Trade Charter in order to develop sustainable and ethical value chains.

We ask our suppliers to sign this charter or to share theirs with us. It is vital for us to have the same level of ethical requirements maintained throughout our supply and production chains, and we make sure that they are constantly improved.

We present this Ethical Trade Charter to our customers upon request to ensure full transparency. It represents our moral commitments to the different players throughout our value chain.

### Ethical Trade Charter

Puratos and its suppliers commit in particular to:

- Providing good working conditions (contracts, health and safety, equal opportunities);
- Opposing slavery, all forms of forced labour, including child labour, and all other forms of abuse and exploitation;
- Maintaining an open dialogue with the local authorities, in particular those in charge of environmental conservation.

GRI 102-13

## Sustainable partnerships

### SEDEX

Puratos is a member of Sedex, the Supplier Ethical Data Exchange, which is a not-for-profit organisation dedicated to driving improvements in responsible and ethical business practices in global supply chains. The Sedex tool offers us a better understanding of our supply chain and helps us to monitor and assess the sustainability performance of our suppliers as well as the associated social, environmental and business ethics risks. It also eases the burden on suppliers facing multiple audits, questionnaires and certifications, and contributes to the continual improvement of the social and environmental conditions in our supply chain.



### Beyond Chocolate

In December 2018, Puratos became a member of Beyond Chocolate, a partnership that aims for sustainable Belgian chocolate. With Beyond Chocolate, all signatories commit themselves to working together on a whole range of challenges in the field of sustainable chocolate, such as tackling deforestation, child labour and a liveable income for local cocoa producers. In concrete terms, this means that all Belgian chocolate produced or traded in Belgium meets a relevant certification standard or is produced with cocoa products from company-specific sustainability programmes by the end of 2025 at the latest.

**Beyond  
Chocolate**  
Partnership for sustainable  
Belgian Chocolate



This is a first good step towards a sustainable cocoa supply chain and Puratos Belcolade is committed to the 100% by 2025 under the proposed criteria. However we already want to go a step higher with our objective (which is much more strict) under the Cacao-Trace definition where we aim at 50%.



### Fedima

Puratos is member of the Federation of European Manufacturers and Suppliers of Ingredients to the Bakery, Confectionary and Patisserie Industries. Fedima's mission is to create a favourable environment to ensure a sustainable and innovative bakery industry. One of their main objectives is the transparency on products and processes towards customers and consumers. They also focus on food safety, the promotion of the bakery sector and occupational health & safety.



### Fevia

Fevia is the federation of the Belgian food industry and represents 26 sectors and 700 companies that produce food and beverages in Belgium. They promote the quality, diversity and innovation of Belgian food worldwide. Fevia is an expert in the domains of sustainability, environment & energy, food safety, work & talent, food & health and competitive strength.



## Palm Oil

Material topic: sustainable raw materials

GRI 102-12

GRI 102-13

### Our long-term objectives:

- By 2020, all palm oil purchased by the Puratos Group will be RSPO certified applying a combination of SG, MB and B&C.

Palm oil is an essential raw material due to its technical properties, enabling us to supply our customers and consumers with the quality products they expect. Therefore, Puratos is committed to the gradual and continuous improvement of our supply sources. In 2010, Puratos decided to become a member of the Roundtable for Sustainable Palm Oil (RSPO) and in 2012, Puratos was one of the founding members of the Belgian Alliance for Sustainable Palm Oil (BASP). As part of this membership, Puratos made the commitment to use 100% sustainable palm oil in all its products sold on the Belgian market by 2020.

Puratos promotes the growth and the use of sustainable palm oil products through global standards. We fully recognise the challenge of reaching 100% sustainable palm oil cultivation that respects biodiversity, natural ecosystems, local communities, and workers in palm oil producing countries. This is why, Puratos aims to trade with certified suppliers that are committed to this change. Stepwise, Puratos will support the production of sustainable palm oil in 2020 for the total palm oil consumption of the group. Puratos will reach this target of only buying certified palm oil by increasing the sales of MB (Mass Balance) and SG (Segregated) palm products and supporting the production of RSPO certified palm through Book and Claim credits, including credits from independent smallholders

## Cacao-Trace: our commitment to sustainable cocoa

Material topic: sustainable raw materials

Cacao-Trace is the sustainable cocoa supply programme of Puratos. Whereas the chocolate industry tends to stress quantitative results more, our programme is interested essentially in quality, by creating value for all by improving the flavour/taste.

Expertise in fermentation at post-harvesting stations situated in cocoa producing countries throughout the world is the secret of our chocolate with its unrivalled taste so highly appreciated by chocolate connoisseurs. It is also a source of additional income for cocoa farmers.

By involving consumers and convincing them to pay a higher price for a better product, we share this advantage with our communities of Cacao-Trace farmers by paying a quality premium as well as a totally unique Chocolate Bonus: for every kilo of chocolate purchased, €0.10 is paid directly to the farmers with whom we work.

We apply complete transparency: €0.10 collected = €0.10 distributed.

It is only by creating more value thanks to an improved taste and by sharing this added value with our Cacao-Trace farmers will we be able to improve the means of subsistence for cocoa farmers and create a sustainable future for the industry.



## How Puratos stands out

Cacao-Trace chocolate is prepared from a Cacao-Trace cocoa mass, obtained from beans that have been fermented and dried according to strict instructions.



We are currently deploying the Cacao-Trace initiative in Vietnam (2013), Ivory Coast (2015), the Philippines (2017), Mexico (2018), Papua New Guinea (2018) and Uganda (2018).

For more detailed information on Cacao-Trace per country, we refer to our Next Generation Cacao Foundation report which is available on our website.

## Our commitment to a sustainable fruit supply

Material topic: sustainable raw materials

At Puratos we believe that local fruit sourcing and the knowledge of the chain from Field to Fork will have a positive impact on our quality and gives full transparency to both farmers and consumers. We want to push local sourcing to improve quality and ensure good supply by supporting local farmers to increase their knowledge, quality and productivity.

That's why we are committed to implement our Local Fruit Sourcing Programme. It describes the way of working and minimum criteria for a Puratos affiliate wanting to produce fruit fillings with locally sourced fruits for which the Field to Fork chain is controlled. It means that Puratos is involved in the selection and follow-up of the fruit growers. This programme gives a set of criteria that define practices covering different aspects such as good social, economic and environmental practices, as well as quality and traceability practices.

The Local Fruit Sourcing Programme is based on the following principles:

1. Quality and traceability
2. Social responsibility
3. Health and safety
4. Best agricultural practices
5. Environmental responsibility

New supply chains have been put in place in Mexico, thanks to the local team. Close cooperation was established between our Mexican subsidiary and local strawberry and pineapple producers. In addition to the social commitment, this activity enables us to improve the quality of our filling.

The contracts are signed directly with the producers or with the processors for the fruits needing a pre-processing step. This enables better living standards, and, thanks to the sales security we provide, our suppliers can invest in projects for the longer term, such as fruit processing plants. This in turn means more – and more diversified – work for their community.



03

PLANET



GRI 102-12

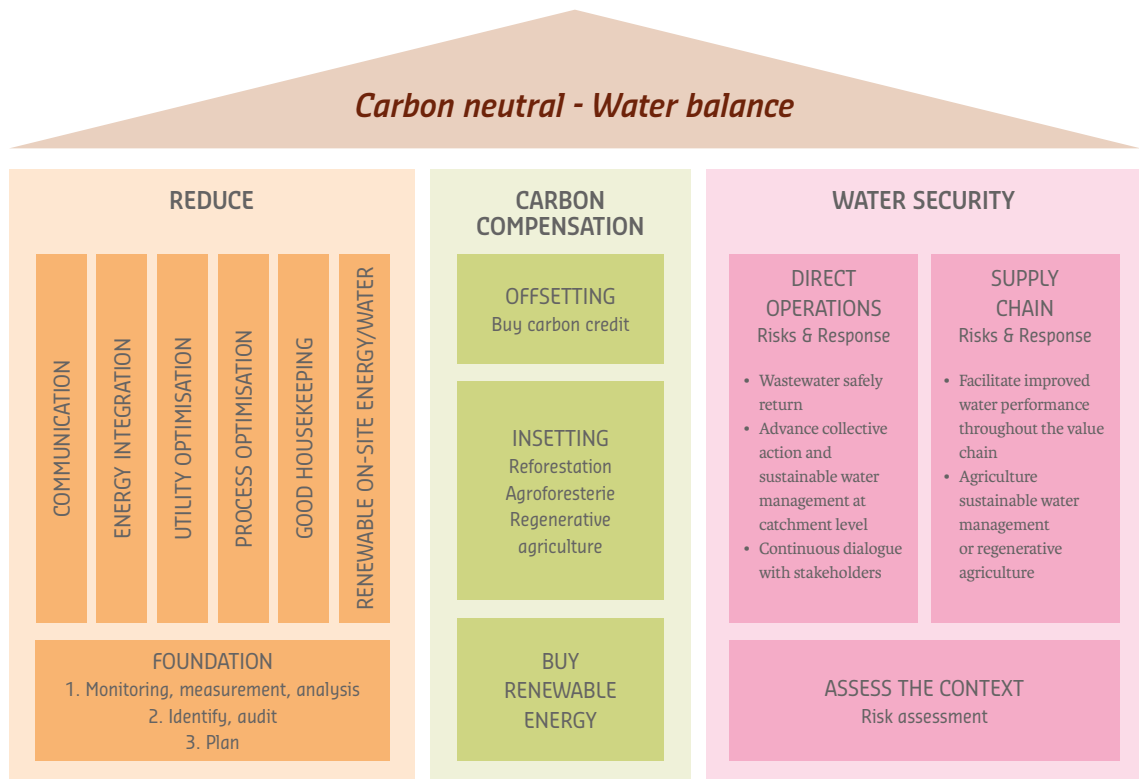
No-one can ignore the extent of the environmental crisis facing humanity. There is an urgent need to reduce our environmental footprint in order to preserve our planet for future generations. Puratos considers this as an opportunity to reduce the company's carbon footprint, water consumption and waste generation. We have clear objectives: become CO<sub>2</sub> neutral by 2025 and water balanced by 2030. In addition to our individual company efforts, we wish to do more. This is why the Puratos Group has joined the Belgian "Sign for my future" movement which is sending a strong signal to local politicians and requesting clear measures for our planet and climate.

- GRI 302-1
- GRI 302-3
- GRI 302-4
- GRI 303-3
- GRI 303-4
- GRI 303-5
- GRI 305-1
- GRI 305-2
- GRI 305-3
- GRI 305-4
- GRI 305-5
- GRI 306-1

## Carbon neutral and water balanced

Material topics: carbon neutrality and water management

In 2017 Puratos has defined an ambitious strategy with clear objectives in order to become Carbon Neutral in 2025 and Water Balanced in 2030. The first two years of the programme, 2018-2019, an action plan has been prepared including a list of key projects to be carried out for the period 2020-2025. This plan was prepared in collaboration between the Group, local operations and the “Environment Champions” appointed in the 26 main sites. Some sites are more advanced than others and have already started implementing some projects while others are still working on developing their action plans.



To become Carbon Neutral in 2025 Puratos aims to REDUCE its impact and COMPENSATE what we cannot yet reduce. A two-pronged strategy:

- Our reduction goal, inside our fence, is to reduce by 25% our impact by improving our energy efficiency and producing renewable energy on-site. The top 12 operational countries, have already identified a potential for saving 14% of CO<sub>2</sub> and water.
- Our compensation goal, outside our fence, is divided in 2 categories. Purchase 100% renewable energy (-28% CO<sub>2</sub> = full remaining scope 2). Recapture the unavoidable emissions through an innovative Insetting strategy (-47% CO<sub>2</sub> = full remaining scope 1). Puratos will support climate mitigation projects that meet a set of criteria and are implemented in our supply chain. Projects meeting the following criteria can be supported: energy efficiency, regenerative agriculture and, sustainable forest management including agroforestry in the Cacao-Trace programme.



