

Puratos' policy on sustainable cocoa

To manufacture high-quality ingredients for the bakery, patisserie and chocolate industry, Puratos sources many different raw materials from around the world. Puratos commits to integrate responsible sourcing in the way we operate.

Cocoa is an essential raw material for Puratos who produces real chocolate, coating chocolate, fat-based fillings and bakery mixes.

At Belcolade - Puratos, we are very much engaged in creating a sustainable future for the next generations through close collaboration with key stakeholders and truly convinced that the sector challenges such as farmer income, child- and forced labour and deforestation can only be tackled together with all stakeholders from the cocoa and chocolate chain and by involving the consumers.

An illustration of our strong commitment to sustainability is <u>Cacao-Trace</u>, our unique, sustainable strategy focusing on **Taste** and the ultimate answer to the responsible sourcing of cocoa.

Thanks to **the creation of value through better tasting chocolate**, we are able to share value back with the farmers. The Cacao-Trace program guarantees a **premium price** and a unique **Chocolate Bonus** of 10 euro cent per kg of chocolate sold, 100% paid to the farmers through cash distribution or community projects.

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

Puratos supports smallholders

Puratos is actively and directly involved on-the-ground with smallholder projects through its cocoa sourcing program Cacao-Trace and the **Next Generation Cocoa Foundation** actions. Puratos achievements are publicly available in our yearly Next Generation Cocoa Foundation report.

Puratos supports and has implemented since October 1st 2020 the Living Income Differential (LID)initiative from Ivory-Coast and Ghana.

Puratos commits to certified & verified sustainable cocoa

- In 2025: 100% of our Belgian chocolate production will comply with the belgian Beyond Chocolate initiative, and 75% of Puratos Cocoa supply will be sustainable. 20% of our cocoa ingredient sourcing will be under the stricter Cacao-Trace Program.
- In 2030: Puratos will Comply with Beyond Chocolate initiative on farmer Income and Forest, 100% of Puratos Group cocoa ingredients will be sustainably sourced, 30 % of our cocoa ingredient sourcing will be under Cacao-Trace Program.
- Puratos is part of The Cocoa Forest Initiative since 2020. By 2030 Puratos will plant 3,440,000 shade trees in its direct Cacao-Trace cocoa supply chain to promote climate-smart farming technique, provide additional income and sequestrate carbon.



Puratos commits to Supply chain ethics & integrity:

All Puratos cocoa suppliers are required to sign the Puratos Supplier Code of Conduct.

The Puratos Supplier Code defines the minimum non-negotiable standards that we ask our suppliers to respect and adhere to when conducting business with Puratos.

This document supports the continued implementation of our commitments to 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.

These standards come on top our own endeavours to cover every link of our upstream supply chain back to farmers and plantations.

Puratos commits to the protection of human rights:

Puratos believes that the protection of 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 the supplier to uphold these standards. It's a minimum standard for the Puratos Group and partners worldwide.

In some identified fields we go much further than industry-standards. That's the case for Cacao-Trace.

Through our direct Local presence, we develop an innovative and systemic approach to tackle Child Labor that lies in the combination of Child Labor Monitoring and Remediation System (CLMRS) practices and concrete investments in education such as: .

- Finance and supervise the construction of fully equipped education infrastructure in rural area.
- Finance the installation of sanitation facilities and clean water access in rural schools to prevent young girls to drop out of school at the age of 12-13 years old.
- o Finance Teacher education kits.
- Provide scholarship to Cacao-Trace farmer's kid.

Access to health and safety being as well a priority for Puratos, we finance and supervise the construction of health infrastructure and clean water supply systems in rural areas.

At global level Puratos commits to ILO conventions listed below:

- No discrimination based on race, colour, religion, nationality or social origin
 - o ILO Convention 100 (1951) Equal Remuneration
 - o ILO Convention 111 (1958) Discrimination (Employment and Occupation)
- No Gender inequality
 - o ILO Convention 111 (1958) Discrimination (Employment and Occupation)
- No Forced labour
 - o ILO Convention 29 (1930) Forced Labour
 - o ILO Convention 105 (1957) Abolition of Forced Labour
- No unacceptable form of Child labour
 - o ILO Convention 138 (1973) Minimum Age
 - o Hazardous tasks defined as per ILO Convention 182, Article 3



- No exploitation of people and local communities:
 - o Ensure a healthy work environment.
 - Land rights of local communities are respected.
 - No spoliation of Indigenous people rights

Puratos commits to deforestation-free and forest-positive cocoa supply chain.

Puratos acknowledged the cocoa related environmental challenge and global warming threat. As a leading food company, Puratos wants to play an active environmental role within its cocoa supply chain and at a global level achieve carbon neutrality by 2025 and water balance by 2030.

- No deforestation & Restoration of forests. High Carbon Value areas and High CarbonStock forests and protected areas are respected. These areas contain rare, threatened or endangered ecosystems and are critical to local communities. They have high carbon, biodiversity and social value.
- Agroforestry: Sustainable and climate-smart cocoa farming enable maintaining critical habitats and regenerating the natural capital of soil, water and natural ecosystems. Cocoa farms can allow a tree cover of up to 30%.

Puratos Encourages to speak up

- Cacao-Trace Grievance mechanism
- Puratos Ethical Portal: https://puratos.whistleblowernetwork.net