

# Puratos policy: sustainable sourcing of cocoa

## Scope of the document

This responsible sourcing policy outlines Puratos approach to responsible sourcing of cocoa that is used in its products. It has a global scope, and it is implemented by all Puratos affiliates.

## General responsible sourcing commitment

Puratos is committed to responsibly sourcing raw materials from around the world for use in making high-quality bakery, patisserie, and chocolate.

Cocoa is an essential raw material for Puratos in our production of real chocolate, coating chocolate, fat-based fillings, and bakery mixes.

At Puratos, we are engaged in creating a sustainable future for the next generations through close collaboration with key stakeholders. We believe that important challenges in cocoa production, such as farmers' income, child- and forced labour, and deforestation, can only be tackled by working closely with everyone involved in the supply chain, including our customers.

This is why Puratos is committed to working ethically through the whole supply chain, both in terms of protection and guarantee of basic human rights, including the right to living income, and protection of the environment.

The processes implemented in our responsible sourcing approach supports our ongoing commitment to the implementation of international standards 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 ten principles of the United Nations Global Compact.

## Sourcing principles

All our sourcing principles build on what is required by binding legislation. Legal compliance is the minimum requirement that we adhere to ourselves and that we ask to all our partners. On top of that, we have a series of additional practices to drive best behavior and improvement in the supply chain.

All Puratos cocoa suppliers are required to sign the [Puratos Supplier Code of Conduct](#) or demonstrate an equivalent code.

The Puratos Supplier Code of conduct defines the minimum non-negotiable standards. that we ask our suppliers to respect and adhere to when they conduct business with Puratos. The COC will ensure that suppliers adhere to minimum standards in the field of environmental protection/human rights/ ...

Puratos believes that protecting human rights throughout its supply chain is a critical part of its mission. Guided by the International Labour Organization's Declaration on Fundamental Principles and Rights at Work as a minimum, Puratos expects every supplier to uphold these standards.

At global level, Puratos commits to the ILO conventions below, that there must be:

- No discrimination based on race, colour, religion, nationality or social origin
  - ILO Convention 100 (1951) Equal Remuneration
  - ILO Convention 111 (1958) Discrimination (Employment and Occupation)
- No gender inequality
  - ILO Convention 111 (1958) Discrimination (Employment and Occupation)
- No forced labour
  - ILO Convention 29 (1930) Forced Labour
  - ILO Convention 105 (1957) Abolition of Forced Labour
- No unacceptable form of child labour
  - ILO Convention 138 (1973) Minimum Age
  - Hazardous tasks defined in the ILO Convention 182, Article 3
- No exploitation of people or local communities:
  - a healthy work environment must be ensured;
  - the land rights of local communities must be respected;
  - and the rights of indigenous peoples must be respected.

In addition, Puratos supports, and has implemented since October 1st 2020, the Living Income Differential (LID) initiative in Ivory Coast and Ghana.

Puratos is aware of the environmental challenges linked to the growth of cocoa crops. This is why Puratos is committed to a cocoa supply chain that proactively safeguards the environment and continuously improve \*its operation to reduce its negative environmental footprint.

Puratos is therefore actively implementing, to the extent possible, and encouraging all the actors in the supply chain to adhere to the following principles in cocoa sourcing:

- No deforestation, but also forest restoration: tropical forests hold large stores of carbon and contain rare, threatened, or endangered ecosystems that are critical for local communities. Forested areas of high carbon stock (HCS) and high conservation value (HCV) are therefore being protected, whilst rights-based restoration of forest areas is being implemented.