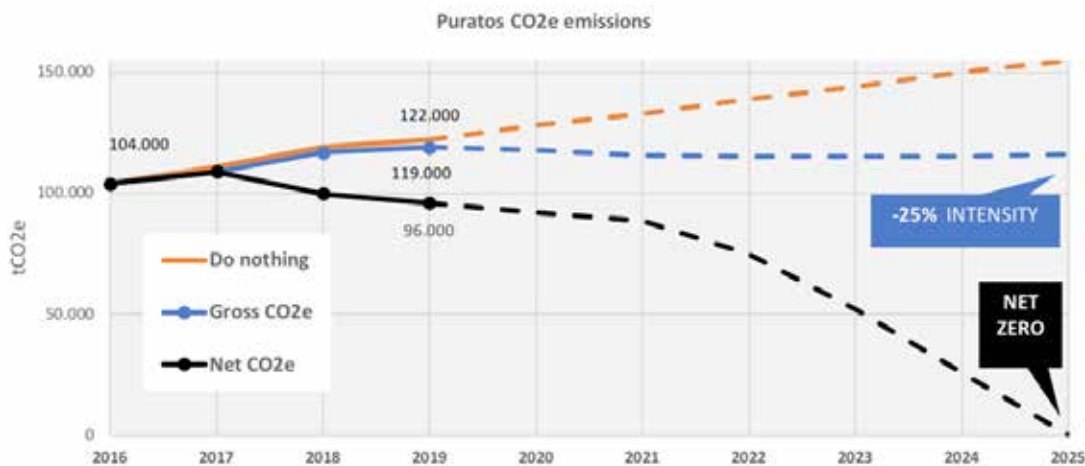
## Carbon footprint (greenhouse gas emissions given in CO<sub>2</sub> equivalent)

### Key performance indicators 2019:

- Puratos was awarded Grade B for our first reporting to CDP Climate in 2019: It is a recognition of our coordinated action on climate issues considering the average global food processing sector is Grade C. The CDP is the world's most comprehensive collection of self-reported data, the world's economy looks to CDP as the gold standard of environmental reporting. It enables companies to progress through benchmarking and comparison with peers.
- CO<sub>2</sub> efficiency: improved by 2% compared to 2018 (1.756 tCO<sub>2</sub>e saving) and, improved by 3% compare to 2016.
- TOTAL 2019: gross emission is 119.000 tCO<sub>2</sub>e as gross. Considering Puratos is now sourcing 60% of its electricity from renewable origin on the market our net emission is 96.000 tCO<sub>2</sub>e which is 6% less than 2018 or 10% less than 2016. Puratos aims to purchase 100% renewable electricity by 2023. We have achieved 50% in 2018 and 60% in 2019 (100% Belgium, Spain, USA, China) and are aiming for 70% in 2020.

### Our long-term objectives:

- 2023: purchase 100% renewable electricity
- 2025: make our direct operations carbon neutral



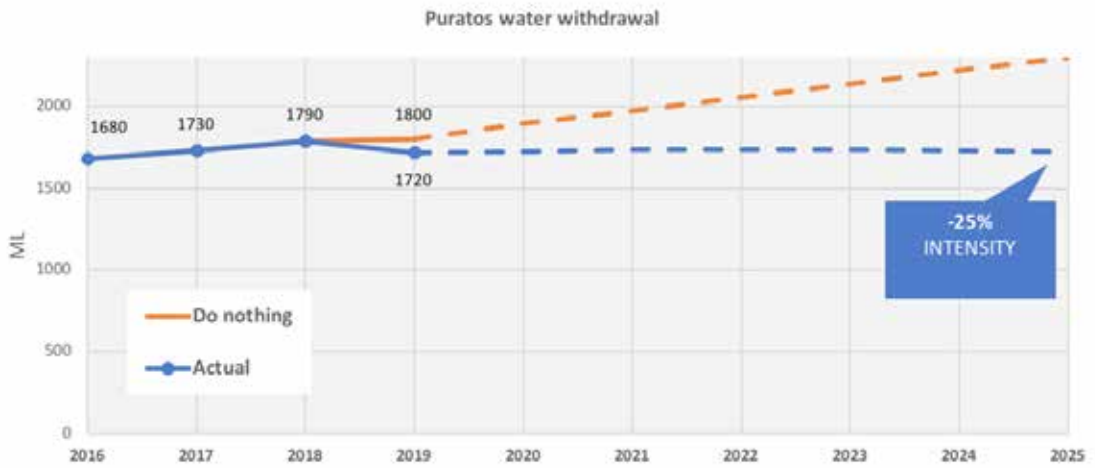
## Water footprint

### Key performance indicators 2019:

- **Water efficiency:** improved by 6% compared to 2018 (90 mio saving) and an improvement of 4% compared to 2016.
- **Total 2019:** water use is 1.720 million liters, 4% less than 2018 and 3% more than 2016.

### Our long-term objectives:

- 2030: have a balanced and sustainable water management by reducing our own water consumption, improving the quality of our water discharge and reducing water risks in our production sites



**Our main actions in 2019:**

- The on-going gas cogeneration project of Groot-Bijgaarden, with an investment of more than 2.2 million euros, is by far the largest energy saving project ever undertaken by Puratos. This project will produce 65% of the site's electrical needs and 30% of the heat. In addition, the new margarine and fat lines were designed to be steam free (more energy efficient) so heating will directly come from the hot water network of the cogeneration.



*Piperack - 100% complete*



*Hot water grid - 85% complete*



*Cogeneration - 40% complete*

Several sites are developing renewable energy projects aiming to generate on-site 18% of Puratos total annual electrical needs:

- In Belgium 2 permits were deposited in partnership with Engie to install a wind turbine in Lummen and Belcolade. The first could supply 100% of Lummen annual electrical needs and the second 60% of Belcolade annual needs. The permitting process for a wind turbine 180m high and 136m in diameter is complex and heavily regulated in Belgium.
- Several solar panel projects opportunities have been identified on 26 sites, aiming to produce 10 to 30% of the site's annual electrical needs. Already 6 projects are completed or on-going and 20 projects are in the study phase.
- The solar panels project in Puratos China was inaugurated in November 2019. It is currently Puratos largest renewable energy project with a capacity of 912 kW, now supplying 25% of the site's electrical needs.



China 912kWp of solar panel = 6000m<sup>2</sup>



Portugal 130kWp of solar panel = 800m<sup>2</sup>

- **Water saving actions:** Andenne is preparing a project to reuse the water discharge from our wastewater treatment plant. This project, planned for 2019-2020, should create a 30% reduction in site water consumption and therefore 5% of the total consumption of Puratos. In the Belcolade factory, 20% of the site water consumption comes from the recovery of rainwater, this is the double of 2018.
- **Wastewater treatment:** Both Russia and Iran now treat their wastewater efficiently. Lummen has acquired a brand-new anaerobic reactor that doubles its processing capacity to support the increase in production volumes. Andenne installed a fishpond at the outlet of its treatment plant to demonstrate the quality of the effluents discharged.
- **Securing a sustainable water supply:** the aim is to identify, quantify and reduce the quantitative, qualitative and legal risks linked to water in our main factories. Nine production sites in high water stress areas, representing 55% of Puratos' water supply, have completed a local water risk assessment to define an action plan. The sites evaluated included all Belgian sites, Mexico, Brazil, Russia and Pennsauken. A tool and a methodology on water-related risks have been defined, allowing a transparent, structured and common approach. The aim is to identify and quantify main water risks on and off the site to develop an action plan. Many water risks arise from external factors, such as local environmental conditions and, public water policy and management.

- **Carbon compensation through reforestation and agroforestry project** in our Cacao-Trace supply chain. With our partner for this programme, PurProjet, we are happy and proud to inform you that the first trees of this ambitious programme have now been planted in the Philippines and in Vietnam. More than 30,000 trees have already been planted and soon trees will also be planted in Papua New Guinea, Mexico, Ivory Coast and Peru. We aim next year to plant 100.000 trees.



For additional information about GHG emissions, energy and water usage, we redirect you to our environmental data summary in the appendixes.



## Packaging and waste

### Packaging

Puratos Group has set clear ambitions with respect to packaging sustainability. Our vision on sustainable packaging reflects the ambition to become fully recyclable or reusable in terms of packaging materials, with a deep focus on helping our customer reducing their environmental footprint of the product – packaging solutions we serve them. Our targets are translated to clear objectives and projects with the aim to replace non-recyclable packaging materials (RECYCLE), to avoid any ‘overpacking’ of our Puratos products (REDUCE) while maintaining product quality and shelf life, and to REUSE packaging materials maximally where possible. On regular timing, projects and achievements are communicated via scientific magazines, social media and via our website.



### Internal waste

*Material topic: non-food waste*

Waste management and environmental protection go hand-in-hand. Prevention, reuse and recycling are the key words at Puratos. Energy recovery and disposal are last-resort actions for non-recyclable waste.

In 2019 Puratos started a waste reduction programme to investigate new ways of waste management, with the ambition to reduce as much as possible the use of plastic, to stimulate the reuse of materials whenever possible and to sort waste fractions as optimally as possible in order to allow recycling. A taskforce is also rethinking our own packaging in order to be in line with our ambitions and not be waste producers ourselves.



## Food wastage

Material topic: food waste

Consumers around the world care deeply about avoiding food wastage. Not only is this a waste of the precious natural resources that were used to create a finished good, but it's also a waste of their money.

At Puratos we have developed several solutions that help consumers to reduce the amount of food they throw away.

As we believe the future of bread lies in its past (see "Heritage" chapter), we have revived the tradition of sourdough. Sourdough allows the creation of great tasting breads, but that's not all. The acidity of the sourdough and the presence of favorable micro-organisms also increases the shelf life of bread.

Historically, one of the milestones for Puratos, was the creation of the first ever complete bread improver. This solution initiated a revolution in the baking industry and allows to prolong the freshness and shelf life of baked goods. Today it's a major product for the group with more than 100 formulas, adapted to local needs around the globe. \$500 is now sold somewhere in the world every 80 seconds.



We also have an entire series of non-dairy toppings. Compared to fresh cream for example, they have an excellent stability over time, leading to extended shelf life.

Puratos' customers also want to avoid wasting food and the ingredients used to create it. The art of baking is not an easy one. The weather and the temperature may turn and influence the bread, the new season's flour may be unexpectedly different, the yeast could be ageing, and different machines might generate different results. Bread improvers help our customers to control all the uncertainties within the bread production process and enables a consistent, premium result. Without an improver, losses on a production line are around 3%. With the help of an improver, these losses drop to 0,5%.



Whether our customer is in the fresh, packaged or frozen baked goods sector, our improvers ensure top-quality products. Our portfolio is extensive, ranging from complete multi purpose improvers to tailor-made modular approach that fits everyone's requirements. A packaged cake for example will have a shelf life of 5 days without an improver. With one of our improvers, it can be kept up to 21 days.

Our non-dairy toppings also allow our customers to reduce the risk of waste. These products have a high tolerance to overwhipping, which increases efficiency and avoids unusable product. All Puratos non-dairy toppings are produced using UHT technology. In combination with an aseptic packaging, this technology protects the products, provides additional food safety benefits, a constant quality and a longer shelf life (9 months on average).

04

HERITAGE



While Puratos always aims to be a reliable partner in innovation, we also believe in preserving traditional ways of making bread and chocolate. Bringing these aspirations together allows us to serve our customers and consumers in the best way possible, by adding value to tradition.

Our passion for nature, authenticity and diversity has led to our sourdough library which plays a key role in the preservation and renewal of this ancient technique of natural fermentation. We also studied the history of bread and its multiple uses throughout the world so as to be able to offer consumers the best of this product. With the same passion, we preserve the heritage of Belgian chocolate with its incomparable taste, as well as certain old varieties of cocoa.

**Key performance indicators 2020:**

- 125 sourdoughs from 22 countries are stored in our physical library in St. Vith.
- Over 1.700 sourdoughs from over 1.400 cities have been registered in our digital library since September 2016.

**Our long-term objectives:**

- By 2023, register 10.000 sourdoughs in our digital library to better understand the biodiversity of sourdough throughout the world.
- Through our sourdough library we want to preserve the traditional way of making bread.
- Sourdough gives a unique taste to bread and is different all around the world. We undertake responsibility to keep this tradition alive.
- Install in the Chunca Belcolade plantation a small library where we preserve the 5 native mexican cocoa varieties.

## Bread

*Material topic: preservation of food culture*

The key to the future of bread lies in its past. To create the best products for bread making, Puratos aspires to get back to basics, and identify best traditional ingredients of good bread.



### O-tentic, ancient tradition of fermentation

In tracing the history of bread making, we discovered a reference to the “best bread” in the works of the Roman poet Horace in 37 BC. He wrote that the “best bread in the world” is in Puglia, “so good that the seasoned traveller takes a ration along before continuing his journey”. Naturally, at that time, sourdough was the only way to ferment and raise bread, as yeast was not commercially available.

Today, the emblematic bread from the region of Puglia is known as Altamura bread. Puratos worked together with Professor Marco Gobbetti of the University of Bari to recreate the wheat sourdough used to make this bread. We have used the latest fermentation technologies to create O-tentic durum, now considered as our greatest baking innovation since the launch of S500 in 1975. This Puratos innovation stems from the search for the best bread recipe in history. But what about the diversity of recipes?

### Bread of the world, to bring authentic tastes to life

Bread does not simply consist of flour, water, salt and yeast. There are different variants in all regions of the world that are an integral part of basic food, and of the local culture. Thanks to our global presence, we have been able to develop products based on traditional local recipes, celebrating the authentic taste of bread from all corners of the world. To revive and share these breads, we grouped these recipes under the concept of “Breads of the World”.



**The Sourdough Library. The world needs safe places to preserve its precious objects.**

**Let us preserve the sourdoughs of the world.**

The Puratos Sourdough Library in St. Vith was created to store and preserve the best sourdough cultures in the world. By January 2020 the sourdough library contained 125 samples from 22 countries. Like grains, sourdoughs are delicate and can be easily misplaced or damaged, leaving the world a little poorer than before.

Bakers are well aware of this and are delighted that someone has undertaken the initiative to preserve a part of their sourdoughs elsewhere than in their bakery. After all, their particular sourdough is not only part of the heritage of the flavours of the world, it is also their “bread winner”.

The library can be visited virtually at <https://www.puratosourdoughlibrary.com>. It is an extraordinary experience for those who cannot make it in person to the Center for Bread Flavour in St. Vith.

### “The Quest for Sourdough”

Puratos is looking for new and unique sourdoughs throughout the world to add to its library and thus increase its bread diversity. A website has been created for that purpose: [www.questforsourdough.com](http://www.questforsourdough.com)

This initiative is one of a kind in the world of baking. Since it was launched at the end of September 2016, we have already registered over 1.700 sourdoughs from 1.400 cities in 90 countries and regions, such as the USA, Chile, the Caribbean, Europe, the Middle East, South Africa, China, Australia and New Zealand.

For chocolatiers it is a given that their key ingredient cocoa has different flavour profiles depending on its terroir. Yet, until now it was unknown to bakers if the same could be said about sourdough. Thanks to the Quest for Sourdough, and all the people that participate, we are finally able to map the different flavours and characteristics of sourdough around the globe.

The Quest for Sourdough website remains open for anybody to register their sourdough, meaning the sourdough flavour map will continue to develop overtime. New countries will pop-up, and who-knows; overtime the dominant flavour profiles might shift to other flavours. If you want to receive the latest updates and inspiration from the Quest for Sourdough, subscribe to the newsletter at: [www.questforsourdough.com/notifications](http://www.questforsourdough.com/notifications).

They all have different types of flour; some are solid, and others liquid. Some are based on very particular types of fermentation – including rose petals, the Jamaican hibiscus, and green coffee beans.

In fact, bakers are just as passionate about sourdough as we are, and their creativity knows no boundaries. It inspires other bakers and customers to try and ferment new ingredients and to use new methods. The sourdough library has a promising future thanks to this quest.

### La “Maison du Levain”

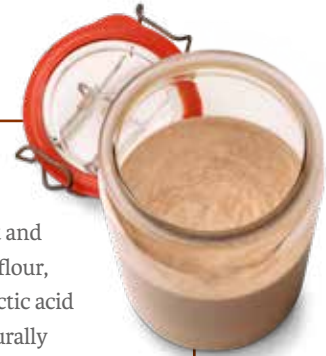
The history of sourdough is so rich that our sourdough library, where we store, document and protect its heritage for the future, was not sufficient. So, we decided to create the “Maison du Levain”, a place

### What is sourdough?

Sourdough is a natural product used to make bread, i.e. to ferment and raise the dough. It is composed of flour, water and micro-organisms like lactic acid bacteria and yeasts. These are naturally present in the flour and the environment; some say that even the hands of the baker bring in some of the micro-organisms. The taste, flavour and fermentation power of the sourdough depend on the temperature, the time, the flour and of course the love of the baker! We say that sourdough is the soul of the bakery.

### Videos

- Virtual Tour  
[https://www.poppr.be/virtualtour/puratos/#p=scene\\_p1](https://www.poppr.be/virtualtour/puratos/#p=scene_p1)
- UK, Northhampton  
<https://youtu.be/9SyTfUtRWaY>
- China, Baixiang, Wuxi  
<https://youtu.be/68QkRv2oXHY>
- Japan, Tokyo  
[https://youtu.be/b-UZGT\\_SfkE](https://youtu.be/b-UZGT_SfkE)



dedicated to the history, the present and the future of sourdough where visitors will be able to discover the origin and evolution of sourdough.

With the discovery of the microscope came a better understanding of sourdough, which allowed scientists like Louis Pasteur to isolate yeast from sourdough and start producing yeast for commercial purposes. This led to the extinction of sourdough in a lot of countries. For many bakers, preparing their sourdough was a time-consuming activity because they needed to feed it every four to six hours. Yeast offered such a convenience that bakers widely adopted this new ingredient and forgot about their sourdough.

Today, sourdough is more popular than ever, and together with our customers we want to bring this tradition back in our daily bread. Thanks to modern technology and a new understanding of these complex fermentations, we can offer a wide range of ready-to-use products based on sourdough.

### A second life for the very first Sensobus

Our very first Sensobus is displayed at the “Maison du Levain”. This English double-decker bus from the 1960s received more than 50.000 visitors before it was retired in 2009 and was replaced by a newer model.

The “Maison du Levain” will show our customers that we care and that we are there to help them because we believe that the future of bread lies in its past. Together with us they can *Join the Tradition* and *Create the Future*.



## Belgian chocolate

Material topic: preservation of food culture

### Belgian chocolate – to perpetuate taste and heritage



Belgian chocolate is part of our direct heritage, as the history of Puratos started in Belgium.

But what makes Belgian chocolate so different? Already in the 19th century, chocolate had to contain at least 35% cocoa to be named as chocolate. The refinement in Belgium is such that chocolate leaves no grain sensation when it melts on the tongue. Moreover, traditionally, Belgian chocolate manufacturers have always worked with high-quality cocoa beans, which give the chocolate a particular taste. Finally, the praline, invented in Belgium in 1912, has become a typically Belgian product associated with all kinds of celebrations, and has greatly contributed to the fame of Belgian chocolate.

Puratos is continuing this tradition which has made the reputation of Belgian chocolate throughout the world, by always using the best ingredients and the best equipment to maintain the quality of Belgian chocolate forever.

Belcolade has produced chocolate for 30 years now in Belgium, using the finest raw materials, respecting the Belgian way of producing chocolate, and enhancing the taste. Belcolade uses no fat other than that of the cocoa and only natural vanilla. As a result, Belcolade chocolate has a particular, quite distinctive taste, highly appreciated in consumer tests.

### The history of chocolate, in cooperation with “Choco-Story”

Puratos works in cooperation with the Choco-Story museums to share the story of cocoa, its processing and how it is turned into chocolate, and to promote world-class Belgian chocolate. Seven museums are already open in Bruges, Brussels, Paris, Prague, Uxmal, Valladolid, Colmar and Beirut.

Choco-Story conducts a yearly study on traditions that were or are still strongly linked with cocoa in the world, such as the Mayas and Kunas.



### **The largest criollo plantation in Chunca, Mexico**

Another important sustainable development project for Belcolade concerning its products and the link between tradition and innovation started in 2008 with the acquisition of a plot in Chunca (formerly Tikul) in Yucatan, Mexico. On 60 hectares we planted criollo, one of the oldest, rarest and finest varieties of cocoa.

What makes this cocoa very special is its low polyphenol content. During the fermentation process, particularly mild flavours develop, creating an exceptional chocolate.

That is why Puratos has deployed the necessary resources to protect this old, nearly extinct variety to produce a chocolate with unique tasting properties. Our objective is to plant more than 300.000 trees (66.000 already planted) – a project which will provide a wildlife sanctuary and contribute to local environmental conservation and biodiversity.

In 2017, 315 additional hectares of land were purchased, of which 70 have already been prepared for planting, which promises far more criollo to come – with a bit of patience!



### **Library of native Mexican cocoa varieties**

On the Chunca plantation, traditional Maya huts have been built to house a collection of native Mexican cocoa varieties. There are five old cocoa varieties in Mexico, and we want to preserve them using the model of the sourdough library.

To that end, the flowers of the different cocoa varieties will be cryogenized to be preserved and re-used as needed. A small plantation with the five varieties will be developed.

In Mexico, Puratos will operate the whole cocoa-chocolate chain. The Chunca plantation will provide some of the beans we need, but above all provide us with knowledge on cocoa growing. In Comalcalco, Tabasco we bought four hectares where we installed our collection, fermentation and drying centre.

These beans will soon be processed into mass in a new factory next to our distribution centre in Mexico. The cocoa mass will be sent from there to our chocolate plants in Tizayuca, Mexico and in the USA to produce chocolate with Mexican beans, and to Belcolade to produce a Mexican origin chocolate.

05

PEOPLE

Puratos employees are our present and future human capital. They develop, produce and market a constant source of delicious and innovative products and it is they who create environmentally friendly solutions. Equally important, it is the people at Puratos who transmit our knowledge, who spread the message about the importance of sustainability and its implementation and who are the ambassadors of our corporate values.

**Our long-term objectives:**

- Make every employee feel part of the Puratos Magic Family.



## Puratos Magic

Puratos Magic has been at the heart of Puratos for 100 years. It is the strongest commitment we can make towards our employees. Puratos Magic has its roots in Puratos' history and represents our way of doing business. Puratos has a strong reputation and this is built on the ethics and integrity of our people. In everything we do, ethics underpin our decisions: being true to our conscience, maintaining our professional standards and honouring our commitments. Puratos is committed to being an employer of choice that promotes Puratos Magic, which is based on the following values:

### Quality

Getting it right from the first time, every time - and always looking to improve still further.

### Ethics

Being true to our conscience, maintaining our professional standards, honouring our commitments and assuring absolute food safety.

### Vision

Innovating with vision. Building on experience, searching eagerly for new horizons and helping our customers prepare for an ever-changing future.

### Courage

Seizing opportunities, never being afraid to try new things.

### Passion

Being passionate about helping our customers grow their business through new ideas, as well as creating a working environment that stimulates people development.

### Team Spirit

By working together, achieving more and having more fun, and believing that the whole exceeds the sum of the parts.

These values reflect how to interact with colleagues, with external business partners, and with stakeholders. They reflect how the Puratos Group believes business should be done in a responsible manner.

Every single employee at Puratos has to adhere to these values. It is by believing in the same values and adopting the same working principles that we are truly able to deliver our best.

Through its values and principles, Puratos Magic is the great ambassador of a sustainable company in a sustainable society.