- Agroforestry: sustainable and climate-smart cocoa farming enables producers to maintain critical habitats and regenerate the natural capital of soil, water and natural ecosystems.
- Regenerative agriculture: the transition to regenerative agriculture is being studied and its impact in helping to reduce carbon emissions and the negative environmental impacts along the value chain.
- Pesticide policy: Puratos and suppliers should follow [FAO/WHO Guidelines for Highly Hazardous Pesticides](#). In compliance with the current pesticides regulations in the markets that we are present, hazardous chemicals and other substances are carefully managed and handled according to the supplier's best practice as well as local food safety standards and regulation. All raw materials, chemicals, waste etc. are stored according to the supplier's policies and practices and fully meet local health, safety, and environmental standards.

### **Cacao-Trace**

In certain fields, Puratos goes much further than industry standards. An illustration of our strong commitment to sustainability is [Cacao-Trace](#), our unique, sustainable strategy that focuses on taste and is the ultimate answer to the responsible sourcing of cocoa.

Thanks to the creation of value through better tasting cocoa, we can share value all the way back to the farmers. The Cacao-Trace Program guarantees a premium price and a unique chocolate bonus of 10-euro cents per kilo of chocolate sold, 100% of which is paid to the farmers through cash distribution or community projects.

With Cacao-Trace, we believe we can make a real and long-term positive impact on farmers and their families' quality of life.

### **Puratos supports smallholders through Cacao-Trace**

Puratos is directly involved, on-the-ground, in the cocoa-sourcing operations and community projects of Cacao-Trace. Puratos' achievements are [published](#) in our annual Next Generation Cocoa Foundation report.

Through our direct local presence, we develop innovative and systemic approaches to tackle key supply chain issues. These combine monitoring and remediation systems with concrete investment.

### Access to education:

Puratos finances and supervises the construction of fully equipped education infrastructure in rural areas. This includes the installation of sanitation facilities and clean water access in rural schools to prevent young girls from dropping out of school when they are 12-13 years old.

We recently took part in the distribution of teachers' education kits and scholarships to support the children of Cacao-Trace farmers.

#### Access to health:

Given the importance of health and safety at Puratos, we invest in health infrastructure and clean water supply systems in rural areas.

#### Environment & income diversification:

Today, agroforestry is part of our direct programs. By 2030, Puratos will have planted 3,440,000 trees as part of its direct Cacao-Trace cocoa supply chain to promote climate-smart farming techniques, provide additional income and carbon capture.

### **Cocoa sourcing commitments**

- By 2025, 100% of our Belgian chocolate production will comply with the Belgian Beyond Chocolate initiative and 75% of Puratos' global cocoa supply will be sustainable according to the definition of Beyond Chocolate. 20% of our cocoa ingredient sourcing will be within the more rigorous requirements of the [Cacao-Trace Program](#).
- By 2030, Puratos will comply with the Beyond Chocolate initiatives on farmer income and forests, 100% of the Puratos Group cocoa ingredients will be sustainably sourced and 50 % (increase from an original target of 30%) of our cocoa ingredient sourcing will be part of the Cacao-Trace Program.
- Puratos has been part of The Cocoa Forest Initiative since 2020.
- Puratos is gathering knowledge and know-how on complex topics such as regenerative agriculture and living income and we contribute to knowledge sharing.

### **Controls in place**

In addition to our external audit via Cacao-trace and – for certified cocoa, as requested by certifying bodies, Puratos encourages everyone to speak up.

Puratos believes that a key enabler to implement the sourcing principles and best practices described above is visibility on its supply chain. In order to prevent any issues and mitigate those that might occur regardless of our efforts, we ask everyone's collaboration to flag potentially problematic situations they might be aware of. Identifying these risks is the first step to be able to address them and solve them. We have set up three ways of doing this:

- Cacao-Trace [Grievance mechanism](#)
- Puratos' Sustainability grievance [portal](#)

- Puratos' Ethical Portal, [whistle blower network](#)

### **Version history**

Version 1 of Puratos Sustainable Cocoa Sourcing Policy was update January 2021

Version 2 of Puratos Sustainable Cocoa Sourcing Policy was update January 2024

Version 3 of Puratos Sustainable Cocoa Sourcing Policy was update April 2025