## Learning and development

Material topic: Employee learning and development

GRI 404-1

GRI 404-2

### Key performance indicators 2019:

- Within the Puratos University, we organized 35 seminars (139 training days) to enable our business development teams to develop expertise on our products, technologies and solutions. In 2019, 567 employees have participated to these seminars. On top, all our employees in business development have access to over 20 online product courses.

Continuous learning and curiosity are at the heart of our development. With innovation at the heart of everything we do, Puratos showed its commitment to continuous learning through the creation of our own Puratos University in 2006.



The Puratos University offers top-quality content on our products, technologies and solutions.

The university has campuses in Asia, Latin America and Europe at our headquarters, which provide training courses on the products (baking, pastry making, chocolate), on functional capacities and leadership skills.

Since 2012 our management team can experience the Puratos Magic and strengthen customized leadership skills in a fast-paced environment via our "Blended Leadership Programme".



The complex and fast changing world we operate in, makes continuous learning key to every employee. Our employee's feedback in the Voice! Engagement survey to have more training and more time for training, was clearly aligned with this new reality.

To answer to the evolving needs, we launched a new global learning platform. The Puratos University experience has been improved by adding content, and mobile access, while guaranteeing a seamless integration with all our other people modules within the platform. Furthermore, additional training programmes have been developed under the umbrella of Puratos University.

A new Guild learning programme has been developed for all Technical Advisors and Application Specialists worldwide with the aim to build world class expertise on finished goods and to cherish a knowledge sharing community where masters develop masters. The Guild programme offers multiple courses in the bakery, patisserie and chocolate expertise.

In the new Sales Academy, all employees in sales can benefit from tailored learning paths depending on their sales role. These learning paths offer a blend of learning activities to enable our employees in sales by developing functional skills they need to be successful in their current role or to prepare for a future role.

GRI 103-2  
GRI 404-3

### Career development

The career and personal aspirations of our employees as well as their development opportunities are discussed at several occasions throughout the year.



## Unicode

UniCoDe (Unicorn Competency Development) is the global applied performance management and personal development process at Puratos during which past year's performance is assessed in terms of objectives achievement and compliance with our Core competencies – the base of our Puratos culture.

New performance objectives for the year to come are defined and development objectives are discussed.

## Competency Assessment

The Competency Assessment focuses purely on development. Future career aspirations are discussed, and a development plan is put together.

## Mid-Year Review

The Mid-Year Review is the moment for the employee and his manager to review UniCoDe objectives and update the completion status.

It is also a good opportunity to identify blockers for objectives achievement and define further development needs. The Mid-Year Review is not a formal process, but rather an objectives-focused discussion between manager and employee.

## Talent Reviews

During the talent reviews, managers and the Leadership Teams review the employees' long-term performance and potential.

## People and Organization review

During the People and Organization review, HR together with the Group Executive Committee discuss the outlook for the future in terms of organization and talent needs.

## Continuous Feedback

Dialogue and continuous feedback are a key element to support the Puratos Magic, to bring our values alive and be truthful to our working principles. Continuous feedback means continuous growth. Employees are encouraged to help each other grow by giving and requesting spontaneous, on-the-spot feedback.

## Safety and Health

Material topic: Employee health and safety

### Key performance indicators 2019:

- Between 2011 and 2019, the number of accidents declined by 51%.

GRI 103-1

GRI 103-2

GRI 103-3

GRI 403-1

GRI 403-2

GRI 403-3

GRI 403-4

GRI 403-5

GRI 403-6

GRI 403-7

## Safety, Occupational Health and Employee Well-being

Puratos is committed to raising standards related to safety, occupational health and employee well-being for its employees throughout the group. Strict standards and guidelines were developed, and all departments should operate in accordance to them. Puratos continuously improves its working conditions and aims to create a good work-life balance for all its employees.

To ensure the health and safety of its employees, Puratos:

- Implements guidelines and procedures regarding safety, occupational health and work environment. They are available on our intranet site and also external contractors are informed about these guidelines;

- Collects, inspects and analyses data on safety and accidents. Safety reports are established and presented;
- Gives basic health training to all employees;
- Monitors and updates benefits for employees and their families on a regular basis to encourage retention and to create a positive work environment;
- Provides regular health check-ups for all employees. The frequency of these health check-ups depends on their function within the company.
- Foresees health insurance for all employees and their families to help them with their medical expenses;
- Communicates and underlines the importance of health and safety for its employees, visitors, contractors and the public.

GRI 403-9

## Safety

At Puratos we believe one accident is one to many. We strive to ensure an injury free environment in all our operations across the world.

2019 was better than 2018 in relation to safety numbers as the main indicators show a decrease of the LTIR (Lost Time Incidents Rate or number of accidents per 200,000 worked hours) from 0,956 end 2018 to 0,754 end 2019. Between 2011 and 2018, the number of accidents declined by 51% (from 146 to 71). Similarly, between 2011 and 2019, the number of days lost went from 3.861 to 1.749, or -55%. This despite an increase of worked hours from 50 % (12.292.006 hours in 2011 and 18.839.657 hours in 2019).

Puratos is committed to conduct its business in ways that best protect the health and safety of our employees, visitors, contractors and the public. Puratos communicated the 10 golden rules to approach zero accidents:

1. Drive safely;
2. Be aware of internal traffic;
3. Follow site rules;
4. Wear recommended personnel protective equipment;
5. Apply safe material handling;
6. Control hazardous chemicals;
7. Verify machine safety;
8. Manage high risk operations;
9. Apply energy lock-out;
10. Stop unsafe work.

The data on accidents throughout the group are centralised and processed via our “SafetyNet”, a system that connects all Safety Managers around the world in order to share best practices and learnings about safety prevention.

Detailed policies and guidelines regarding occupational health and safety are available on our intranet site and are regularly updated. They cover a wide range of health and safety areas such as detection of hazardous situations, dangers of electricity, explosions guideline, guideline burns and hot surfaces, guidelines ergonomics, guideline fire detection system, guideline for working with third parties, ... In total we have 31 mandatory group rules (guidelines, procedures & working instructions) related to safety and health. Each time an accident occurs, an accident form needs to be filled out to get more information on how and where the accident took place, if it was an employee, a visitor or other and if the accident is with or without absenteeism. They also need to provide information on the corrective actions that were put in place to avoid recurrence of the accident and the analysis to check whether the work accident is a work accident according to the Puratos definition.

The countries are also asked to fill out a risk assessment document on a yearly basis. They are asked to identify and highlight potential risks. In case any risks are identified, the process to follow is:

- Eliminate the risk;
- If not possible, take collective protection measures;
- If not possible, select appropriate personal protection equipment using the working instruction on PPE (Personal Protective Equipment).

The type of hazards causing the high consequences injuries are analysed based on the accident reports received. A distinction is made between the accidents having a high frequency and the ones having high consequences but both of them will be highlighted and part of a prevention campaigns, such as for example the 10 golden rules.

In 2019, Puratos launched a mandatory Safety Basic Induction programme (for operational and non-

operational staff) on its online training platform.

Every Puratos employee plays a critical role in driving a zero-accidents culture. The e-learning provided them with the necessary information and resources to promote a safe and healthy workplace and to fulfil the training requirements stipulated by many EHS laws and regulations worldwide. Through this training, they learned the key safety rules that every Puratos employee has to apply in the work environment. The training was followed by 74% of all employees.

Workplace health and safety is the responsibility of each Puratos employee. Everyone is expected to work in a safely manner and follow the safety policies, procedures and guidelines, as well as to report any incident of unsafe behaviour to the local safety manager.

Every employee must follow a mandatory safety training through e-learning and every manager has got safety objectives. A part of their bonus is linked to safety improvement.

Senior-level responsibility lies with the Group Safety Manager who reports to the Group Quality, Safety, Health and Environment Manager. The Q&HSE committee meets quarterly and is led by our Group Operations Director who is responsible for the Puratos' policy and safety culture. During the quarterly meetings they review safety issues and progress.

## Occupational health

Puratos puts its employees first. By providing well-being opportunities for our employees and their families, we uphold our company values, by:

- Providing medical insurance for our employees and their families on top of the social security contributions;
- Preventing diseases and illness for our employees by providing annual flu vaccinations;
- Organizing regular health checks for all employees according to risk factors related to their job position;
- Creating dedicated First Aid teams that follow basic lifesaving skills training as well as first aid training courses on a regular basis.



### Employee well-being

Puratos wants to create an enjoyable working environment for its employees. To increase retention and make our employees feel more engaged with the company, we make sure that we provide our employees with

- A competitive salary and benefits;
- Employee benefits;
- The opportunity to grow through career development;
- The necessary resources to balance their professional and private life;
- Healthy lunch options as well as a team of nutritionists that help our employees with any dietary questions they might have;

### me+Puratos

The me+Puratos approach finds its roots in the many local initiatives initiated by passionate and enthusiast colleagues who wanted to contribute positively to the Health & Well-being of their colleagues. It is supported by our Puratos Magic and commitment to care for our people. Along the years, initiatives around Health & Well-being popped-up in different corners of the company: sport and charity activities (20km of Brussels, the Oxfam trail, ...), local initiatives such as family events, open days, training around quality and many more. Working groups were created to organize activities in one of the six domains that were identified for having a positive impact on Health & Well-Being at work: food, feel good, family, fun, fit and friends.

More flexibility with flexible working hours.

Puratos recognizes the importance of family and supports its employees in creating a healthy work-life balance.

GRI 102-8

GRI 405-1

### Diversity

#### Our approach

We firmly believe that people with different backgrounds, experiences, knowledge, skills, perspectives and ideas create a stronger organisation and that this leads to more innovation. Puratos profiles itself as an equal opportunities employer that offers the same chances to all employees irrespective of their age, nationality, gender, sexuality or religion.

Diversity within Puratos has already long been a reality, whether in relation to function, age, gender or nationality. There are 91 different nationalities within the Group and our headquarters is similarly multicultural: out of the 700 employees there, 28 nationalities are represented.

## Rewarding employees fairly

At Puratos we are committed to paying our employees fairly and competitively, in accordance with responsibility, performance and potential. Every employee's total remuneration is based on the level and type of work they do (the position of an employee) and the performance/potential within the context of market benchmarking and budget guidelines.

Allocation of employee remuneration is in accordance with company policies, subject to approval from our Group Executive Committee and Remuneration Committee and in full alignment with our values and principles of diversity.

## Employees' Voice

In line with its values and its family spirit, Puratos wants to know what every employee feels and thinks about the company and how we can do better. Therefore we launched the companywide engagement survey for Puratos Group, "VOICE!"

By the end of 2019 we have rolled it out in 61 countries of the Puratos Group. Final participation rate was extremely high: 90% of all of the employees invited took the opportunity to raise their voice.

The survey addresses a variety of important topics such as engagement and enablement of employees, leadership, structure, processes and quality. It is based on a set of standard questions to:

- Better understand employees' views about our organisation and ability to perform their job effectively;
- Provide employees with the opportunity to contribute, share their ideas and opinions in order to make the organisation more efficient and a better place to work.

The outcome of the survey revealed that employees perceive Puratos as a great place to work, which explains the high level of engagement and commitment. Where we can further improve as a Group is on "enablement". This means that we need to continue working on systems, processes and tools in order to increase the effectiveness of our employees and to support them reaching their full potential.

Targeted action plans are defined in workshops together with the employees using a global VIVA (Voice Idea, Voice Action) approach. Actions are shared and communicated to keep the momentum, to ensure ownership and to further improve as a company.

## What does Puratos Magic mean to our employees?

### 1 Sophie Streydio, Belgium, Group HR Director

*“Things are always moving ahead: continuous improvement is in our DNA. There is no time to breathe but a lot to enjoy. And as soon as anyone in the company at any level has a great idea, we make it happen, and we implement. The sky is the limit, and there is no limit to the creativity of our people. Interdependence is at the heart of our culture. The success of one is the success of the others. We see how strong a team can be by overcoming the many challenges, moving at full speed, delivering innovative solutions to our internal and external customers and making Puratos so unique. The magic of Puratos does not lie in one person only but with all of us together; joining forces, using the secret talents of each of us, and unleashing them in cross-functional domains.”*



### 2 Segundo Valle, Peru, Artisan Sales Advisor

*“I am proud to work at Puratos. I feel the commitment and passion to do things well. We put our ‘little secret’, which we call ‘our magic’ in our products and our people, so that we become reliable partners to our customers through our innovations, technologies and trends.”*



### 3 Alexia De Ryck, Belgium, Management Trainee Operations

*“At the start of my Graduate programme in Operations I was immediately exposed to the international possibilities of Puratos. The experiences during my business travels made me discover inspiring cultures and backgrounds and encouraged me to look at the business from a different point of view. The diversity of the teams in combination with the consistent way of doing the same things definitely drives the atmosphere at Puratos. With this team spirit and the individual drive of the people we embrace the challenge to fulfil the needs of various customers in different sectors. It opens endless opportunities from which we can learn and grow our ambitious aspirations.”*







**4 Martin De Poorter, Belgium, Technical Bakery Manager**

*"I started working at Puratos on September 1<sup>st</sup>, 1982. I am still proud to be part of the magical Puratos Group, 38 years later. During my career I have had many great opportunities to grow. I started as an Assistant Technical Advisor under the wings of Mr. Verhaeghe and Mr. Ameye. They taught me how to become an excellent technician. For the last ten years I have travelled the world to demonstrate the innovative O-tentic and Sapore products. Over the years, I have always received all the necessary help and support to grow in the job and to feel part of the group. I can only say that Puratos has been a super place to work and I am looking forward to having some more great years ahead to enjoy the Puratos Magic."*



**5 Mauricio Garçon, Brazil, Sales Representative**

*"It means to bring innovation to our customers through our incredible products and also to provide employees with great benefits in a winning global company. I am very proud to work for Puratos and to represent its ways of working in my day-to-day life."*



**6 Bruno Lorenz, Brazil, Application Specialist**

*"It means to permanently create a wow effect on our customers and employees through our products and services."*



**7 Ntokozo Mathenjwa, South-Africa, Quality Control Supervisor**

*"PURATOS MAGIC is all about Ubuntu. Ubuntu is a South African term that means Humanity. When I come to work it's not just about working but there is always more. At Puratos, I feel that I have a family and that is best experienced through Puratos Magic. With Puratos Magic I feel that I am not just an employee but a team player who is also responsible for creating and maintaining the spirit of Ubuntu in the workplace. My experience at Puratos is also made special by me working in the Quality department. My work challenges me to think outside the box. It entails that I have to think on my feet and constantly implement action plans. Being part of the Quality Team in South-Africa is continuously teaching me a lot in order to properly execute this role. I am very Proud to be part of the group and I would like to further explore even more opportunities within Puratos."*

**8 Yulia Kudym, Russia, National Key Account Manager Retail**

*“When I was a student at Food University, I set myself a goal to find a stable and dynamic growing international company as a place of work. I was visiting specialized exhibitions and analysing food companies. After graduating from university, I started working as a fillings technologist and I understood that it was the beginning of my career. Then I learnt about Puratos, reliable partner in innovation. I am very happy to work in such a world-renowned company. Our partners and customers know and respect our company. I absolutely agree with Puratos’ values. I am proud that my company takes part in different global projects such as Mars, Cacao-Trace, Bakery Schools and projects aimed at environmental protection. The most inspiring fact is that every project and every approach or innovation is created by the people who are all around me; everybody is a professional and expert in some way. I receive personal and professional growth in Puratos, which is very important to me. This, in my opinion, is what Puratos Magic is all about.”*



**9 Santiago Castagneto, Philippines, Finance Manager**

*“I feel lucky to be part of this big family for more than 8 years. For me, that’s what Puratos Magic is all about, one big family. You don’t only feel this at local level, but also when you interact with people from other subsidiaries around the world. Puratos offered me the opportunity to go to Belgium and I noticed the same, a mix of family and friendship, an atmosphere that is difficult to create. That’s what Puratos Magic is to me, a pleasant, responsible, friendly and trusted workplace.”*



**10 Marcelo Alejandro Gomez, Argentina, cost responsible**

*“I have been working for Puratos for almost 7 years and I can say that every single day you can feel the Puratos Magic energy in our company. You can see it in the enthusiasm that we put in every project, during the moments we have to go the extra mile to get things done and even during the more stressful moments. Puratos Magic means to always have a positive and proactive attitude, enjoying your job in a pleasant and friendly workplace.”*





**11** Juan Carlos Orozco, United States, Warehouse Associate

*“Puratos Magic is the thing that makes me want to do my job better each day. The things that inspire selflessness and bring out the best in me. I get practically all my Puratos Magic from my co-workers.”*



**12** Serpil Kiş, Turkey, Operations Director

*“It’s been 22 years since I started working at Puratos, and these 22 years passed by as if they were 22 days. We had our dreams with us. As we reached our goals, we proceeded on our way with even more motivation and that always kept us dynamic. We have never lost our enthusiasm. This must be what the Puratos Magic is about. We work as a part of a harmonious team. Should someone fall down, another one helps them stand up again. I am incredibly happy and honored to be a part of this organization.”*



**13** Zeynep Dikenlitarla, Turkey, Customer Service

*“It wouldn’t be wrong to say that Puratos is my second home as it has already been 10 years. I enjoy working here. Sometimes, we do get busy in my department. Even in busy times, we work here by making our job fun without getting bored as there is a pleasant work environment here. I have learned a lot from my Puratos family in this decade. I’m growing with the Puratos family, which is an honor for me. As a huge family, we take pride in achieving good results together. I am glad to be here in Puratos; in my home.”*



**14** Joaquin Vergara, United States, Operations Manager

*“Puratos Magic means to me; A unique, by design, collaborative interdependent team of dedicated individuals that earnestly strive and obtain positive results.”*

06

COMMUNITY

At Puratos, we believe in contributing to the countries in which we operate, be it sharing our knowledge and skills with the less fortunate or investing in sustainability programmes that safeguard biodiversity and improve the living conditions of the local people. We are all part of a social community and helping those who are less fortunate is also supporting the next generation.

GRI 103-1

GRI 103-2

GRI 103-3

GRI 413-1

Puratos wants to create more value for society by tackling the issues of inequality and the unequal access to educational resources, living income and healthcare. Our programmes cover different developing countries and several demographics. Puratos decided to work on two dimensions where it could maximize its impact, education and community and social development.

To achieve social responsibility, two foundations were created in 2016. The Bakery Foundation was established to provide quality education to underprivileged youngsters in developing countries. The mission of the Next Generation Cocoa Foundation is to contribute to the social, economic and environmental development of cocoa farmers and communities that are part of the Cacao-Trace programme.

Each bakery school is managed by a group of local and motivated Puratos employees who follow up on the day-to-day operations of the school. Calls are organized on a regular basis with the management team in Belgium to discuss any issues they might encounter. On a quarterly basis, the Finance Manager needs to report the financial numbers and in case of any issues, questions are raised by the Belgian team. The local schools report to the management team of the Bakery Foundation Belgium who comes together 4 times a year to discuss problems a school might face, the retention rate of the students, the costs and budget, the opening of any new schools etc. The Belgian management team reports to the Board of Directors of the Bakery Foundation who is responsible for making budget related decisions and the opening of future new schools.

The Next Generation Cocoa Foundation aims at improving the living standard of the cacao farmers and making sure that the farmers receive a fair share of the value that is created in the chocolate supply chain. The Foundation achieves this by distributing the “Chocolate Bonus”, a premium that the Cacao-Trace customers are paying.

The foundation operates as a vehicle to collect and allocate the chocolate bonus: 100% of the amounts collected are reaching the farmers. All the running costs are covered by Belcolade. The foundation is established in Belgium and is in close contact with the representative and communities on the field, that will organize and execute either the Chocolate Bonus distribution (cash), or the follow up of the project elected by the community. The foundation board meets 4 times a year to discuss the progress of the distribution and the local projects, the impact of the programme, evolution of the initiative.

## Puratos Bakery Schools

Material topic: Community partnerships

### Our performance in 2019:

- 21 students graduated in India and 22 in Brazil.

### Our long-term objectives:

- Find job placements for all graduates;
- Open one bakery school every year.



People matter at Puratos, which is why we believe that it is very important to not only share our skills and know-how with our commercial partners, but also to help underprivileged communities in the countries where we operate. Being a reliable local partner is part of our international business philosophy, which we are delighted to have put into practice by opening four Bakery Schools in India, Brazil, Mexico and South-Africa. The opening of a fifth school in Romania is scheduled for 2020. These schools are very close to the hearts of Puratos employees.

It all started with a double observation. On the one hand we noticed an important community of underprivileged youngsters with no professional education and hardly a future. On the other hand, the Bakery, Patisserie and Chocolate sector is growing and lacks well trained and qualified labour. Putting these observations together, led to the creation of the Bakery foundation/private foundation.

Due to an increasing demand for finished goods such as cakes, pastries and chocolates and a significant shortage of skilled labour, the Bakery School Foundation is determined to teach young people the skills needed to work in the bakery, patisserie and chocolate sectors. As the global expert in the bakery, patisserie and chocolate industry, we are uniquely positioned to bring a life-changing opportunity to young, keen students from underprivileged backgrounds. The foundation has an equal opportunity policy for boys and girls, and students are recruited irrespective of social background. The foundation offers them the means to learn from best-in-class faculty members and the opportunity to be hired by top-class employers in the bakery and pastry sector. At the same time, we offer the industry high-quality and deeply trained resources to not only meet but exceed the benchmarks of this specialized industry.

More detailed information is available in our Bakery Foundation report which is available on our website.

## The Next Generation Cacao Foundation

*Material topic: Community partnerships*

### Our performance in 2019:

- We collected a total bonus of €382.496 for our Cacao-Trace farmers.

### Our objectives:

- Increase the total Chocolate Bonus (€ 0.10/kg) reallocated to farmers annually.



The Next Generation Cacao Foundation is the not-for-profit organisation behind the Cacao-Trace programme (for details, see “Responsible Sourcing” chapter). Established in 2016, the foundation’s mission is to contribute to the social, economic and environmental development of cocoa farmers and communities that are part of the Cacao-Trace programme.

Passion for great-tasting chocolate and its future is something that connects us all. Only together, as a community, can we ensure that great-tasting chocolate lasts for years to come. With Cacao-Trace we brought to life an integrated sustainable cocoa programme. A package of initiatives (including education, training, fair and premium pricing) is aimed at creating a better life for farmers. But we don’t just settle for market standards. Already we are providing tools for the farmers and enabling them to produce higher yields and higher incomes. But we want to go further. That’s why we have a dedicated team constantly looking for new actions to include in the programme, like our unique Chocolate Bonus initiative.

Under this initiative, for every kilo of chocolate sold, 10 cents is directly returned to farmer communities, through the Next Generation Cacao Foundation. We create value through improved taste, and thanks to this simple and transparent “cocoa-munity” initiative, we share that added value with cocoa farmers.

The foundation oversees the collection and redistribution of donations and the Chocolate Bonus. The running costs, certification fees and royalties are covered by Puratos Belcolade, guaranteeing that 100% of the money goes back to the Cacao-Trace farmer communities.

More detailed information is available in our Next Generation Cacao Foundation report which is available on our website.





## Chunca plantation in Mexico and the dynamics of local life

*Material topic: Community partnerships*

Our reforestation project in Tikul, Mexico contributes to safeguarding cocoa cultivation and future biodiversity. Together with the local Choco-Story museum it also provides safe and stable employment for local people, enabling families to stay together in a region with little formal employment.

We aim to help the local people by ensuring that the plantation and the Eco museum contribute both directly and indirectly to employment, and we guarantee a safe working environment. We want the project to help local workers by promoting the relationship between cocoa and the Mayan culture. In this way we aim to ensure a sustainable future for all of those connected to the production of cocoa. Through a reciprocal relationship we support farmers working on the plantation, as well as the women's cooperative working on the processing of citrus fruits that grow in the valley. Those local fruits are processed into powder which is sold through the Puratos network.



*Photo of the citrus fruit processing plant.*





07

GOOD GOVERNANCE

## Puratos' Governance Structure

GRI 102-18

GRI 102-19

GRI 102-20

Corporate governance is, internationally as well as in Belgium, a topic of great interest. It mainly concerns the relations between the different levels of management of a company (shareholders, the Board of Directors and operational management).

Corporate governance in Belgium is based on a "Corporate Governance Code" which was first published in 2004 and updated in 2009 (the "Daems Code"), including recommendations on corporate governance for listed Belgian companies and a similar document called «Buisse Code» published in 2005 and updated in 2009, with recommendations for unlisted companies. The «Buisse Code» has been updated in 2020 and is also known as «Code 2020».

The appointment of external directors was the first step in establishing sound corporate governance rules within the Puratos Group.

A Remuneration and Nominating Committee was established in 2001. They deliberate on proposals for compensation of employees, director nominees and proposals for the election of directors. The results of these deliberations are reported to the Board of Directors.

The Audit Committee was established in 2004. They work together with the accounting auditor and the Internal Auditing department to conduct audits on the day-to-day activities within our different subsidiaries.

Environment champions have been appointed on the 20 main sites in order to plan, coordinate and implement the necessary improvement actions. This new community was created in the 12 countries, representing 80% of our CO<sub>2</sub> emissions and water consumption. They all report to our Group Energy Manager. Both the Group Operations Director and Group Finance Director follow up on environmental matters which are presented on a regular basis during the group executive and board meetings.

The Operational Management or Group Executive Committee deliberates on company management policies and makes important decisions concerning business execution.

GOOD GOVERNANCE

The Board of Directors consists of 14 members and is chaired by Mr. Van Belle. They make decisions on important business matters and supervise the execution of duties by Directors and Executive Officers. As of December 31, 2019, the Board of Directors was composed of:

- |   |                                       |    |                           |
|---|---------------------------------------|----|---------------------------|
| 1 | M. Eddy Van Belle, Président          | 8  | Mme Beatriz Ehlis-Gunther |
| 2 | M. Dominique de Ville, Vice-président | 9  | M. Hansi Ehlis-Pirretas   |
| 3 | M. Louis Baty                         | 10 | M. Daniel Malcorps        |
| 4 | M. Raymond Bouvy                      | 11 | M. Stefan Sablon          |
| 5 | M. Frédéric Delavie                   | 12 | M. Marc Swaels            |
| 6 | M. Michel Demanet                     | 13 | M. Enric Valls-Ruiz       |
| 7 | M. Michel Eeckhout                    | 14 | M. Cédric Van Belle       |

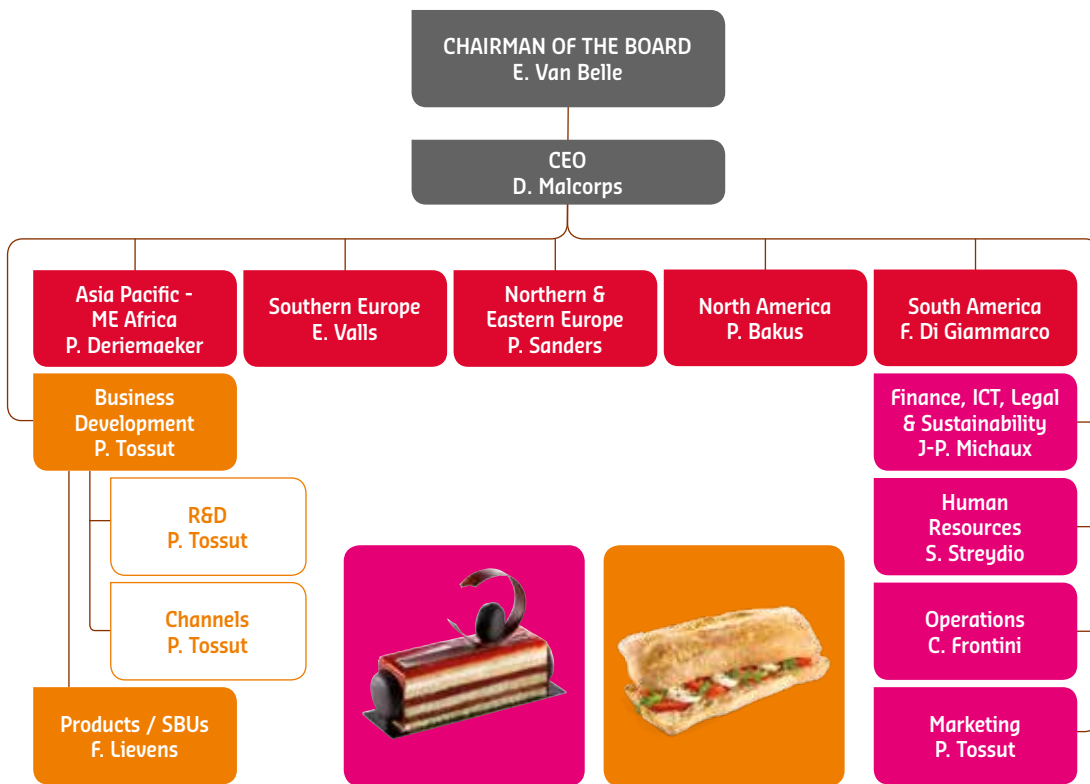


Of these 14 directors, 12 are not part of the Group's operational management and 5 are independent of the majority shareholders, including 4 external shareholders.

## The Organisation of the Group

The Operational Management Committee is organized according to the following structure:

- 5 Markets
- 3 Strategic Business Units (SBU) grouping 15 Business Units (BU) ;
- A Channels division (Industry, Artisans/Distributors, Retail)
- Supporting functions



GRI 102-12

GRI 102-16

GRI 102-17

GRI 102-41

## Corporate Governance Policy

Any association with corruption, illegal conduct, fraud or any other unethical behaviour could have a negative impact on our reputation, on our employees and our business relationships. Puratos has taken several measures to strengthen our internal controls with the aim to minimize the risks of unethical behaviour.

Puratos has a Corporate Governance Policy which is regularly reviewed and improved. Violations of this policy will lead to disciplinary actions in accordance with our rules and regulations

## Business ethics and code of conduct

*Material topic: business ethics*

Integrity and ethics are an important part of decision making at Puratos as well as one of its values. Being true to our conscience, maintaining our professional standards, honouring our commitments and assuring absolute food safety. For all those reasons and in accordance with evolving European legislation, an online Ethics Portal was created which is available in 40 languages.

In 2012, we launched our updated Business Ethics and Labour Code of Conduct, outlining our values, principles and guidelines in a variety of areas, particularly how we conduct business activities. Our anti-corruption efforts are described in this code; specifically, Puratos prohibits all forms of bribery, corruption, extortion, embezzlement, money laundering and insider trading. The Business Ethics and Code of Conduct also details our policies regarding secrecy and confidentiality, reporting and non-compliance, infringements and sanctions as well as relationships with suppliers, customers, officials, colleagues and employees.

The Business Ethics and Code of Conduct was communicated to all Puratos employees. In 2019, all employees followed a mandatory training on ethical behaviour, which supports the development of a culture that is conducive to good corporate governance.

## Human Rights

The protection of human rights is at the heart of public awareness and one of Puratos' core values.

Puratos respects the freedom of association. All Puratos' employees, without distinction, have the right to join or form trade unions. Puratos will always seek to harmonize the interests of the various stakeholders and will endeavour to avoid social conflicts. Due to confidentiality reasons we cannot disclose how many employees are part of a trade union.

Puratos' commitment to ethical business details our policy on human rights. Internationally recognized human rights principles, such as the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights, the Core Conventions of the International Labour Organisation (ILO) and the 10 principles of the United Nations Global Compact, are respected and acknowledged. Our Business Ethics and Labour Code of Conduct and our Supplier Code of Conduct are also part of our commitment to human rights. Puratos is also a member of Sedex and Ecovadis.

The Ethic Committee comes together 4 times a year to discuss ethical issues and how to handle them. The Ethic Committee is formed by our Legal Director, Human Resources Director, Finance Director, Audit Director and a representative of the Shareholders.

## Whistleblowing and complaints

Puratos is committed to conducting business on a daily basis with fairness, integrity and respect for the law and our values. When employees observe conduct that seems to violate the law, our Business Ethics and Code of Conduct or our company policies, they are encouraged to speak up through one of the channels provided to them.

In a first instance, Puratos encourages them to discuss the issue with the person involved, the HR Director, the Audit Director or the Legal Director. Or they can use one of the alternative channels and file a report on the Puratos Ethical Portal or send an email to [codeofconduct@puratos.com](mailto:codeofconduct@puratos.com)

In October 2019, the "SpeakUp" portal for detecting and managing unethical behavior was also launched.

08

APPENDIX



## Appendix

### About this report

The purpose of this 2019 CSR Report is to communicate and report to our shareholders and stakeholders, detailed information about our material topics as well as our societal and environmental impacts. Its intention is to present our sustainability strategy and approach in line with the 17 Sustainable Development Goals (SDGs) of the United Nations.

GRI 102-46

GRI 102-50

GRI 102-53

GRI 102-54

GRI 102-56

Puratos has published an annual CSR report since 2016 but the 2019 report is the first annual CSR report, we have made publicly available and that has been prepared in accordance with the GRI Standards: the Core option of the Global Reporting Initiative's (GRI) Standards.

This sustainability report presents results of financial operations in the year 2019 under audit from Deloitte, whose auditors' report is included in the 2019 annual report. As for our non-financial performance (environmental, nutritional, occupational health, and safety aspects) this has been audited by Deloitte. We received a limited assurance statement which can be found at the end of this report. It shows our stakeholders that Puratos business operations are in line with our sustainability commitments.

### Scope of the report

The information presented is drawn from the 2019 fiscal year, comprising 12 months, starting January 2019 till December 2019.

This report focuses on the 17 material topics that were identified during the 2018 materiality assessment and that most influence the decision-making of our stakeholders. A new materiality assessment will be performed in the course of 2020.

The report's scope is Puratos Group NV and the subsidiaries under Puratos Group NV including subsidiaries abroad.

An English, French and Spanish version of this report has been published on the Company's website: [www.puratos.com](http://www.puratos.com). If you have any suggestions or concerns, you may contact our sustainable development working group via [sustainability@puratos.com](mailto:sustainability@puratos.com).

GRI 102-43

GRI 102-46

## Materiality assessment

To identify the issues that matter most to our business and our stakeholders, and to better support our reporting and strategic decision-making, potential social, ethical, environmental and economic concerns were identified and evaluated to determine associated risks and opportunities for Puratos' reputation, revenues and costs.

The material issues for Puratos were selected in a process that consisted of several steps. In the first step a list of non-financial issues, relevant to our company and our stakeholder groups, was generated, by studying and analysing the wider context of Puratos' operations. This way, 17 topics were selected that formed the basis for the materiality assessment. These are topics that can affect consumers, customers, suppliers, communities, investors or other stakeholders in the countries where we operate and source.

In a next step, the level or priority of these topics was assessed in two dimensions:

- Internal management and external stakeholders were asked to score the relative relevance of these 17 topics ('materiality'). To do so, external stakeholders were asked to fill out a questionnaire. The respondents represented the 9 stakeholder groups: communities and societies, customers and consumers, employees, government, shareholders and investors, suppliers and NGOs.
- Internal management was asked to assess Puratos' performance for every topic.



The results were plotted in a materiality matrix and the topics identified as highly material are:

- Food quality and safety;
- Employee health and safety;
- Sustainable innovation and development;
- Nutritional value of food;
- Community partnership.

We concluded that all these topics are part of our sustainability approach and we are permanently working on them.

In 2019, we continued to address our most important material issues which remained the same as in 2018. A new materiality assessment will be performed in the course of 2020.

The below table gives an overview of our high and other material topics and how they relate to our six sustainable pillars. The report includes information on our approach and progress on the high material topics.

GRI 102-47

GRI 103-1

	Material issue	Definition	Health & Well-Being	Sourcing	Planet	Heritage	People	Community
High material topics	Food quality and safety	Ensuring the quality and safety of our delivered products.	✓					
	Employee health and safety	Ensuring that our employees work safely and are in good health by educating our staff and providing health insurance to them and their families.					✓	
	Sustainable innovation and product development	Innovating continuously and committedly, to improve the quality, health and sustainability of our product and processes.	✓					
	Nutritional value of food	Improving the nutritional value of our food products, developing more plant-based and gluten-free products, reducing the sugar, fat and salt contents while increasing the content of cereals and fruits in our products and recipes.	✓					
	Community partnership	Presenting ourselves as long-term partners to the communities in which we operate through sharing knowledge and skills or investing in programmes to safeguard biodiversity and improve local living conditions.						✓

APPENDIX

	Material issue	Definition	Health & Well-Being	Sourcing	Planet	Heritage	People	Community
Other material topics	Employee learning and development	Providing educational programmes to ensure employees are able to continuously learn and develop themselves.					✓	
	Carbon neutrality	Ensuring that Puratos will be carbon neutral by 2025, firstly by improving our energy efficiency and by generating and purchasing renewable energy, and, in last resort, by offsetting our carbon footprint.			✓			
	Preservation of food culture	Preserving traditional ways of making bread, cakes and chocolate to serve our customers and consumers in the best way possible.				✓		
	Food waste	Reducing food waste among our customers and consumers by developing and adopting product and process innovations (e.g. developing ingredients to prolong the shelf life of products).			✓			
	Non-food waste	Reducing packaging and operational waste by increasing awareness among employees and developing and adopting product and process innovations (e.g. more efficient packaging).			✓			
	Business Ethics	Being built on the ethics and integrity of our people, we commit to the Puratos values and do business in an ethical way. We strive for a diverse workforce in which we pay fair wages.					✓	
	Clean(er) food	Improving the naturalness of our products by removing or reducing unnecessary and/or unnatural ingredients (e.g. no additives, no preservatives, no artificial colours/flavours, etc).	✓					
	Water management	Implementing sustainable water management in our activities, including the reduction of water consumption, ensuring that treated water (waste) poses no risks to aquatic life downstream and support water management initiatives in water-stressed areas.			✓			
	Ethical suppliers	Ensuring that our suppliers operate responsibly, act in accordance with human rights, and provide their employees with good working conditions.		✓				
	Traceability	Improving the transparency of our organisation and products including traceability of ingredients and the correct and honest labelling of our products.	✓	✓				
Healthy diet awareness	Increasing the awareness of healthy diets among consumers by organising campaigns about products or ingredients.	✓						
Sustainable raw materials	Ensuring that we source raw materials, packaging, equipment and services that are environmentally friendly, benefit society and give value for money over the product lifecycle.		✓					

GRI 102-40

GRI 102-42

GRI 102-43

GRI 102-44

## Stakeholder engagement

Puratos regularly engages with a diverse set of stakeholders, with an equally diverse set of interests and motivations. Our stakeholder network ranges from people we interact with on a regular basis to those in public sectors who influence our activities. They include communities, consumers, customers, employees, government, investors & shareholders, NGOs and suppliers.

By interacting regularly with our stakeholders, we are able to understand and prioritize sustainability related risks and to formulate adequate responses to emerging challenges.

The materiality assessment helped us to identify and prioritize the topics that our stakeholders' value as most important, including those related to environmental, social and governance risks.

Our stakeholders	Issues	Puratos' responses
<b>Communities</b>	Social and environmental responsibilities; Partnership in community development;	Climate change and environmental protection; Support local communities
<b>Consumers</b>	Eco-labelling; Competitive price; Food safety; Product quality (health and nutrition) Social and environmental responsibilities;	Innovation and product responsibility (quality, food safety); Responsible sourcing;  Climate change and environmental protection;
<b>Customers</b>	Product quality; Food safety; Service quality; Competitive price;  Social and environmental responsibilities; Eco-labelling.	Innovation and product responsibility (quality, food safety);  Increased communication on sustainability; Responsible Climate change and environmental protection; Responsible sourcing.
<b>Employees</b>	Fair compensation and benefits; Fair labour practices; Safety and well-being; Career development and opportunity; Career security; Work-life balance.	Human rights and fair labour practices; Human capital development; Management programme; Engagement survey.
<b>Government</b>	Legal compliance; Participation in government programmes.	Transparency and governance (anti-corruption, data disclosure, tax policy and reporting).
<b>Investors &amp; shareholders</b>	Improvement of business performance; Good governance; Transparency of information; Social and environmental responsibilities.	Transparency and governance (anti-corruption, data disclosure, tax policy and reporting); Climate change and environmental protection.
<b>NGOs</b>	Social and environmental responsibilities; Participation in social and environmental programmes; Transparency of information.	Climate change and environmental protection; Communities; Transparency and governance (anti-corruption, data disclosure, tax policy and reporting).
<b>Government</b>	Responsible sourcing; Animal welfare; Human rights.	Ethical supplier code of conduct

GRI 102-56

### Assurance statement

A third-party organisation, Deloitte, was engaged by Puratos to provide limited assurance for the 2019 sustainability report. This process aims to provide assurance to our stakeholders over the accuracy, reliability and objectivity of the reported information and that it covers the issues material to the business and its stakeholders.

**Deloitte.**



**Puratos Group NV/SA**

Assurance report of the statutory auditor on the limited review performed on a selection of non-financial performance indicators published in the document "Annual Report 2019 - Sustainability" of Puratos Group for the year ended 31 December 2019

**Puratos Group NV/SA**

Assurance report of the statutory auditor on the limited review performed on a selection of non-financial performance indicators published in the document "Annual Report 2019 - Sustainability" of Puratos Group for the year ended 31 December 2019

## Assurance report of the statutory auditor on the limited review performed on a selection of non-financial performance indicators published in the document "Annual Report 2019 - Sustainability" of Puratos Group for the year ended 31 December 2019

To the board of directors

Pursuant to your request and in our capacity of statutory auditor, we have been engaged to perform limited review procedures aimed at expressing a limited assurance conclusion on a selection of non-financial performance indicators (the "Non-Financial Data") published in the document "Annual Report 2019 - Sustainability" of Puratos Group ("Puratos") for the year ended 31 December 2019. The Non-Financial Data have been defined following the *Global Reporting Initiative* (GRI) standards. The Non-Financial Data have been selected by Puratos management and are as follows:

**Health and Well-Being** (baseline 2018 & 2019)

- Tonnes of fruit
- Tonnes of cereals and grains
- Tonnes of fat
- Tonnes of salt
- Tonnes of sugar

**Food Safety and Quality** (2019)

- GFSI acknowledged certification standards
- Golden Unicorn standard

**Leader in Innovation** (2019)

- Health & Well-being products sold

**Responsible Sourcing** (2019)

- Cacao sourced in sustainable way
- Cacao-Trace programme

**Planet** (baseline 2016 & 2019)

- CO2 emissions Scope 1
- CO2 emissions Scope 2
- Electricity

- Natural Gas
- Diesel
- LPG
- Heavy fuel
- Energy efficiency
- Energy and CO2 efficiency project
- Water usage
- Water efficiency
- Water efficiency project

**People** (baseline 2018 & 2019)

- Training days
- Accident
- HR Bilan

**Communities** (baseline 2018 & 2019)

- Student employment
- Cacao Trace farmers

The scope of our work has been limited to the Non-Financial Data covering the years mentioned here above and including only the values retained within the scope of reporting defined by Puratos. Our conclusion as formulated below covers therefore only these Non-Financial Data and not all information included in the Annual Report 2019 - Sustainability.

**Responsibility of the board of directors**

The board of directors of Puratos Group is responsible for the Non-Financial Data and the references made to it as presented in the Annual Report 2019 - Sustainability.

This responsibility includes the selection and application of appropriate methods for the preparation of the Non-Financial Data, for ensuring the reliability of the underlying information and for the use of assumptions and reasonable estimates. Furthermore, the board of directors is also responsible for the design, implementation and maintenance of systems and procedures relevant for the preparation of the Non-Financial Data.

**Puratos Group NV/SA**

Assurance report of the statutory auditor on the limited review performed on a selection of non-financial performance indicators published in the document "Annual Report 2019 - Sustainability" of Puratos Group for the year ended 31 December 2019

**Nature and scope of our engagement**

Our responsibility is to express an independent conclusion on the Non-Financial Data based on our limited review.

We conducted our work in accordance with the International Standard on Assurance Engagements (ISAE) 3000 "Assurance Engagements other than Audits or Reviews of Historical Information". With respect to independence rules, these are defined by the respective legal and regulatory texts as well as by the professional Code of Ethics, issued by the International Federation of Accountants ("IFAC").

Our procedures are aimed at obtaining limited assurance on the fact that the Non-Financial Data do not contain material misstatements. These procedures are less profound than the procedures of a reasonable assurance engagement.

The scope of our work included, amongst others, the following procedures:

- Assessing the functioning of the systems and procedures used for data-gathering, processing, classification, consolidation as well as validation of the methods used for calculating and estimating the Non-Financial Data published in the Annual Report 2019 - Sustainability;
- Conducting interviews with responsible officers;
- Examining, on a sample basis, internal and external supporting evidence to validate the reliability of the Non-Financial Data and performing consistency checks on the consolidation of the Non-Financial Data.

**Conclusion**

Based on our limited review, as described in this report, nothing has come to our attention that causes us to believe that the Non-Financial Data, as defined above, related to Puratos Group published in the Annual Report 2019 - Sustainability, have not been prepared, in all material respects, in accordance with the SDGs, the GRI standards, and Puratos' internal non-financial reporting guidelines.

Zaventem, 6 May 2020

**The statutory auditor**



**Deloitte Bedrijfsrevisoren/Réviseurs d'Entreprises CVBA/SCRL**  
Represented by Joël Brehmen

**Deloitte.**

Deloitte Bedrijfsrevisoren/Réviseurs d'Entreprises  
Coöperatieve vennootschap met beperkte aansprakelijkheid/Société coopérative à responsabilité limitée  
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Member of Deloitte Touche Tohmatsu Limited



### Appendix - Overview of perimeter reviewed

In order to issue a limited assurance statement on the Non Financial Data relating to Puratos Group published in the Annual Report 2019 - Sustainability, a sample-based approach was used for certain Non Financial Data; these cover "Planet", "Food Safety and Quality", and "Communities".





With regard to Non-Financial Data covering "Planet", Deloitte carried out a sample of 12 sites. The following sites have been selected and verified:

COUNTRY NAME	LOCATION NAME
BELGIUM	Groot-Bijgaarden
BELGIUM	Erembodegem
BELGIUM	Lummen
BELGIUM	Saint-Vith
BELGIUM	Andenne
BELGIUM	Fleet
SPAIN	Sils & Riudarenes
FRANCE	Charmes
FRANCE	Fougères
FRANCE	Fleet
USA	Pennant Chester Street
USA	Pennant Buffalo Road

With regards to the Non-Financial Data covering "Food safety and quality", Deloitte carried out a sample of 7 sites for the GFSI indicator, and a sample of 2 sites for the Golden Unicorn Standard indicator. The following sites have been selected and verified:

COUNTRY NAME	LOCATION NAME	INDICATOR
SPAIN	Sils	GFSI
SPAIN	Riudarenes	GFSI
BELGIUM	Groot-Bijgaarden	GFSI
BELGIUM	Erembodegem	GFSI
US	Pennant - Buffalo	GFSI
US	Pennant - Chester	GFSI
MEXICO	Tizayuca	GFSI
BELGIUM	St Vith	Golden Unicorn Standard
CHINA	Guangzhou	Golden Unicorn Standard

With regards to the Non-Financial Data covering "Communities" and more specifically "Student Employment", a sample of 80% of the students working for Puratos Group was selected and verified by Deloitte.

Sustainable Development Goals (SDGs)		Community	Responsible sourcing	Planet	People	Heritage	Health & Well-Being	Reference
<b>End poverty</b> 	1.1. By 2030, eradicate extreme poverty for all people everywhere, currently measured as people living on less than \$1.25 a day.	✓						
	1.2. By 2030, reduce at least by half the proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions.	✓						
	1.4. By 2030, ensure that all men and women, in particular the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services, ownership and control over land and other forms of property, inheritance, natural resources, appropriate new technology and financial services, including microfinance.	✓			✓			
	1.5. By 2030, build the resilience of the poor and those in vulnerable situations and reduce their exposure a climate-related extreme events and other economic, social and environmental shocks and disasters.	✓						
	2.3. By 2030, double the agricultural productivity and incomes of small-scale food producers, in particular women, indigenous peoples, family farmers, pastoralists and fishers, including through secure and equal access to land, other productive resources and inputs, knowledge, financial services, markets and opportunities for value addition and non-farm employment.	✓	✓					
<b>End hunger</b> 	2.4. By 2030, ensure sustainable food production systems and implement resilient agricultural practices that increase productivity and production, that help maintain ecosystems, that strengthen capacity for adaptation to climate change, extreme weather, drought, flooding and other disasters and that progressively improve land and soil quality.	✓	✓					
	2.5. By 2020, maintain the genetic diversity of seeds, cultivated plants and farmed and domesticated animals and their related wild species, including through soundly managed and diversified seed and plant banks at the national, regional and international levels, and promote access to and fair and equitable sharing of benefits arising from the utilization of genetic resources and associated traditional knowledge, as internationally agreed					✓		
	4.3. By 2030, ensure equal access for all women and men to affordable and quality technical, vocational and tertiary education, including university.	✓			✓			
<b>Quality Education</b> 	4.4. By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship.	✓			✓			
	4.5. By 2030, eliminate gender disparities in education and ensure equal access to all levels of education and vocational training for the vulnerable, including persons with disabilities, indigenous peoples and children in vulnerable situations.	✓			✓			
	4.7. By 2030, ensure that all learners acquire the knowledge and skills needed to promote sustainable development, including, among others, through education for sustainable development and sustainable lifestyles, human rights, gender equality, promotion of a culture of peace and non-violence, global citizenship and appreciation of cultural diversity and of culture's contribution to sustainable development.	✓	✓		✓			
	6.3. By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally.	✓	✓					
<b>Clean Water and Sanitation</b> 	6.4. By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity.	✓	✓					

## Sustainable Development Goals (SDGs)

		Community	Responsible sourcing	Planet	People	Heritage	Health & Well-Being	Reference
<b>Affordable and Clean energy</b> 	7.3. By 2030, increase substantially the share of renewable energy in the global energy mix.		✓	✓				
	7.4. By 2030, double the global rate of improvement in energy efficiency.		✓	✓				
<b>Decent Work and Economic Growth</b> 	8.5. By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value	✓	✓		✓			
	8.6. By 2020, substantially reduce the proportion of youth not in employment, education or training.	✓			✓			
	8.7. Take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labour, including recruitment and use of child soldiers, and by 2025 end child labour in all its forms.			✓				
<b>Industry, Innovation and Infrastructure</b> 	9.4. By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes. CO <sub>2</sub> emissions per unit of value added.			✓				
<b>Responsible Production and Consumption</b> 	12.2. By 2030, achieve the sustainable management and efficient use of natural resources.		✓	✓				
	12.3. By 2030, halve per capita global food waste at the retail and consumer levels and reduce food losses along production and supply chains, including post-harvest losses.		✓	✓				
	12.4. By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment.		✓	✓				
	12.5. By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.			✓				
	12.9. By 2030, ensure that people everywhere have the relevant information and awareness for sustainable development and lifestyles in harmony with nature			✓			✓	
<b>Life on land</b> 	15.2. By 2020, promote the implementation of sustainable management of all types of forests, halt deforestation, restore degraded forests and substantially increase afforestation and reforestation globally.		✓	✓				
<b>Partnerships for the goals</b> 	17.2. Encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies and partnerships.		✓	✓				

## Global Initiative Reporting (GRI) Index

	Location	Page
<b>GRI 102: General Disclosure</b>		
<b>Organizational profile</b>		
102-1	Name of the organization	Cover Back cover of this report
102-2	Activities, brands, products and services	Website <a href="https://www.puratos.com/products">https://www.puratos.com/products</a> <a href="https://www.puratos.com/services">https://www.puratos.com/services</a>
102-3	Location of headquarters	Introduction, cover Page 6
102-4	Location of operations	Introduction Page 6
102-5	Ownership and legal form	Cover Back cover of this report
102-6	Markets served	Website <a href="https://www.puratos.com/about-puratos/our-customers">https://www.puratos.com/about-puratos/our-customers</a>
102-7	Scale of the organization	Puratos in a nutshell Key financial and CSR figures Page 7 Page 8
102-8	Information on employees and other workers	People Page 55
102-9	Supply chain	Responsible Sourcing Page 24
102-10	Significant changes to the organization and its supply chain.	There have been no significant changes to Puratos or its supply chain.
102-12	External initiatives	Responsible Sourcing Planet Good Governance Page 26 Page 32 Page 71
102-13	Membership of associations	Responsible Sourcing Page 25-26
<b>Strategy</b>		
102-14	Statement from senior decision-maker	Introduction Page 5
<b>Ethics and Integrity</b>		
102-16	Values, principles, standards, and norms of behavior	Appendixes Page 71-72
102-17	Mechanisms for advice and concerns about ethics	Appendixes Page 71-72
<b>Governance</b>		
102-18	Governance structure	Appendixes Page 68
102-19	Delegating authority	Appendixes Page 68
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<b>Stakeholder engagement</b>		
102-40	List of stakeholder groups	Appendixes Page 78
102-41	Collective bargaining agreements	Appendixes Page 71
102-42	Identifying and selecting stakeholders	Appendixes Page 78
102-43	Approach to stakeholder engagement	Appendixes Page 75 Page 78
102-44	key topics and concerns raised	Appendixes Page 78
<b>Reporting practice</b>		
102-46	Defining report content and topic boundaries	Appendixes Page 74-75
102-47	List of material topics	Appendixes Page 76
102-48	Restatements of information	As this is Puratos' first public Sustainability Report, this is not applicable.
102-49	Changes in reporting	As this is Puratos' first public Sustainability Report, this is not applicable.

		Location	Page
102-50	Reporting period	Appendixes and Cover	Page 74 Cover page of this report
102-51	Date of most recent report		May 2018 (not externally published)
102-52	Reporting cycle		Annual
102-53	Contact point for questions regarding the report	Appendixes	Page 74
102-54	Claims of reporting in accordance with the GRI standards	Appendixes	Page 74
102-55	GRI Content Index	Appendixes	Page 85-88
102-56	External assurance	Appendixes	Page 79-82
<b>Specific indicators - Highly material topics</b>			
<b>GRI 400: Social Standards</b>			
<b>GRI 403: Occupational health and safety</b>			
103-1	Explanation of the material topic and its Boundary	Appendixes (Table) People	Page 76 Page 53
103-2	The management approach and its components	People	Page 51-53
103-3	Evaluation of the management approach	People	Page 53
403-1	Occupational health and safety management system	People	Page 53
403-2	Hazard identification, risk assessment, and incident investigation	People	Page 53
403-3	Management approach disclosures: Occupational health service	People	Page 53
403-4	Management approach disclosures: Worker participation, consultation, and communication on occupational health and safety	People	Page 53
403-5	Worker training on occupational health and safety	People	Page 53
403-6	Promotion of worker health	People	Page 53
403-7	Management approach disclosures: Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	People	Page 53
403-9	Work-related injuries	People	Page 53-55 We track the LTIR on Group level. For the other indicators, we are already keeping track of some reports but at this point in time they are not enough detailed to give accurate numbers. Formal reporting guidelines will be sent to the countries as from 2020.

*Global Initiative Reporting (GRI) Index (continued)*

		Location	Page
<b>GRI 413: Local Communities</b>			
103-1	Explanation of the material topic and its Boundary	Appendixes Community	Page 76 Page 62
103-2	The management approach and its components	Community	Page 62
103-3	Evaluation of the management approach	Community	Page 62
413-1	Operations with local community engagement, impact assessments, and development programmes.	Community	Page 62-65 Bakery Foundation Annual Report <a href="http://www.bakerschoolfoundation.com/">www.bakerschoolfoundation.com/</a> , The Next Generation Cacao Annual Report <a href="http://www.cacaotrace.com/next-generation-cacao-foundation/">www.cacaotrace.com/next-generation-cacao-foundation/</a>
<b>GRI 416: Customer Health and Safety</b>			
103-1	Explanation of the material topic and its Boundary	Appendixes Health & Well-Being (Food Safety and Quality)	Page 76 Page 19
103-2	The management approach and its components	Health & Well-Being (Food Safety and Quality)	Page 19
103-3	Evaluation of the management approach	Health & Well-Being (Food Safety and Quality)	Page 19
416-2	Incidents of non-compliance concerning the health and safety impact of products and services.	Health & Well-Being (Food Safety and Quality)	Page 19
Own indicator	Percentage of Puratos products produced at Puratos facilities certified by one of the GFSI standards	Health & Well-Being (Food Safety and Quality)	Page 19
Own indicator	Number of countries with Puratos operations that acquired the Golden Unicorn	Health & Well-Being (Food Safety and Quality)	Page 19
<b>Sustainable Innovation and Development (Own topic)</b>			
103-1	Explanation of the material topic and its Boundary	Appendixes Health & Well-Being (Leaders in Innovation)	Page 76 Page 21
103-2	The management approach and its components	Health & Well-Being (Leaders in Innovation)	Page 21
103-3	Evaluation of the management approach	Health & Well-Being (Leaders in Innovation)	Page 21
Own indicator	Increase in H&W products sold	Health & Well-Being (Leaders in Innovation)	Page 21
<b>Nutritional value of food (Own topic)</b>			
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103-2	The management approach and its components	Health & Well-Being	Page 16-18
103-3	Evaluation of the management approach	Health & Well-Being	Page 16-18
Own indicator	Increase in the use of fruit, cereals and grains	Health & Well-Being	Page 16
Own indicator	Decrease in the use of salt and fat	Health & Well-Being	Page 16

		Location	Page
<b>Additional GRI Indicators</b>			
GRI 300: Environmental Standards			
GRI 302: Energy			
GRI 303: Water			
GRI 305: Emissions			
GRI 306: Effluents and Waste			
GRI 400: Social Standards			
GRI 404: Training and education			
404-1	Average hours of training per year per employee	People	Page 50 We currently do not measure training hours by gender/employee category, but are working to do so for the next report.
404-2	Programmes for upgrading employee skills and transition assistance programmes	People	Page 50-52
404-3	Percentage of employees receiving regular performance and career development reviews	People	Page 51
<b>GRI 405: Diversity and Equal Opportunity</b>			
405-1	Diversity of governance bodies and employees.	People	Page 55-56

### **Key performance indicators**

For confidentiality reasons, Puratos' key performance indicators (KPIs) are not disclosed in detail, but have been extensively reviewed by our external auditor and support all the aggregate figures reported so far.



Name of the organization	Puratos Group NV
Corporate headquarters	Puratos Group NV Industrialaan 25 1702 Groot-Bijgaarden Belgium +32 2 481 44 44
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GRI 102-1

GRI 201-3

GRI 201-5

GRI 201-53

